

Nedbank Limited

# 2024 CDP Corporate Questionnaire 2024

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

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## C1. Introduction

### (1.1) In which language are you submitting your response?

Select from:

☒ English

### (1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ ZAR

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.1) Type of financial institution

Select from:

☒ Bank

#### (1.3.2) Organization type

Select from:

☒ Publicly traded organization

#### (1.3.3) Description of organization

Nedbank Group is incorporated in the Republic of South Africa and our registration number is 1966/010630/06. Our ordinary shares have been listed on JSE Limited (the JSE) since 1969 under the share code: NED, on the Namibian Stock Exchange since 2007 under the share code: NBK as well as on A2X markets (A2X) since 2022 under the share code: NED. Our ISIN is ZAE000004875. We offer the following solutions through our frontline clusters, Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, Nedbank Wealth and Nedbank Africa Regions: Nedbank Group, with assets of more than R1,3tn, is one of the largest financial services groups in Africa, offering wholesale and retail banking as well as insurance, asset management and wealth management services and solutions to more than 7,3 million active clients. The group's ordinary shares have been listed on the JSE since 1969. In South Africa (SA), Nedbank has a strong franchise that contributes 90% of the group's R1,3tn in assets and 80% of the group's R15,7bn headline earnings (HE). Additionally, the group operates in 5 countries in the Southern African Development Community (SADC) through subsidiaries and banks in Lesotho, Mozambique, Namibia, Eswatini and Zimbabwe. In central and



west Africa we have a strategic alliance with Ecobank Transnational Incorporated (ETI) and a representative office in Kenya. Outside Africa we have a presence in key global financial centres to provide international financial services for Africa-based multinational and high-net-worth clients in the Isle of Man, Jersey, and London, and have a representative office in Dubai.

[Fixed row]

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(1.4.1) What is your organization's annual revenue for the reporting period?**

69179000000

**(1.5) Provide details on your reporting boundary.**

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

**ISIN code - bond**

**(1.6.1) Does your organization use this unique identifier?**

*Select from:*

☒ Yes

**(1.6.2) Provide your unique identifier**

ZAE000004875

**ISIN code - equity**

**(1.6.1) Does your organization use this unique identifier?**

*Select from:*

☒ No

**CUSIP number**

**(1.6.1) Does your organization use this unique identifier?**

*Select from:*

☒ No

**Ticker symbol**

**(1.6.1) Does your organization use this unique identifier?**

*Select from:*

☒ No

## SEDOL code

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

## LEI number

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

213800ZBWY3BU3UUMA42

## D-U-N-S number

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

## Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

JSE Share Code: NED

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

NSX Share code: NBK

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

A2X Share code: NED

[Add row]

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

Select all that apply

- ☒ Kenya
- ☒ Jersey
- ☒ Lesotho
- ☒ Namibia
- ☒ Eswatini
- ☒ Guernsey
- ☒ Zimbabwe
- ☒ Mozambique
- ☒ Isle of Man
- ☒ South Africa

- ☒ United Arab Emirates
- ☒ United Kingdom of Great Britain and Northern Ireland

**(1.9) What was the size of your organization based on total assets value at the end of the reporting period?**

1759875000000

**(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**

**Banking (Bank)**

**(1.10.1) Activity undertaken**

Select from:

- ☒ Yes

**(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio**

Select from:

- ☒ Yes, both the portfolio value and the % of revenue associated with it

**(1.10.4) Portfolio value based on total assets**

1284448886120

**(1.10.5) % of revenue**

73

**(1.10.6) Type of clients**

Select all that apply

- ☒ Asset owners
- ☒ Corporate and institutional clients (companies)

- ☒ Retail clients
- ☒ Institutional investors
- ☒ Business and private clients (banking)
- ☒ Family offices / high network individuals

- ☒ Government / sovereign / quasi-government / sovereign wealth funds

### (1.10.7) Industry sectors your organization lends to, invests in, and/or insures

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Retail                       | <input checked="" type="checkbox"/> Manufacturing           |
| <input checked="" type="checkbox"/> Services                     | <input checked="" type="checkbox"/> Infrastructure          |
| <input checked="" type="checkbox"/> Materials                    | <input checked="" type="checkbox"/> Power generation        |
| <input checked="" type="checkbox"/> Hospitality                  | <input checked="" type="checkbox"/> International bodies    |
| <input checked="" type="checkbox"/> Fossil Fuels                 | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Food, beverage & agriculture |   |

### Investing (Asset manager)

#### (1.10.1) Activity undertaken

*Select from:*

- ☒ Yes

#### (1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

*Select from:*

- ☒ Yes, both the portfolio value and the % of revenue associated with it

#### (1.10.4) Portfolio value based on total assets

448467000000

#### (1.10.5) % of revenue

### (1.10.6) Type of clients

*Select all that apply*

- ☒ Asset owners
- ☒ Government / sovereign / quasi-government / sovereign wealth funds
- ☒ Institutional investors

### (1.10.7) Industry sectors your organization lends to, invests in, and/or insures

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Retail                       | <input checked="" type="checkbox"/> Manufacturing           |
| <input checked="" type="checkbox"/> Services                     | <input checked="" type="checkbox"/> Infrastructure          |
| <input checked="" type="checkbox"/> Materials                    | <input checked="" type="checkbox"/> Power generation        |
| <input checked="" type="checkbox"/> Hospitality                  | <input checked="" type="checkbox"/> International bodies    |
| <input checked="" type="checkbox"/> Fossil Fuels                 | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Food, beverage & agriculture |   |

### Investing (Asset owner)

#### (1.10.1) Activity undertaken

*Select from:*

- ☒ No

### Insurance underwriting (Insurance company)

#### (1.10.1) Activity undertaken

*Select from:*

- ☒ Yes

### (1.10.2) Insurance types underwritten

*Select all that apply*

- ☒ General (non-life)
- ☒ Life and/or Health

### (1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

*Select from:*

- ☒ Yes, both the portfolio value and the % of revenue associated with it

### (1.10.4) Portfolio value based on total assets

26959113880

### (1.10.5) % of revenue

2

### (1.10.6) Type of clients

*Select all that apply*

- ☒ Family offices / high network individuals
- ☒ Retail clients
- ☒ Corporate and institutional clients (companies)
- ☒ Business and private clients (banking)

### (1.10.7) Industry sectors your organization lends to, invests in, and/or insures

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail      | <input checked="" type="checkbox"/> Manufacturing        |
| <input checked="" type="checkbox"/> Services    | <input checked="" type="checkbox"/> Infrastructure       |
| <input checked="" type="checkbox"/> Materials   | <input checked="" type="checkbox"/> Power generation     |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> International bodies |



☒ Fossil Fuels

☒ Food, beverage & agriculture

[Fixed row]

☒ Transportation services

## **(1.24) Has your organization mapped its value chain?**

### **(1.24.1) Value chain mapped**

*Select from:*

☒ Yes, we have mapped or are currently in the process of mapping our value chain

### **(1.24.2) Value chain stages covered in mapping**

*Select all that apply*

☒ Upstream value chain

☒ Portfolio

### **(1.24.3) Highest supplier tier mapped**

*Select from:*

☒ Tier 2 suppliers

### **(1.24.4) Highest supplier tier known but not mapped**

*Select from:*

☒ Tier 4+ suppliers

### **(1.24.5) Portfolios covered in mapping**

*Select all that apply*

☒ Banking (Bank)

☒ Investing (Asset manager)

☒ Insurance underwriting (Insurance company)

## (1.24.7) Description of mapping process and coverage

Nedbank Group's mission is to leverage our financial expertise to benefit individuals, families, businesses, and society. Integral to this mission are the environmental, social, and governance (ESG) principles that we have embedded into our procurement practices, processes, and supply chains. We are committed to compliance and governance in our procurement practices. Our systems, policies, and processes are designed with this commitment in mind. Suppliers undergo rigorous assessment during tender processes or onboarding. To ensure consistency, we classify suppliers as high, medium, or low risk using our Supply Chain Risk Framework. Based on this classification, we conduct the appropriate due diligence. Suppliers are contracted and onboarded if no issues are found. If issues arise, we have a framework to address them and decide whether to proceed with the relationship. This framework involves the Category Advisory Board, Supplier High-risk Committee (SHRC), Group Reputational Risk Committee (GRRC), and the Directors Affairs Committee (DAC) for significant or high-impact relationships. After onboarding, we implement ongoing monitoring, including UN sanctions checks, media scanning, and performance management. We monitor 12,902 suppliers, with 11,206 (87%) being monitored daily. The remaining suppliers, including those from Nedbank Africa (NAR), are being added to our monitoring systems. This process is expected to be completed by the end of June 2024. Nedbank has also established a Supplier Relationship Management programme, initially including just over 50 strategic and/or critical suppliers. ESG elements are central to this programme, which aims to enhance performance and innovation. These suppliers represent about 20% of our procurement spend. We plan to expand the programme to include more strategic suppliers, increasing the spend under the programme to approximately 60%. In FY23, we engaged with 1,982 EMEs and 722 QSEs, spending R1.29bn (10.80%) and R2.10bn (13.00%) respectively. This brings our total expenditure with SMEs (2,704 in total) to R3.4bn, accounting for 23.80% of our total managed procurement spend (TMPS). For further details, refer to page 94 of our 2023 Society Report [Fixed row]

## (1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

### (1.24.1.1) Plastics mapping

Select from:

☒ No, but we plan to within the next two years

### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Plastics are deemed insignificant to Nedbank's operations. One of our strategic drivers is Digital Leadership, aiming to enhance the digital experience (DX) for our clients and employees by leveraging and commercializing our IT foundations and recent investments. This initiative includes reducing the use of plastic in the cards

*we issue. With the rise of digital banking, most transactions are conducted online or through mobile apps, reducing the need for physical cards and plastic materials. In the future, plastics will be considered in our biodiversity impact assessment, guided by our Nature Position statement.*

*[Fixed row]*

## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

**(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?**

### Short-term

**(2.1.1) From (years)**

1

**(2.1.3) To (years)**

5

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*This Time horizon provides insights for immediate decision making, relevant for the short-term exposure, which are a significant portion of the portfolio. Refer to page 52 of our 2023 Climate Report*

### Medium-term

**(2.1.1) From (years)**

6

**(2.1.3) To (years)**

10

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*This time horizon provides medium-term insights relevant for managerial consideration, and often used as the reference year for intermediate target. Refer to page 52 of our 2023 Climate Report*

## Long-term

### (2.1.1) From (years)

11

### (2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

### (2.1.3) To (years)

20

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*For risk assessment purposes, we consider time horizons far enough into the future to have tangible effects of climate change and close enough to generate relevant impacts. This time horizon is in line with long-term bank exposures (typically 15-20 years) and often used as time horizon by standards and regulators (eg in net zero commitments).*

*[Fixed row]*

## (2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

### (2.2.1) Process in place

Select from:

☒ Yes

### (2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☒ Impacts only

#### (2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☒ No standardized procedure

#### (2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

*Nedbank, as a responsible financial institution, has a comprehensive understanding of the impacts it generates. This awareness is supported by well-established policies, robust systems, and monitoring tools that facilitate impact management. However, despite this foundation, the assessment of dependencies has been hindered by critical factors. Firstly, the lack of key resources with expertise in this field has posed a significant challenge. Secondly, the absence of scientific guidance on the assessment process and subject matter has further complicated matters. Nevertheless, recent developments, such as the launch of the Task Force on Nature-related Financial Disclosures (TNFD), hold promise. Over the next two years, Nedbank anticipates gaining a clearer understanding of its dependencies through these advancements. Our formal environmental policy underscores our commitment to environmental protection and conservation. We recognize environmental management as a critical aspect of corporate performance and sustainable development. Beyond financing projects, we actively collaborate with like-minded clients and organizations to fund biodiversity protection and promote sustainable practices. Our approach involves identifying, measuring, and valuing biodiversity dependencies and impacts, assisting clients in developing and implementing biodiversity strategies, and transparently disclosing biodiversity protection risks and performance*

[Fixed row]

#### (2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Row 1**

**(2.2.2.1) Environmental issue**

*Select all that apply*

☒ Climate change

**(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue**

*Select all that apply*

☒ Impacts

☒ Risks

☒ Opportunities

**(2.2.2.3) Value chain stages covered**

*Select all that apply*

☒ Direct operations

**(2.2.2.4) Coverage**

*Select from:*

☒ Full

**(2.2.2.7) Type of assessment**

*Select from:*

☒ Qualitative and quantitative

**(2.2.2.8) Frequency of assessment**

*Select from:*

- ☒ Annually

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- ☒ Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

#### (2.2.2.12) Tools and methods used

##### **Enterprise Risk Management**

- ☒ Enterprise Risk Management
- ☒ Risk models
- ☒ Stress tests

##### **International methodologies and standards**

- ☒ IPCC Climate Change Projections



## Other

- ☒ External consultants
- ☒ Internal company methods
- ☒ Materiality assessment
- ☒ Partner and stakeholder consultation/analysis
- ☒ Scenario analysis

### (2.2.2.13) Risk types and criteria considered

#### Acute physical

- ☒ Drought
- ☒ Wildfires
- ☒ Heat waves
- ☒ Cold wave/frost
- ☒ Cyclones, hurricanes, typhoons
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Storm (including blizzards, dust, and sandstorms)

#### Chronic physical

- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Precipitation or hydrological variability
- ☒ Sea level rise

### (2.2.2.14) Partners and stakeholders considered

*Select all that apply*

- ☒ NGOs
- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators

#### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

#### (2.2.2.16) Further details of process

*As we navigate the dynamic landscape of climate risks, Nedbank remains steadfast in its commitment to proactive and transparent risk management practices. Our risk management approach reflects our dedication to fostering sustainable financial resilience while contributing to a global movement towards a low-carbon, climate-resilient future. The Nedbank CRMF provides an overarching structure which supports the climate risk management process. The CRMF outlines the risk management principles and objectives that enable the group to identify, assess, manage, monitor, and report on climate-related risks. This enables more effective decision-making at the strategic, tactical, and operational levels of the group. Collaboration is a cornerstone of our risk management approach, as we actively work towards building a resilient financial ecosystem that addresses climate challenges collectively. The CRMF applies to all geographic regions across the group, including its subsidiaries, as well as to the selection of clients, investments, transactions, and 3rd-party vendors and suppliers. Nedbank is committed to the continuous evolution of our CRMF by benchmarking our practices against internationally recognised thought-leading organisations, such as the International Energy Association (IEA), Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS), and the Basel Committee on Banking Supervision (BCBS). The bank's ongoing climate risk management process continues to encompass the identification of climate-related risks, the measurement and assessment of exposures to those risks (where possible), continuous monitoring of exposures and corresponding capital needs, implementation of control or mitigation measures, and regular reporting to senior management and the board on the bank's climate-related risk exposures and capital positions. We have identified the fundamental building blocks to ensure our management of climate risk is science-based, robust and reliable. During 2023 the group concluded its 1st Climate Risk Materiality Assessment (CRMA), which is a significant leap forward in improving the quality and reliability of our climate risk process for both physical and transition risks. Climate change is identified as a risk driver which influences Nedbank's exposure to various sectors and regions susceptible to the consequences of the increase in global temperature due to anthropogenic activity over the course of the last century. Climate-related risks can manifest in financial and non-financial risks for the bank, such as credit risk, market risk, operational risk, and reputational risk (see figure 6). Climate risks can be categorised as 1 of 3 risk types, namely physical risk, transition risk and liability risk. Physical risk refers to the direct and indirect effects of climate change, such as extreme weather events, natural disasters, water scarcity and health issues, on Nedbank's assets, operations and clients. Transition risk refers to the potential losses or opportunities, such as changes in regulation, technology, consumer preferences, and market conditions arising from the shift to a low-carbon economy. Liability risk, which refers to the potential financial and legal consequences that may arise from the failure to adequately address and mitigate the impacts of climate change, may arise from both physical and transition risks.*

[Add row]

**(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?**

**Banking (Bank)**

#### (2.2.4.1) Process in place covering this portfolio

Select from:

☒ Yes

#### (2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:

☒ Impacts only

#### (2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

#### (2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

*Nedbank processes in Identifying, assessing, and managing environmental dependencies and/or impacts, including managing environmental risks and/or opportunities is implemented at group level which is why there are no specific processes per portfolio. As indicated in section 2.2 the assessment of dependencies has been hindered by critical factors. Firstly, the lack of key resources with expertise in this field has posed a significant challenge. Secondly, the absence of scientific guidance on the assessment process and subject matter has further complicated matters. Over the next two years, Nedbank anticipates gaining a clearer understanding of its dependencies.*

### Investing (Asset manager)

#### (2.2.4.1) Process in place covering this portfolio

Select from:

☒ Yes

#### (2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:

☒ Impacts only

### (2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

*Nedbank processes in Identifying, assessing, and managing environmental dependencies and/or impacts, including managing environmental risks and/or opportunities is implemented at group level which is why there are no specific processes per portfolio. As indicated in section 2.2 the assessment of dependencies has been hindered by critical factors. Firstly, the lack of key resources with expertise in this field has posed a significant challenge. Secondly, the absence of scientific guidance on the assessment process and subject matter has further complicated matters. Over the next two years, Nedbank anticipates gaining a clearer understanding of its dependencies.*

## Insurance underwriting (Insurance company)

### (2.2.4.1) Process in place covering this portfolio

Select from:

☒ Yes

### (2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:

☒ Impacts only

### (2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

Nedbank processes in Identifying, assessing, and managing environmental dependencies and/or impacts, including managing environmental risks and/or opportunities is implemented at group level which is why there are no specific processes per portfolio. As indicated in section 2.2 the assessment of dependencies has been hindered by critical factors. Firstly, the lack of key resources with expertise in this field has posed a significant challenge. Secondly, the absence of scientific guidance on the assessment process and subject matter has further complicated matters. Over the next two years, Nedbank anticipates gaining a clearer understanding of its dependencies.

[Fixed row]

### (2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset manager)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes
Insurance underwriting (Insurance company)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

#### Banking (Bank)

##### (2.2.6.1) Environmental issue

Select all that apply

- ☒ Climate change

#### (2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

*Select all that apply*

- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

#### (2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

#### (2.2.6.4) Type of assessment

*Select from:*

- ☒ Qualitative and quantitative

#### (2.2.6.5) Industry sectors covered by the assessment

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail        | <input checked="" type="checkbox"/> Infrastructure               |
| <input checked="" type="checkbox"/> Services      | <input checked="" type="checkbox"/> Power generation             |
| <input checked="" type="checkbox"/> Materials     | <input checked="" type="checkbox"/> Food, beverage & agriculture |
| <input checked="" type="checkbox"/> Fossil Fuels  |  |
| <input checked="" type="checkbox"/> Manufacturing |  |

#### (2.2.6.6) Frequency of assessment

*Select from:*

- ☒ More than once a year

#### (2.2.6.7) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.6.8) Integration of risk management process

*Select from:*

- ☒ Integrated into multi-disciplinary organization-wide risk assessment process

#### (2.2.6.9) Location-specificity used

*Select all that apply*

- ☒ Site-specific
- ☒ National

#### (2.2.6.10) Tools and methods used

*Select all that apply*

- ☒ Risk models
- ☒ Stress tests

**guidance from the NGFS2 and the United Nations IPCC,**

- ☒ Scenario analysis
- ☒ Internal tools/methods
- ☒ CDP Disclosure Framework

- ☒ 2DII Paris Agreement Capital

- ☒ Other, please specify :**The risk assessment was developed following scenario**

#### (2.2.6.11) Risk type and criteria considered

**Acute physical**

- ☒ Drought
- ☒ Wildfires
- ☒ Heat waves

**Drought • Flooding • Hail • Lightning**

- ☒ Flood (coastal, fluvial, pluvial, ground water)

- ☒ Storm (including blizzards, dust, and sandstorms)

- ☒ Other acute physical risk, please specify :**Wildfire • Storm • Cold • Heat • Winds •**

- ☒ Cold wave/frost
- ☒ Heavy precipitation (rain, hail, snow/ice)

#### **Chronic physical**

- ☒ Heat stress
- ☒ Sea level rise

#### **Policy**

- ☒ Changes to national legislation

#### **Market**

- ☒ Availability and/or increased cost of raw materials

#### **Technology**

- ☒ Transition to lower emissions technology and products

#### **Liability**

- ☒ Regulation and supervision of environmental risk in the financial sector

### **(2.2.6.12) Partners and stakeholders considered**

*Select all that apply*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> NGOs      | <input checked="" type="checkbox"/> Regulators        |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees |   |
| <input checked="" type="checkbox"/> Investors |   |
| <input checked="" type="checkbox"/> Suppliers |   |

### **(2.2.6.13) Further details of process**

*Nedbank acknowledges that climate change presents significant challenges and uncertainties for the financial sector, its clients, and stakeholders. The group employs both qualitative and quantitative methods to evaluate climate risk. To enhance its quantitative understanding and management of climate-related risks, Nedbank conducted a Climate Risk Management Assessment (CRMA) in 2023, addressing both physical and transition risks across its lending portfolio. This*



thorough exercise aimed to quantify and assess the potential impact of climate change on Nedbank's lending portfolio under various climate scenarios and timeframes. The CRMA provides a scientific foundation for identifying and assessing climate risks within Nedbank's operational context, thereby improving its risk management capabilities. The risk assessment was developed using scenario guidance from the Network for Greening the Financial System (NGFS) and the United Nations Intergovernmental Panel on Climate Change (IPCC), incorporating best practices, methodologies, and expertise from leading climate risk specialists. By adopting the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, Nedbank can effectively measure, disclose, and evaluate its financial exposure to climate risks. This process allows the bank to monitor and manage its operational, lending, and investment impacts, making informed decisions based on emerging climate risk standards, guidelines, and principles. The benefits of this process include increased transparency and accountability, enabling Nedbank to effectively communicate its climate-related performance to stakeholders. It also enhances risk identification and management, ensuring proactive measures to mitigate climate risks and seize opportunities. Nedbank determined 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 considers both systemic and sector-specific risks by evaluating the broader financial risks associated with climate change, as well as risks specific to sectors affected by climate-related factors. By addressing these aspects, Nedbank can comprehensively assess and manage climate-related risks and opportunities across its portfolio, ensuring a more holistic and proactive approach to risk management.

## Investing (Asset manager)

### (2.2.6.1) Environmental issue

Select all that apply

☒ Climate change

### (2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☒ Impacts

☒ Risks

☒ Opportunities

### (2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

### (2.2.6.4) Type of assessment

Select from:

☒ Qualitative and quantitative

#### (2.2.6.5) Industry sectors covered by the assessment

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail        | <input checked="" type="checkbox"/> Infrastructure               |
| <input checked="" type="checkbox"/> Services      | <input checked="" type="checkbox"/> Power generation             |
| <input checked="" type="checkbox"/> Materials     | <input checked="" type="checkbox"/> Food, beverage & agriculture |
| <input checked="" type="checkbox"/> Fossil Fuels  |  |
| <input checked="" type="checkbox"/> Manufacturing |  |

#### (2.2.6.6) Frequency of assessment

*Select from:*

- ☒ More than once a year

#### (2.2.6.7) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.6.8) Integration of risk management process

*Select from:*

- ☒ Integrated into multi-disciplinary organization-wide risk assessment process

#### (2.2.6.9) Location-specificity used

*Select all that apply*

- ☒ Site-specific
- ☒ National

#### (2.2.6.10) Tools and methods used

*Select all that apply*

☒ Risk models

☒ Stress tests

☒ Scenario analysis

**guidance from the NGFS2 and the United Nations IPCC,**

☒ Investor Water Toolkit

☒ 2 Degrees of Separation

☒ CDP Disclosure Framework

☒ 2DII Paris Agreement Capital

☒ Other, please specify :**The risk assessment was developed following scenario**

## (2.2.6.11) Risk type and criteria considered

### Acute physical

☒ Drought

☒ Wildfires

☒ Heat waves

**Drought • Flooding • Hail • Lightning**

☒ Cold wave/frost

☒ Heavy precipitation (rain, hail, snow/ice)

☒ Flood (coastal, fluvial, pluvial, ground water)

☒ Storm (including blizzards, dust, and sandstorms)

☒ Other acute physical risk, please specify :**Wildfire • Storm • Cold • Heat • Winds •**

### Chronic physical

☒ Heat stress

☒ Sea level rise

☒ Other chronic physical driver, please specify :• Precipitation • Cold • Heat • Drought • Sea-level rise

### Policy

☒ Changes to national legislation

☒ Other policy, please specify :• Scope 1 and 2 carbon tax • Scope 3 carbon tax

### Market

☒ Availability and/or increased cost of raw materials

### Technology

☒ Transition to lower emissions technology and products

## Liability

- ☒ Regulation and supervision of environmental risk in the financial sector

### (2.2.6.12) Partners and stakeholders considered

Select all that apply

- ☒ NGOs
- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators
- ☒ Local communities

### (2.2.6.13) Further details of process

*The bank's climate risk management process is ongoing and includes identifying climate-related risks, measuring and assessing exposures to these risks (where possible), continuously monitoring exposures and related capital needs, implementing control or mitigation measures, and regularly reporting to senior management and the board on the bank's climate-related risk exposures and capital positions. The Climate Risk Management Framework (CRMF), which incorporates the Three Lines of Defence (3LoD) Model, outlines principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks throughout the organization. This framework is applied across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers. Nedbank continues to evaluate and aims to quantify significant climate-related financial risks. Over relevant time horizons, these risks are integrated into the internal capital and liquidity adequacy assessment processes, including stress testing programs.*

## Insurance underwriting (Insurance company)

### (2.2.6.1) Environmental issue

Select all that apply

- ☒ Climate change

### (2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- ☒ Impacts
- ☒ Risks

- ☒ Opportunities

#### (2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

#### (2.2.6.4) Type of assessment

Select from:

- ☒ Qualitative and quantitative

#### (2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Retail       | <input checked="" type="checkbox"/> Manufacturing                |
| <input checked="" type="checkbox"/> Services     | <input checked="" type="checkbox"/> Infrastructure               |
| <input checked="" type="checkbox"/> Materials    | <input checked="" type="checkbox"/> Power generation             |
| <input checked="" type="checkbox"/> Hospitality  | <input checked="" type="checkbox"/> International bodies         |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Food, beverage & agriculture |

#### (2.2.6.6) Frequency of assessment

Select from:

- ☒ More than once a year

#### (2.2.6.7) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.6.8) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk assessment process

### (2.2.6.9) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ National

### (2.2.6.10) Tools and methods used

Select all that apply

- ☒ Risk models
- ☒ Stress tests
- ☒ Scenario analysis
- ☒ Internal tools/methods
- ☒ CDP Disclosure Framework
- ☒ 2DII Paris Agreement Capital
- ☒ Other, please specify :**The risk assessment was developed following scenario guidance from the NGFS2 and the United Nations IPCC,**

### (2.2.6.11) Risk type and criteria considered

#### Acute physical

- ☒ Drought
- ☒ Wildfires
- ☒ Heat waves
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Storm (including blizzards, dust, and sandstorms)
- ☒ Other acute physical risk, please specify :**Wildfire • Storm • Cold • Heat • Winds •**

#### Drought • Flooding • Hail • Lightning

- ☒ Cold wave/frost
- ☒ Heavy precipitation (rain, hail, snow/ice)

#### Chronic physical

- ☒ Heat stress
- ☒ Sea level rise
- ☒ Other chronic physical driver, please specify :Chronic hazards • Precipitation • Cold • Heat • Drought • Sea-level rise

## Policy

- ☒ Changes to national legislation

## Market

- ☒ Availability and/or increased cost of raw materials

## Technology

- ☒ Transition to lower emissions technology and products

## Liability

- ☒ Regulation and supervision of environmental risk in the financial sector

### (2.2.6.12) Partners and stakeholders considered

Select all that apply

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> NGOs      | <input checked="" type="checkbox"/> Regulators        |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees |   |
| <input checked="" type="checkbox"/> Investors |   |
| <input checked="" type="checkbox"/> Suppliers |   |

### (2.2.6.13) Further details of process

*The bank's climate risk management process is ongoing and includes identifying climate-related risks, measuring and assessing exposures to these risks (where possible), continuously monitoring exposures and related capital needs, implementing control or mitigation measures, and regularly reporting to senior management and the board on the bank's climate-related risk exposures and capital positions. The Climate Risk Management Framework (CRMF), which incorporates the Three Lines of Defence (3LoD) Model, outlines principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks throughout the organization. This framework is applied across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers. Nedbank continues to evaluate and aims to quantify significant climate-related financial risks. Over relevant time horizons, these risks are integrated into the internal capital and liquidity adequacy assessment processes, including stress testing programs.*

[Add row]

## **(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?**

### **(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed**

Select from:

☒ No

### **(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities**

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### **(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities**

*The relationship between nature and climate change is receiving increasing attention from all stakeholders. The 2023 Climate report introduces our first public disclosure, in the form of our Nature Position Statement, concerning our understanding of the vital role of nature in ensuring a sustainable society, and the ways in which we can support the Global Biodiversity Framework's objectives. Our involvement in the TNFD pilot and our inaugural Nature Position Statement lay the groundwork for addressing the risks and opportunities related to nature. Consequently, we are currently in the initial phases of comprehending not only our dependencies but also the interrelationships among environmental dependencies, assessed impacts, risks, and potential opportunities. The scarcity of internal resources and expertise significantly contributes to our decision not to proceed with this process.*

*[Fixed row]*

## **(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?**



	We consider environmental information
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset manager)	Select from: <input checked="" type="checkbox"/> Yes
Insurance underwriting (Insurance company)	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.**

### Banking (Bank)

#### (2.2.9.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

#### (2.2.9.2) Type of environmental information considered

Select all that apply

- ☒ Emissions data
- ☒ TCFD disclosures
- ☒ Water discharge treatment data
- ☒ Scope and content of water policy

- ☒ Energy usage data
- ☒ Climate transition plans
- ☒ Emissions reduction targets
- ☒ Impingements on the human right to water in communities
- ☒ Engagement with their value chain on environmental issues
- ☒ Commitment to eliminate deforestation and conversion of other natural ecosystems
- ☒ Scope and content of forests policy
- ☒ Breaches to local water regulations
- ☒ Water withdrawal and/or consumption volumes

#### (2.2.9.3) Process through which information is obtained

*Select all that apply*

- ☒ Directly from the client/investee
- ☒ From an intermediary or business partner
- ☒ Data provider
- ☒ Public data sources

#### (2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

*Select all that apply*

- ☒ Retail
- ☒ Apparel
- ☒ Services
- ☒ Materials
- ☒ Hospitality
- ☒ Transportation services
- ☒ Food, beverage & agriculture
- ☒ Biotech, health care & pharma
- ☒ Fossil Fuels
- ☒ Manufacturing
- ☒ Infrastructure
- ☒ Power generation
- ☒ International bodies

#### (2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

100

#### (2.2.9.6) Total portfolio value covered by the process

## Investing (Asset manager)

### (2.2.9.1) Environmental issues covered

*Select all that apply*

- ☒ Climate change
- ☒ Forests
- ☒ Water

### (2.2.9.2) Type of environmental information considered

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Emissions data   | <input checked="" type="checkbox"/> Water discharge treatment data                          |
| <input checked="" type="checkbox"/> TCFD disclosures   | <input checked="" type="checkbox"/> Scope and content of water policy                       |
| <input checked="" type="checkbox"/> Energy usage data  | <input checked="" type="checkbox"/> Scope and content of forests policy                     |
| <input checked="" type="checkbox"/> Climate transition plans   | <input checked="" type="checkbox"/> Breaches to local water regulations                     |
| <input checked="" type="checkbox"/> Emissions reduction targets  | <input checked="" type="checkbox"/> Impingements on the human right to water in communities |
| <input checked="" type="checkbox"/> Engagement with their value chain on environmental issues                        |   |
| <input checked="" type="checkbox"/> Commitment to eliminate deforestation and conversion of other natural ecosystems |   |

### (2.2.9.3) Process through which information is obtained

*Select all that apply*

- ☒ Directly from the client/investee
- ☒ From an intermediary or business partner
- ☒ Data provider
- ☒ Public data sources

### (2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

*Select all that apply*

- ☒ Retail
- ☒ Apparel
- ☒ Services
- ☒ Materials
- ☒ Hospitality
- ☒ Transportation services
- ☒ Food, beverage & agriculture
- ☒ Biotech, health care & pharma

- ☒ Fossil Fuels
- ☒ Manufacturing
- ☒ Infrastructure
- ☒ Power generation
- ☒ International bodies

#### (2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

100

#### (2.2.9.6) Total portfolio value covered by the process

448467000000

### Insurance underwriting (Insurance company)

#### (2.2.9.1) Environmental issues covered

*Select all that apply*

- ☒ Climate change
- ☒ Forests
- ☒ Water

#### (2.2.9.2) Type of environmental information considered

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Emissions data           | <input checked="" type="checkbox"/> Water discharge treatment data      |
| <input checked="" type="checkbox"/> TCFD disclosures         | <input checked="" type="checkbox"/> Scope and content of water policy   |
| <input checked="" type="checkbox"/> Energy usage data        | <input checked="" type="checkbox"/> Scope and content of forests policy |
| <input checked="" type="checkbox"/> Climate transition plans | <input checked="" type="checkbox"/> Breaches to local water regulations |

- ☒ Emissions reduction targets
- ☒ Impingements on the human right to water in communities
- ☒ Engagement with their value chain on environmental issues
- ☒ Commitment to eliminate deforestation and conversion of other natural ecosystems
- ☒ Proportion of commodity volumes in compliance with no deforestation and conversion
- ☒ Water withdrawn from water stressed areas

### (2.2.9.3) Process through which information is obtained

*Select all that apply*

- ☒ Directly from the client/investee
- ☒ From an intermediary or business partner
- ☒ Data provider
- ☒ Public data sources

### (2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail                        | <input checked="" type="checkbox"/> Fossil Fuels         |
| <input checked="" type="checkbox"/> Apparel                       | <input checked="" type="checkbox"/> Manufacturing        |
| <input checked="" type="checkbox"/> Services                      | <input checked="" type="checkbox"/> Infrastructure       |
| <input checked="" type="checkbox"/> Materials                     | <input checked="" type="checkbox"/> Power generation     |
| <input checked="" type="checkbox"/> Hospitality                   | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services       |  |
| <input checked="" type="checkbox"/> Food, beverage & agriculture  |  |
| <input checked="" type="checkbox"/> Biotech, health care & pharma |  |

### (2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

100

### (2.2.9.6) Total portfolio value covered by the process

81609000000

[Add row]

## (2.4) How does your organization define substantive effects on your organization?

### Risks

#### (2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Other, please specify :Exposure to scenarios that exceed the goals set by the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

#### (2.4.3) Change to indicator

Select from:

- ☒ % decrease

#### (2.4.4) % change to indicator

Select from:

- ☒ 1-10

#### (2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs

- ☒ Likelihood of effect occurring
- ☒ Other, please specify :Impact of Effect

## (2.4.7) Application of definition

*Nedbank's substantive effects are outlined through our definition of material malfunction as per the Key Issues Control Log Policy. According to the board's definition within the scope of the Banks Act, a material malfunction is determined by a judgemental threshold set by the directors, considering both qualitative and quantitative aspects. This includes any breakdown in internal controls, procedures, or systems that exposes the group/bank to net losses (including regulatory sanctions) exceeding 1% of the group/bank's qualifying capital and reserves, either individually or in aggregate, over a financial year. It also includes any malfunction that affects the accuracy of information or classification in the Annual Financial Statements or other statutory returns by more than 1% of the group/bank's qualifying capital. Additionally, substantive effects are described in our Climate Risk Management Framework (CRMF), which defines materiality as information that, if omitted or misstated, could reasonably be expected to influence decisions made by primary users based on the information provided about a specific reporting entity. Material data is information that would have led decision-makers to make a different judgement if it had been omitted. Our Key Issues Log Policy supplements the CRMF. This policy outlines the principles and practices for escalating and overseeing critical risks and key issues. Given the potential serious impact of these risks and issues on the group, risk reporting is essential to foster a culture of prevention and ensure transparency regarding risk throughout the group. This policy applies across the entire group and covers risks identified in the group's risk taxonomy or risk universe, as well as any emerging risks.*

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

### (2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Other, please specify :Exposure to scenarios that exceed the goals set by the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

### (2.4.3) Change to indicator

Select from:

- ☒ % decrease

## (2.4.4) % change to indicator

Select from:

☒ 1-10

## (2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring
- ☒ Other, please specify :Impact of Effect

## (2.4.7) Application of definition

*Nedbank's substantive effects are outlined through our definition of material malfunction as per the Key Issues Control Log Policy. According to the board's definition within the scope of the Banks Act, a material malfunction is determined by a judgemental threshold set by the directors, considering both qualitative and quantitative aspects. This includes any breakdown in internal controls, procedures, or systems that exposes the group/bank to net losses (including regulatory sanctions) exceeding 1% of the group/bank's qualifying capital and reserves, either individually or in aggregate, over a financial year. It also includes any malfunction that affects the accuracy of information or classification in the Annual Financial Statements or other statutory returns by more than 1% of the group/bank's qualifying capital. Additionally, substantive effects are described in our Climate Risk Management Framework (CRMF), which defines materiality as information that, if omitted or misstated, could reasonably be expected to influence decisions made by primary users based on the information provided about a specific reporting entity. Material data is information that would have led decision-makers to make a different judgement if it had been omitted. Our Key Issues Log Policy supplements the CRMF. This policy outlines the principles and practices for escalating and overseeing critical risks and key issues. Given the potential serious impact of these risks and issues on the group, risk reporting is essential to foster a culture of prevention and ensure transparency regarding risk throughout the group. This policy applies across the entire group and covers risks identified in the group's risk taxonomy or risk universe, as well as any emerging risks.*

[Add row]



### C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### Climate change

##### (3.1.1) Environmental risks identified

Select from:

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

#### Forests

##### (3.1.1) Environmental risks identified

Select from:

☒ No

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Not an immediate strategic priority

##### (3.1.3) Please explain

*Nedbank has not particularly considered forests as a standalone environmental risk due to several factors. Firstly, the bank has very limited exposure to clients or assets purely related to forests. Forest-related issues are viewed as a subset of broader climate change considerations, which are currently being embedded into Nedbank's overall risk management framework. Additionally, there are no significant indigenous forests in South Africa, reducing the direct impact of forest-related risks on the bank's operations. Furthermore, Nedbank's environmental policy emphasizes a comprehensive approach to managing social and environmental risks,*

*focusing on areas with more immediate and significant impacts. This integrated approach ensures that all environmental risks, including those related to forests, are addressed within the context of climate change and other broader environmental considerations.*

## Water

### (3.1.1) Environmental risks identified

Select from:

☒ No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*Nedbank has not particularly considered water as a standalone environmental risk due to several factors. Firstly, the bank has very limited exposure to clients or assets purely related to water. Water-related issues are viewed as a subset of broader climate change considerations, which are currently being embedded into Nedbank's overall risk management framework. Additionally, water is a significant driver in nature loss and will be embedded and considered in the Nature Risk Assessment that Nedbank is currently developing. Work is underway to enable a better understanding of associated water impacts across all portfolios, as currently, water monitoring and targets are related to Nedbank's own operations. Furthermore, Nedbank's environmental policy emphasizes a comprehensive approach to managing social and environmental risks, focusing on areas with more immediate and significant impacts. This integrated approach ensures that all environmental risks, including those related to water, are addressed within the context of climate change and other broader environmental considerations.*

## Plastics

### (3.1.1) Environmental risks identified

Select from:

☒ No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Not an immediate strategic priority

### (3.1.3) Please explain

*Nedbank has not particularly considered plastics as a significant environmental risk primarily because its direct impact from plastic usage is relatively low. As a financial services institution, Nedbank's operations do not heavily rely on plastic materials, thus minimizing its environmental footprint in this regard. Additionally, Nedbank's comprehensive environmental risk management framework focuses on broader and more impactful areas such as climate resilience, responsible lending, and sustainable development. The bank prioritizes addressing social and environmental risks that arise indirectly from its clients, investments, and business partners, encouraging them to adopt sound environmental practices. This approach ensures that Nedbank's overall environmental strategy remains robust and aligned with its commitment to sustainability.*

[Fixed row]

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

**Climate change**

#### (3.1.1.1) Risk identifier

Select from:

☒ Risk1

#### (3.1.1.3) Risk types and primary environmental risk driver

**Acute physical**

☒ Wildfires

#### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

Mean annual number of wildfires that reach a detectable size expected in a 1 sq km grid cell

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

#### Acute physical

☒ Storm (including blizzards, dust and sandstorm)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

*Average number of days per year when environmental conditions are conducive to severe thunderstorms*

### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk



### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk3

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Cold wave/frost

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

*Average number of days per year with temperature*

### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk4

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Heat wave

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

Average number of days per year when the simplified wet bulb globe temperature index<sup>2</sup> (WBGT) exceeds 35C

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk5

### (3.1.1.3) Risk types and primary environmental risk driver

#### Acute physical

☒ Other acute physical risk, please specify :Winds

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

Mean maximum 1-minute sustained wind speed (km/hr) experienced at 100-year return period

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term



☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk6

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Drought

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

Average number of months per year in which the rolling 3-month drought index (SPEI)<sub>3</sub> is below -2

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk7

### (3.1.1.3) Risk types and primary environmental risk driver

#### Acute physical

☒ Flooding (coastal, fluvial, pluvial, groundwater)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

Mean depth of flood (in meters) in 100-year return period

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk8

### (3.1.1.3) Risk types and primary environmental risk driver

#### Acute physical

☒ Heavy precipitation (rain, hail, snow/ice)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio



### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

*Mean max daily total water equivalent precipitation (in mm) experienced at 100-year return period*

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk9

### (3.1.1.3) Risk types and primary environmental risk driver

#### Acute physical

☒ Other acute physical risk, please specify :Lightning

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

*Lightning activity is more prevalent in the Highveld and in parts of Mpumalanga, Northwest and the Free State. These regions have a higher risk of thunderstorms, which can cause damage to property and infrastructure. To evaluate the impact of lightning on our commercial mortgage portfolio, Nedbank used the lightning flash density metric, which measures the number of lightning flashes per square kilometre per year.*

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 51-60%

### (3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Other, please specify : • Reduced revenue from decreased production capacity (eg transport challenges, and supply chain interruptions). • Increased capital costs (eg damage to facilities). • Inflation of food prices due to climate impact- induced shortages.

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk10

### (3.1.1.3) Risk types and primary environmental risk driver

#### Chronic physical

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

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

☒ Market risk

☒ Credit risk

☒ Liquidity risk

☒ Insurance risk

☒ Operational risk

☒ Policy and legal risk

☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Mean max daily total water equivalent precipitation (in mm) experienced at 100-year return period*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

☒ Other, please specify :Increased insurance premiums and potential for reduced availability of insurance on assets in 'high-risk' sectors and most vulnerable locations identified by the 2023 CRMA. Increased operating costs and Reduced revenue

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers



### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk11

### (3.1.1.3) Risk types and primary environmental risk driver

#### Chronic physical

☒ Changing temperature (air, freshwater, marine water)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

☒ Market risk

☒ Credit risk

☒ Liquidity risk

☒ Insurance risk

☒ Operational risk

☒ Policy and legal risk

☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Mean number of 3-day periods per year with daily minimum temperature below local historical (1980-2010) 10th percentile*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

☒ Other, please specify :Increased insurance premiums and potential for reduced availability of insurance on assets in 'high-risk' sectors and most vulnerable locations identified by the 2023 CRMA. Increased operating costs and Reduced revenue

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk12

### (3.1.1.3) Risk types and primary environmental risk driver

#### Chronic physical

☒ Heat stress

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

☒ Market risk

☒ Credit risk

☒ Liquidity risk

☒ Insurance risk

☒ Operational risk

☒ Policy and legal risk

☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Average number of days per year with temperatures exceeding local historical (1980-2010) 99th percentile high temperature*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

☒ Other, please specify :Increased insurance premiums and potential for reduced availability of insurance on assets in 'high-risk' sectors and most vulnerable locations identified by the 2023 CRMA. Increased operating costs and Reduced revenue

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

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#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk13

### (3.1.1.3) Risk types and primary environmental risk driver

#### Chronic physical

☒ Other chronic physical risk, please specify :Drought

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

☒ Market risk

☒ Credit risk

☒ Liquidity risk

☒ Insurance risk

☒ Operational risk

☒ Policy and legal risk

☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Average annual local water stress (ratio of human water demand to water supply from local watershed)*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

☒ Other, please specify :Increased insurance premiums and potential for reduced availability of insurance on assets in 'high-risk' sectors and most vulnerable locations identified by the 2023 CRMA. Increased operating costs and Reduced revenue

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*



- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk14

### (3.1.1.3) Risk types and primary environmental risk driver

#### Chronic physical

☒ Sea level rise

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

☒ Market risk

☒ Credit risk

☒ Liquidity risk

☒ Insurance risk

☒ Operational risk

☒ Policy and legal risk

☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Mean annual depth of inundation in coastal areas (in meters) due to high tides and sea level rise*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

☒ Other, please specify :Increased insurance premiums and potential for reduced availability of insurance on assets in 'high-risk' sectors and most vulnerable locations identified by the 2023 CRMA. Increased operating costs and Reduced revenue

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Likely

#### (3.1.1.14) Magnitude

Select from:

- ☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- ☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

- ☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk15

### (3.1.1.3) Risk types and primary environmental risk driver

#### Policy

☒ Changes to national legislation

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- ☒ Banking (Bank) portfolio

#### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Market risk      | <input checked="" type="checkbox"/> Policy and legal risk                     |
| <input checked="" type="checkbox"/> Credit risk      | <input checked="" type="checkbox"/> Capital adequacy and risk-weighted assets |
| <input checked="" type="checkbox"/> Liquidity risk   |   |
| <input checked="" type="checkbox"/> Insurance risk   |   |
| <input checked="" type="checkbox"/> Operational risk |   |

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Increase of client costs due to more stringent regulations/policies creating a financial burden*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term

☒ Medium-term

☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk16

### (3.1.1.3) Risk types and primary environmental risk driver

#### Technology

☒ Other technology risk, please specify :Transition: Non-fossil fuel power generation investment costs

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio



### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

### (3.1.1.9) Organization-specific description of risk

*Inability of clients to decarbonise scope 2 emissions – losing license to operate in a net-zero economy or having significantly higher costs*

### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 21-30%

### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Upfront costs to adopt/deploy new practices and processes

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

### (3.1.1.14) Magnitude

Select from:

☒ Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

### (3.1.1.27) Cost of response to risk

0

### (3.1.1.28) Explanation of cost calculation

*Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).*

### (3.1.1.29) Description of response

*Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk17

### (3.1.1.3) Risk types and primary environmental risk driver

#### Technology

☒ Other technology risk, please specify :Transition: Low-carbon energy or process adoption investment costs

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

*Select all that apply*

- ☒ Market risk
- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk
- ☒ Policy and legal risk
- ☒ Capital adequacy and risk-weighted assets

#### **(3.1.1.6) Country/area where the risk occurs**

*Select all that apply*

- ☒ South Africa

#### **(3.1.1.9) Organization-specific description of risk**

*Increased financial pressure on clients driven by upfront costs of switching to low carbon energy alternatives to decarbonise operations*

#### **(3.1.1.10) % of portfolio value vulnerable to this risk**

*Select from:*

- ☒ 21-30%

#### **(3.1.1.11) Primary financial effect of the risk**

*Select from:*

- ☒ Upfront costs to adopt/deploy new practices and processes

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

0

#### (3.1.1.28) Explanation of cost calculation

Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).

### (3.1.1.29) Description of response

Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk18

### (3.1.1.3) Risk types and primary environmental risk driver

#### Technology

☒ Other technology risk, please specify :Transition: Carbon Capture, Utilisation and Storage (CCUS) investment costs

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☒ Market risk

☒ Policy and legal risk

- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk

- ☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Increased financial pressure on clients driven by upfront costs of deploying CCUS to decarbonise operations*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Upfront costs to adopt/deploy new practices and processes

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

*Select from:*

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

0

#### (3.1.1.28) Explanation of cost calculation



Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).

### (3.1.1.29) Description of response

Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk19

### (3.1.1.3) Risk types and primary environmental risk driver

#### Market

☒ Other market risk, please specify :Demand reduction (local and export)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☒ Market risk

☒ Policy and legal risk

- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk

- ☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Client revenue loss due to reduced demand from substitution with low-carbon alternatives*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Decreased revenues due to reduced demand for products and services

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

*Select from:*

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

0

#### (3.1.1.28) Explanation of cost calculation

Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).

### (3.1.1.29) Description of response

Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk20

### (3.1.1.3) Risk types and primary environmental risk driver

#### Market

☒ Lack of availability and/or increased cost of raw materials

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

### (3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☒ Market risk

☒ Policy and legal risk

- ☒ Credit risk
- ☒ Liquidity risk
- ☒ Insurance risk
- ☒ Operational risk

- ☒ Capital adequacy and risk-weighted assets

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- ☒ South Africa

#### (3.1.1.9) Organization-specific description of risk

*Increased financial pressure on clients due to transition to net-zero driving higher operating costs (energy or raw materials) and Increased costs or reduced ability to operate driven by shortage of key raw materials or limited availability of net-zero energy*

#### (3.1.1.10) % of portfolio value vulnerable to this risk

*Select from:*

- ☒ 21-30%

#### (3.1.1.11) Primary financial effect of the risk

*Select from:*

- ☒ Upfront costs to adopt/deploy new practices and processes

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

#### (3.1.1.14) Magnitude

Select from:

☒ Medium

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The effect of the identified risks on Nedbank's financial position, financial performance, and cash flows has not been quantified financially. However, a qualitative estimate of the financial effect is provided on pages 68 to 70 of our 2023 Climate Report. The primary reason for the lack of financial quantification is that the effects of these risks are not separately identifiable and often overlap. Additionally, the level of measurement uncertainty is too high, making any quantitative information about this risk not useful. Some of the effects include: Increased profit for the bank through our sustainable finance and investment activities; Increased financial pressure on clients driven by upfront costs of switching to low-carbon energy alternatives to decarbonise; Write-offs, asset devaluation, and early retirement of existing assets due to policy changes and Reduced revenue from decreased demand for goods and services.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

##### Engagement

☒ Engage with customers

#### (3.1.1.27) Cost of response to risk

0

#### (3.1.1.28) Explanation of cost calculation

Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures effective implementation and progress tracking to achieve the desired outcomes and deliverables. Nedbank will continue to develop and offer sustainable products and services to its clients, specifically designed to help them manage climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities posed by climate change. The costs associated with managing this risk are based on the hours spent by Nedbank's entities in performing the aforementioned responses. Since the estimated hours are not tracked, this cost is reported as zero (0).

### (3.1.1.29) Description of response

Nedbank's primary response to climate risks is centred around the opportunity to support its clients in building their climate resilience. By actively engaging with high-risk clients, Nedbank aims to understand their existing or planned climate adaptation and resilience strategies. This collaborative approach allows Nedbank to explore and offer tailored financing solutions that align with their clients' specific needs and goals, ultimately fostering a more resilient and sustainable future. Furthermore, response involves enhancing Nedbank's own operational climate resilience by continually improving resource efficiency, energy, water and waste management through our green-building initiatives and sustainable supply chain.

[Add row]

## (3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

### Climate change

#### (3.1.2.1) Financial metric

Select from:

☒ Other, please specify :Nedbank Lending Portfolio

#### (3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

210000000000

#### (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 21-30%

#### (3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

**(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue**

Select from:

☒ 51-60%**(3.1.2.7) Explanation of financial figures**

*To improve its understanding and management of climate-related risks from a quantitative perspective, Nedbank carried out a Climate Risk Management Assessment (CRMA) in 2023. This assessment covered both physical and transition risks across its lending portfolio. The exercise was thorough and comprehensive, aiming to quantify and evaluate the potential impact of climate change on Nedbank's lending portfolio under various climate scenarios and time frames. For the physical risk assessment, approximately two-thirds of the in-scope portfolio, which is susceptible to the physical hazards of climate change, was evaluated. This included corporate, commercial, and retail exposures across all sectors, covering the majority of Nedbank's counterparty sectors and providing a robust view of physical risk exposure. The remaining lending portfolio was deemed out of scope as the counterparties were in sectors with limited visibility on the underlying assets, such as financial intermediaries, community, social and personal services, and traders. Regarding the transition risk assessment, the focus was on high-emitting and hard-to-abate sectors within the lending portfolio, aligned with the Net-zero Banking Alliance. These sectors represent the highest risk for the bank. Refer to Page 59 of out 2023 Climate Report.*

[Add row]

**(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

**Climate change****(3.6.1) Environmental opportunities identified**

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized**Forests****(3.6.1) Environmental opportunities identified**

Select from:





No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:



Not an immediate strategic priority

### (3.6.3) Please explain

*Nedbank does not anticipate any environmental opportunities related to forests to have a substantive effect on the bank in the future. This is because forests are considered a subset of climate change, and opportunities related to forests are embedded in our broader climate action initiatives. Furthermore, Nedbank's formal environmental policy confirms our commitment to fostering a culture of environmental protection and conservation within our operating environment and with all parties we engage in business with, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and accept that responsible business management is an essential part of sustainable development.*

## Water

### (3.6.1) Environmental opportunities identified

Select from:



No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:



Not an immediate strategic priority

### (3.6.3) Please explain

*Nedbank does not anticipate any environmental opportunities related to water to have a substantive effect on the bank in the future. This is because water is considered a subset of climate change, and opportunities related to water are embedded in our climate action initiatives. Nedbank does not have a direct impact on natural water resources. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and with all parties with which we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial area of corporate performance and accept that responsible business management is an essential part of sustainable development*

[Fixed row]

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## **Climate change**

### **(3.6.1.1) Opportunity identifier**

*Select from:*

☒ Opp1

### **(3.6.1.2) Commodity**

*Select all that apply*

☒ Not applicable

### **(3.6.1.3) Opportunity type and primary environmental opportunity driver**

#### **Energy source**

☒ Use of renewable energy sources

### **(3.6.1.4) Value chain stage where the opportunity occurs**

*Select from:*

☒ Banking portfolio

### **(3.6.1.5) Country/area where the opportunity occurs**

*Select all that apply*

☒ Mozambique

☒ Namibia

☒ South Africa

☒ Zimbabwe

#### (3.6.1.8) Organization specific description

*Nedbank is committed to supporting the energy sector's transition to net-zero emissions through a diverse range of products and services. These include financing for renewable energy and embedded generation, energy storage technologies, and energy-efficient technologies and processes in residential, commercial, and industrial facilities. Additionally, Nedbank offers support for grid upgrades, including smart grids and microgrids, as well as off-grid renewable energy solutions for communities that lack grid access.*

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Very likely (90–100%)

#### (3.6.1.12) Magnitude

Select from:

☒ Unknown

#### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Nedbank's commitment to creating positive impacts by continuing to build its leadership position in renewable energy is expected to significantly enhance its financial performance, position, and cash flow. Nedbank Corporate Investment Banking (CIB) estimates a substantial financing opportunity of approximately R650 billion in the*

renewable energy sector. For 2024, Nedbank anticipates book growth of R18 billion related to renewable energy projects. This strategic focus on renewable energy will not only strengthen Nedbank's market position but also generate positive outcomes for its financial performance, contributing to sustainable growth and improved cash flow. Refer to our 2023 Financial Results Booklet.

#### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

#### (3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

16000000000

#### (3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

18000000000

#### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

18000000000

#### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

65000000000

#### (3.6.1.23) Explanation of financial effect figures

Our innovative approach as a banking partner, working closely with clients to develop impactful solutions and support their energy transition, has led to a strong and expanding pipeline of private power generation project financing in the commercial and industrial sectors. This growth is driven by the liberalisation of the electricity supply sector and the increasing demand for affordable, reliable, and clean energy. In 2023, we closed three deals totaling 168 MW in capacity and R4 billion in facility limits. Looking ahead to 2024, we expect to close 15 deals worth 1.9 GW and R19 billion in facility limits. Aligned with our commitment to achieving net-zero carbon emissions by 2050 and guided by our Energy Policy, we have continued to support the energy transition and the integration of renewable energy in the country. Last year, we made significant progress by closing several renewable energy deals within government procurement programmes. Despite delays, we successfully closed two deals under the RMIPPPP, two deals under REIPPPP round 5, and two deals from previous rounds. In 2024, we anticipate closing an additional five deals, where we are the mandated lead arranger. These include one RMIPPPP deal and four REIPPPP deals across rounds 4, 5, and 6, as well as a plan to support the auxiliary power of a REIPPPP project. These efforts will add 540 MW in capacity, backed by R7 billion in new facility limits. Refer to page 28 of Our 2023 Society Report

#### (3.6.1.24) Cost to realize opportunity

0

#### (3.6.1.25) Explanation of cost calculation

*The costs associated with managing this opportunity are determined by the hours spent by Nedbank's entities responsible for the various tasks. Since the estimated hours are not tracked, this cost is reported as zero (0)*

#### (3.6.1.26) Strategy to realize opportunity

*Our strategic initiatives to realize opportunities include the following and are detailed on Page 46 of our 2023 Climate Report: Utility-scale renewable energy finance 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 successfully grown our book through all the rounds to date. Private power generation finance The private power generation market includes embedded energy generation and wheeling by commercial and industrial businesses, as well as small businesses and residences. Private power generation for medium enterprises Nedbank continues to enhance its renewable energy-finance offering for clients with annual turnovers of R50m to R1.5bn. On average, these installations produce up to 1 MW of power and cost between R3m and R4m. Private power generation for small businesses and individuals There has been a surge in demand for private power generation at the residential level, driven by the need for hybrid power backup systems to manage the escalating duration of load-shedding. However, the cost of these systems poses a significant obstacle for many South African households. In response, Nedbank has introduced two financing solutions aimed at enhancing accessibility. As part of our commitment to funding alternative energy solutions, we offer an array of financial products to individuals and businesses. These include home loans with up to 110% loan-to-value (LTV) to finance the purchase of property and the installation of solar panels, finance options through Motor Finance Corporation (MFC) for solutions acquired from Nedbank-approved solar providers, and our own Avo Solar offerings. Additionally, we provide alternative energy loans that cater to purchases from any provider. Nedbank Africa Regions Innovations In Namibia, a bespoke solar offering was launched in 2023, allowing us to readvance or offer a further loan on a home loan or asset-based finance for solar purchases and installations.*

### Climate change

#### (3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

#### (3.6.1.3) Opportunity type and primary environmental opportunity driver

##### Products and services

☒ Increased sales of existing products and services

#### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Banking portfolio

#### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ South Africa

#### (3.6.1.8) Organization specific description

*Climate change is putting considerable strain on water resources, impacting multiple sectors dependent on water availability. Investing in infrastructure can help businesses adapt to the difficulties of a warmer and drier climate. Nedbank offers a financing solution for clean water and sanitation, which includes term debt financing for capital expenditure projects designed to increase public access to safe drinking water and sanitation facilities*

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

### (3.6.1.12) Magnitude

Select from:

☒ Unknown

### (3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

*We offer a clean water and sanitation financing solution for medium to large clients (R50m to R1,5bn in turnover). This solution provides term. This solution provides term debt financing for capital expenditure (capex) projects aimed at expanding public access to safe drinking water and sanitation facilities. In 2023, R38,6m (2022: R234m) in funding was provided for water-related projects.*

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The anticipated effect of the environmental opportunity on Nedbank's financial position, performance, or cash flows has not been quantified at this time due to the high level of measurement uncertainty. As such, providing quantitative information about this opportunity would not be useful. It is important to note that in 2023, our efforts in water stewardship were recognized when Nedbank Corporate and Investment Banking (CIB) received three mandates from a key player in the water sector. These included being the primary banking partner and debt sponsor, as well as managing a multibank general banking facility for five years. Such mandates not only underpin our environmental and socioeconomic goals but also support the sector in its mission to secure water resources for the future. We were also mandated with the largest share of the R1 billion multibank general banking facility, which is a testament to our trusted role in our client's liquidity strategy. As the primary banker, we stand ready to support future hydropower projects and deliver other financing opportunities through our proven project financing expertise. Overall, this will lead to increased revenue for Nedbank.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

### (3.6.1.24) Cost to realize opportunity

0

### (3.6.1.25) Explanation of cost calculation

*The costs associated with managing this opportunity are determined by the hours spent by Nedbank's entities responsible for the various tasks. Since the estimated hours are not tracked, this cost is reported as zero (0)*

### **(3.6.1.26) Strategy to realize opportunity**

*Our strategy to realize the opportunity is based on water finance solutions and partnerships. Nedbank provides a comprehensive financing solution for clean water and sanitation, including term debt financing for capital expenditure projects aimed at expanding public access to safe drinking water and sanitation facilities. We offer tailored water solutions for commercial banking clients, catering to medium to large clients with turnovers ranging from R50 million to R1.5 billion. Additionally, Nedbank maintains enduring and strong partnerships with several of South Africa's most notable and accomplished water entities, taking pride in assisting their essential efforts to expand and safeguard our water supply and infrastructure. Refer to Page 48 of Our 2023 Climate Report.*

## **Climate change**

### **(3.6.1.1) Opportunity identifier**

Select from:

☒ Opp3

### **(3.6.1.3) Opportunity type and primary environmental opportunity driver**

#### **Products and services**

☒ Increased sales of existing products and services

### **(3.6.1.4) Value chain stage where the opportunity occurs**

Select from:

☒ Banking portfolio

### **(3.6.1.5) Country/area where the opportunity occurs**

Select all that apply

☒ South Africa

### **(3.6.1.8) Organization specific description**



Nedbank has identified a significant environmental opportunity in green building and sustainability-linked property finance, aligning with SDG 11. Energy-efficient and sustainable buildings are crucial for meeting future climate targets. They also help reduce the strain on the electricity grid by lowering demand, which can lead to more affordable consumer bills. Nedbank is committed to investing in environmentally friendly and efficient buildings. These structures not only improve residents' quality of life but also reduce negative environmental impacts, such as carbon emissions. Our property evaluation criteria include green certifications like EDGE and Green Star, as well as sustainable features such as solar PV, wind or hydro power, rainwater harvesting, and black- and greywater systems. In 2023, we reinforced our position as a leading provider of innovative sustainable finance in South Africa, playing an active role in the green transformation of the country's commercial property landscape.

#### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

#### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

#### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- ☒ Likely (66–100%)

#### **(3.6.1.12) Magnitude**

Select from:

- ☒ Unknown

#### **(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period**

Our dedication to sustainability is evident in our financial investments, with R15bn allocated to green-certified properties and R13bn to properties featuring sustainable elements, known as 'green aspects'. Key sustainable-property-finance achievements in 2023 include: EDGE Expert Value Added Services: Nedbank Commercial

Property Finance has formed a team of green-accredited experts in the IFC EDGE certification, a global green building standard focusing on energy and water efficiency and low-carbon materials. This team successfully facilitated the EDGE Advance certification for Attacq's Nexus 1 building in the Waterfall precinct, marking a significant milestone in green building. Greening Affordable Housing: Addressing the challenge of providing adequate housing in democratic South Africa, we approved R1.9bn (2022: R952m) in 2023 for developing affordable housing for lower-income households. Fortress/Capital Propfund Refinance: Demonstrating environmental stewardship, we integrated ESG elements into our R4.4bn portfolio refinance for Fortress. Notably, R1.1bn of this amount is sustainably linked, highlighting Fortress's commitment to generating 8 MW of power through solar PV installations. This initiative underscores a strategic shift towards renewable energy within their portfolio, aligning with our shared commitment to sustainable development. Burstone Green Bond: Burstone Group entered sustainable financing with their first use-of-proceeds green bond, listed on the JSE's Sustainability Segment. The R550m raised is designated for refinancing eligible green buildings, defined by a 4 Green Star rating or higher from the Green Building Council South Africa. These buildings significantly contribute to reducing carbon emissions and enhancing resource efficiency.

#### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The anticipated effect of the environmental opportunity on Nedbank's financial position, performance, or cash flows has not been quantified at this time due to the high level of measurement uncertainty. As such, providing quantitative information about this opportunity would not be useful.*

#### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

☒ No

#### **(3.6.1.24) Cost to realize opportunity**

0

#### **(3.6.1.25) Explanation of cost calculation**

*The costs associated with managing this opportunity are determined by the hours spent by Nedbank's entities responsible for the various tasks. Since the estimated hours are not tracked, this cost is reported as zero (0)*

#### **(3.6.1.26) Strategy to realize opportunity**

*The strategy to realize the environmental opportunity is centered on energy-efficient and sustainable buildings, which bring future climate targets within closer reach. These buildings alleviate strain on the electricity grid by reducing demand, ultimately contributing to more affordable consumer bills. Financing opportunities include upgrading informal settlement areas with affordable green housing to enhance access to basic services such as energy, water, sanitation, transport, and communications. Additionally, investing in mass-transit infrastructure, electric vehicles, and improved non-motorized transport options is crucial. Supporting green*

buildings and municipal waste collection, including reprocessing and recycling facilities, is also a key focus. For more details, please refer to page 47 of our 2023 Climate Report.

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

☒ Opp4

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

☒ Increased sales of existing products and services

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Banking portfolio

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ South Africa

### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Unknown

### (3.6.1.8) Organization specific description

Financing sustainable agriculture Nedbank provides a funding programme aimed at addressing the challenges encountered by farmers due to climate change. These challenges include rising temperatures and decreased rainfall. Through direct channels or financing cooperatives, this programme offers sustainable farming solutions

to farmers. These solutions encompass water conservation and storage, enhancements to soil health, adoption of advanced irrigation techniques, and implementation of shading strategies to mitigate evaporation.

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

#### (3.6.1.12) Magnitude

Select from:

- ☒ Unknown

#### (3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Nedbank has supported a wide array of sustainable agriculture projects and initiatives. Here are some of our recent financing and support activities: *Shade Netting Finance*: Our shade-netting finance is available to agriculture clients in the horticulture sector. In 2023, we completed shade-netting finance deals totaling R15.5 million (2022: R43 million) and identified further opportunities worth R14 million. The significant reduction in shade-netting finance reflects the challenges faced by citrus producers that year, including poor infrastructure (ports and roads) and energy shortages with associated costs. *Partners in Agri Land Solutions (PALS)*: Nedbank has partnered with agricultural transformation specialists, PALS, to provide them with Enterprise Development (ED) funding until 2025. Over a three-year period, Nedbank will provide R7 million to PALS for capacity building and an additional R3 million for training and mentorship of new farmers. In 2023, PALS hosted over 30 training events for more than 337 farmers in the Western Cape, Mpumalanga, and the Free State.

#### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Our shade-netting finance offering is available to agricultural clients in the horticulture sector. This offering has been widely embraced by various agricultural producers due to its numerous benefits, such as improving underperforming orchards; protecting crops against natural hazards like hail, wind, frost, sunburn, and birds; preventing undesirable cross-pollination; improving water use efficiency; reducing nitrogen application; and enhancing yields, fruit size, and color. In 2023, shade-netting finance deals totaling R15.5 million (2022: R43 million) were completed, with an additional R14 million in identified opportunities. The significant reduction in shade-netting finance reflects the challenges faced by citrus producers that year, including poor infrastructure (ports and roads), energy shortages, and associated costs. However, 2024 is showing a positive outlook, which is expected to result in increased financing figures as farmers begin to invest in the benefits of shade netting. This investment is anticipated to lead to increased revenue.*

#### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

#### (3.6.1.24) Cost to realize opportunity

0

#### (3.6.1.25) Explanation of cost calculation

*The costs associated with managing this opportunity are determined by the hours spent by Nedbank's entities responsible for the various tasks. Since the estimated hours are not tracked, this cost is reported as zero (0)*

#### (3.6.1.26) Strategy to realize opportunity

*Our strategy to realize the environmental opportunity related to agriculture acknowledges that the agricultural sector significantly contributes to greenhouse gas (GHG) emissions in southern Africa and is highly vulnerable to climate change impacts. By strengthening supply chains and promoting sustainable farming practices, we aim to enhance resilience against a warming climate. Financing opportunities include investment prospects for enhancing the food supply chain, such as upgrading storage facilities, optimizing cold-chain logistics, and establishing local distribution centers. These measures are designed to mitigate post-harvest food losses and support sustainable agricultural development. Refer to Page 47 of our 2023 Climate Report*

[Add row]

**(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

## **Climate change**

### **(3.6.2.1) Financial metric**

Select from:

☒ Other, please specify :Lending (Exposure)

### **(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)**

62200000000

### **(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue**

Select from:

☒ 100%

### **(3.6.2.4) Explanation of financial figures**

*At the end of December 2023, Nedbank reported R145 billion in exposures dedicated to supporting climate opportunities through sustainable development financing. This includes R28 billion in support for farmers and the agriculture sector (SDG 12), R3 billion for green buildings and affordable home loans (SDG 11), R30 billion in total renewable energy exposures supporting new generation capacity of almost 4GW (SDG 7), and R1.2 billion in financing for clean water and sanitation (SDG 6)*  
[Add row]

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

#### (4.1.5) Briefly describe what the policy covers

*The Nedbank Group Limited, Policy on Nomination and Appointment of directors is available on our website. This policy sets out the minimum principles to be applied in the selection, nomination and appointment of all directors to the boards of Nedbank and other matters pertaining to board continuity. The appointment of executive directors is additionally subject to Nedbank's executive succession planning processes. This policy (which includes Nedbank's Board Continuity Programme) is established in line with the requirements of the Banks Act and King IV and is managed by the Nedbank Group Directors' Affairs Committee (DAC), which, in addition*

to its other responsibilities, fulfils the role of a nomination committee as guided by King IV. The Policy covers the following: 1 Composition of the Board; Nomination and appointment of directors; Fit and Proper considerations and Diversity

**(4.1.6) Attach the policy (optional)**

2024 Nedbank Group Limited and Nedbank Limited Policy on Nomination and Appointment of Directors.pdf  
[Fixed row]

**(4.1.1) Is there board-level oversight of environmental issues within your organization?**

Climate change

**(4.1.1.1) Board-level oversight of this environmental issue**

Select from:  
☒ Yes

Forests

**(4.1.1.1) Board-level oversight of this environmental issue**

Select from:  
☒ No, and we do not plan to within the next two years

**(4.1.1.2) Primary reason for no board-level oversight of this environmental issue**

Select from:  
☒ Judged to be unimportant or not relevant

**(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue**

Our Board ensures oversight of climate and other sustainability themes via the Group Climate and Sustainability Resilience Committee (GCSRC). Because our impact on forests is deemed immaterial/not relevant, the oversight is not explicitly outlined in the Board committee charter. The GCSRC’s focus however, extends beyond basic ESG matters, emphasizing strategic reflection on sustainability for lasting competitive advantage and value creation



## Water

### (4.1.1.1) Board-level oversight of this environmental issue

Select from:

☒ Yes

## Biodiversity

### (4.1.1.1) Board-level oversight of this environmental issue

Select from:

☒ Yes

[Fixed row]

**(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**

## Climate change

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Board chair

☒ Chief Executive Officer (CEO)

☒ Chief Risk Officer (CRO)

☒ Board-level committee

### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

- ☒ Scheduled agenda item in every board meeting (standing agenda item)

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis   | <input checked="" type="checkbox"/> Approving and/or overseeing employee incentives               |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets  | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures             |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets  | <input checked="" type="checkbox"/> Monitoring the implementation of the business strategy        |
| <input checked="" type="checkbox"/> Approving corporate policies and/or commitments  | <input checked="" type="checkbox"/> Overseeing reporting, audit, and verification processes       |
| <input checked="" type="checkbox"/> Reviewing and guiding innovation/R&D priorities  | <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy |
| <input checked="" type="checkbox"/> Monitoring supplier compliance with organizational requirements                                  |   |
| <input checked="" type="checkbox"/> Monitoring compliance with corporate policies and/or commitments                                 |   |
| <input checked="" type="checkbox"/> Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities |   |

#### (4.1.2.6) Scope of board-level oversight

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Risks and opportunities to our own operations           | <input checked="" type="checkbox"/> The impact of our investing activities on the environment              |
| <input checked="" type="checkbox"/> Risks and opportunities to our banking activities       | <input checked="" type="checkbox"/> Risks and opportunities to our insurance underwriting activities       |
| <input checked="" type="checkbox"/> The impact of our own operations on the environment     | <input checked="" type="checkbox"/> The impact of our insurance underwriting activities on the environment |
| <input checked="" type="checkbox"/> Risks and opportunities to our investment activities    |  |
| <input checked="" type="checkbox"/> The impact of our banking activities on the environment |  |

#### (4.1.2.7) Please explain

*The Group's sustainability and Climate Resilience Committee (GSCRC), oversees environmental themes. The GSCRC has responsibilities for monitoring, steering, and decision-making. Aligned with global objectives like the Paris Agreement, TCFD, TNFD, IFRS, and BCBS principles, the committee manages risk, reporting, and frameworks related to sustainability and climate-related risks and opportunities. As an illustration, the GSCRC approves the Nedbank Integrated suite of reports (including the Integrated report, Climate report, and society and governance report). Additionally, in 2023, the Committee endorsed the disclosure of financed emissions.*

## Water

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

☒ Board-level committee

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

☒ Board Terms of Reference

☒ Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

☒ Scheduled agenda item in every board meeting (standing agenda item)

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets

#### (4.1.2.6) Scope of board-level oversight

*Select all that apply*

- ☒ Risks and opportunities to our own operations
- ☒ Risks and opportunities to our banking activities
- ☒ The impact of our own operations on the environment
- ☒ Risks and opportunities to our investment activities
- ☒ The impact of our banking activities on the environment
- ☒ The impact of our investing activities on the environment
- ☒ Risks and opportunities to our insurance underwriting activities
- ☒ The impact of our insurance underwriting activities on the environment

#### (4.1.2.7) Please explain

*Nedbank closely monitors its water consumption and water consumption intensity, as disclosed in our climate report. The Group's Sustainability and Climate Resilience Committee (GSCRC), oversees our progress toward our water consumption target. This target aims for a 40% reduction in water usage by the end of 2025, based on 2019 levels (which were 254,801 kℓ). The annual consumption goal is 152,881 kℓ or 8 kℓ per full-time equivalent (FTE), whichever is achieved first. The Board committee approved these targets, and they are monitored annually*

### Biodiversity

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Risk Officer (CRO)
- ☒ Board-level committee

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

☒ Board Terms of Reference

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

☒ Scheduled agenda item in every board meeting (standing agenda item)

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### (4.1.2.6) Scope of board-level oversight

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Risks and opportunities to our own operations           | <input checked="" type="checkbox"/> The impact of our investing activities on the environment              |
| <input checked="" type="checkbox"/> Risks and opportunities to our banking activities       | <input checked="" type="checkbox"/> Risks and opportunities to our insurance underwriting activities       |
| <input checked="" type="checkbox"/> The impact of our own operations on the environment     | <input checked="" type="checkbox"/> The impact of our insurance underwriting activities on the environment |
| <input checked="" type="checkbox"/> Risks and opportunities to our investment activities    |  |
| <input checked="" type="checkbox"/> The impact of our banking activities on the environment |  |

#### (4.1.2.7) Please explain

Nedbank Group (referred to as Nedbank or the Group) is committed to aligning its strategy, policies, mandates, and incentives with the objectives of the Taskforce on Climate-related Financial Disclosure (TCFD) and the Taskforce on Nature-related Disclosures (TNFD). The Governance, Sustainability, and Climate Resilience Committee (GSCRC) oversees risks and opportunities listed in the Climate Risk Management Framework (CRMF) and the Social and Environmental Risk Management Framework (SERMF). This oversight includes assessing and making decisions related to climate and broader social and environmental risk management, including biodiversity considerations. As an illustrative example, the GSCRC approved Nedbank's inaugural Nature Position Statement in 2024. Additionally, the committee provided oversight for our participation in a UN Development Programme Taskforce pilot focused on nature-related financial disclosure. This pilot provided valuable insights into our nature impacts, dependencies, and associated risks and opportunities, with a specific emphasis on our agriculture portfolio.

[Fixed row]

## (4.2) Does your organization's board have competency on environmental issues?

### Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

### Forests

#### (4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process

#### Water

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process

[Fixed row]

#### (4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes

	Management-level responsibility for this environmental issue
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).**

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

#### Executive level

☒ Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities



### **Policies, commitments, and targets**

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

### **Strategy and financial planning**

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes

### **Other**

- ☒ Providing employee incentives related to environmental performance

## **(4.3.1.3) Coverage of responsibilities**

*Select all that apply*

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks, and opportunities related to our investing activities
- ☒ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

## **(4.3.1.4) Reporting line**

*Select from:*

- ☒ Reports to the Chief Executive Officer (CEO)

## **(4.3.1.5) Frequency of reporting to the board on environmental issues**

Select from:

- ☒ More frequently than quarterly

#### (4.3.1.6) Please explain

*The Group Climate Risk Committee (GCRC) is responsible for implementing additional measures in response to evolving business, regulatory, strategic, and risk-related conditions. Given that sustainability and climate-related risks and opportunities span various risk categories, the GSCRC seamlessly integrates oversight across multiple board committees to ensure robust governance. At the Group Executive Committee (Group Exco) level, the Climate Risk Committee (CRC) aligns with the SERMF and CRMF across the group. The CRC provides guidance on identifying, assessing, measuring, monitoring, managing, and reporting climate-related risks and opportunities. Regular reviews by business clusters assess the impact of climate change and its effects on Nedbank's strategy, income statement, and balance sheet. The sustainability and climate-related structures involve subject matter experts who execute specific deliverables aligned with the focus area. At the board level, the GSCRC focuses on monitoring progress against sustainability and climate-related goals and targets. At the Group Executive Senior Management level, the Group Executive Committee, guided by the GSCRC, is responsible for strategic planning and decision-making based on the organization's mission, vision, and values. The CRC, chaired by the Chief Risk Officer, identifies, assesses, measures, manages, and discloses sustainability and climate-related risks (including water, biodiversity, and forests, noting the absence of indigenous forests in South Africa). These executive-level committees report key discussions and activities to the CEO, ensuring the CEO remains informed. The GSCRC also reports to the board, with minutes of their meetings available to all board members. This keeps the CEO informed through reports and discussions presented by the GCRC and other relevant Group executive-level committees. Committee meetings occur at least quarterly*

### Forests

#### (4.3.1.1) Position of individual or committee with responsibility

##### Executive level

- ☒ Chief Executive Officer (CEO)

#### (4.3.1.2) Environmental responsibilities of this position

##### Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

##### Engagement

- ☒ Managing public policy engagement related to environmental issues

- ☒ Managing supplier compliance with environmental requirements

#### **Policies, commitments, and targets**

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

### **(4.3.1.3) Coverage of responsibilities**

*Select all that apply*

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks, and opportunities related to our investing activities
- ☒ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

### **(4.3.1.4) Reporting line**

*Select from:*

- ☒ Reports to the Chief Executive Officer (CEO)

### **(4.3.1.5) Frequency of reporting to the board on environmental issues**

*Select from:*

- ☒ More frequently than quarterly

### **(4.3.1.6) Please explain**

*The Group Climate Risk Committee (GCRC) is responsible for implementing additional measures in response to evolving business, regulatory, strategic, and risk-related conditions. Given that sustainability and climate-related risks and opportunities span various risk categories, the GSCRC seamlessly integrates oversight across multiple board committees to ensure robust governance. At the Group Executive Committee (Group Exco) level, the Climate Risk Committee (CRC) aligns with the SERMF and CRMF across the group. The CRC provides guidance on identifying, assessing, measuring, monitoring, managing, and reporting climate-related risks and opportunities. Regular reviews by business clusters assess the impact of climate change and its effects on Nedbank's strategy, income statement, and balance sheet. The sustainability and climate-related structures involve subject matter experts who execute specific deliverables aligned with the focus area. At the board level, the GSCRC focuses on monitoring progress against sustainability and climate-related goals and targets. At the Group Executive Senior Management*

level, the Group Executive Committee, guided by the GSCRC, is responsible for strategic planning and decision-making based on the organization's mission, vision, and values. The CRC, chaired by the Chief Risk Officer, identifies, assesses, measures, manages, and discloses sustainability and climate-related risks (including water, biodiversity, and forests, noting the absence of indigenous forests in South Africa). These executive-level committees report key discussions and activities to the CEO, ensuring the CEO remains informed. The GSCRC also reports to the board, with minutes of their meetings available to all board members. This keeps the CEO informed through reports and discussions presented by the GCRC and other relevant Group executive-level committees. Committee meetings occur at least quarterly

## Water

### (4.3.1.1) Position of individual or committee with responsibility

#### Executive level

- ☒ Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

#### Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

#### Strategy and financial planning

- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

#### (4.3.1.3) Coverage of responsibilities

Select all that apply

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks, and opportunities related to our investing activities
- ☒ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

#### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

#### (4.3.1.6) Please explain

*The Group Climate Risk Committee (GCRC) is responsible for implementing additional measures in response to evolving business, regulatory, strategic, and risk-related conditions. Given that sustainability and climate-related risks and opportunities span various risk categories, the GCRC seamlessly integrates oversight across multiple board committees to ensure robust governance. At the Group Executive Committee (Group Exco) level, the Climate Risk Committee (CRC) aligns with the SERMF and CRMF across the group. The CRC provides guidance on identifying, assessing, measuring, monitoring, managing, and reporting climate-related risks and opportunities. Regular reviews by business clusters assess the impact of climate change and its effects on Nedbank's strategy, income statement, and balance sheet. The sustainability and climate-related structures involve subject matter experts who execute specific deliverables aligned with the focus area. At the board level, the GCRC focuses on monitoring progress against sustainability and climate-related goals and targets. At the Group Executive Senior Management level, the Group Executive Committee, guided by the GCRC, is responsible for strategic planning and decision-making based on the organization's mission, vision, and values. The CRC, chaired by the Chief Risk Officer, identifies, assesses, measures, manages, and discloses sustainability and climate-related risks (including water, biodiversity, and forests, noting the absence of indigenous forests in South Africa). These executive-level committees report key discussions and activities to the CEO, ensuring the CEO remains informed. The GCRC also reports to the board, with minutes of their meetings available to all board members. This keeps the CEO informed through reports and discussions presented by the GCRC and other relevant Group executive-level committees. Committee meetings occur at least quarterly*

#### Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

##### Executive level

- ☒ Chief Executive Officer (CEO)

#### (4.3.1.2) Environmental responsibilities of this position

##### Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

##### Engagement

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing supplier compliance with environmental requirements

##### Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

##### Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

#### (4.3.1.3) Coverage of responsibilities

Select all that apply

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks, and opportunities related to our investing activities
- ☒ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

#### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

#### (4.3.1.6) Please explain

*The Group Climate Risk Committee (GCRC) is responsible for implementing additional measures in response to evolving business, regulatory, strategic, and risk-related conditions. Given that sustainability and climate-related risks and opportunities span various risk categories, the GSCRC seamlessly integrates oversight across multiple board committees to ensure robust governance. At the Group Executive Committee (Group Exco) level, the Climate Risk Committee (CRC) aligns with the SERMF and CRMF across the group. The CRC provides guidance on identifying, assessing, measuring, monitoring, managing, and reporting climate-related risks and opportunities. Regular reviews by business clusters assess the impact of climate change and its effects on Nedbank's strategy, income statement, and balance sheet. The sustainability and climate-related structures involve subject matter experts who execute specific deliverables aligned with the focus area. At the board level, the GSCRC focuses on monitoring progress against sustainability and climate-related goals and targets. At the Group Executive Senior Management level, the Group Executive Committee, guided by the GSCRC, is responsible for strategic planning and decision-making based on the organization's mission, vision, and values. The CRC, chaired by the Chief Risk Officer, identifies, assesses, measures, manages, and discloses sustainability and climate-related risks (including water, biodiversity, and forests, noting the absence of indigenous forests in South Africa). These executive-level committees report key discussions and activities to the CEO, ensuring the CEO remains informed. The GSCRC also reports to the board, with minutes of their meetings available to all board members. This keeps the CEO informed through reports and discussions presented by the GCRC and other relevant Group executive-level committees. Committee meetings occur at least quarterly*

[Add row]

#### (4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

## Climate change

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

100

### (4.5.3) Please explain

*Achievement of board-approved targets drives remuneration outcomes. Board-approved targets cascade into goal commitment contracts (GCCs). Our environmental approved targets were primarily linked to climate change through active progress on the Energy Policy commitments and sustainable-development financing ambitions.*

## Forests

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, but we plan to introduce them in the next two years

### (4.5.3) Please explain

*Our approved environmental targets primarily focus on climate change, driven by progress in Energy Policy commitments and sustainable-development financing ambitions. Additionally, targets related to water and forests (noting we do not have indigenous forests in South Africa) will be determined as we gain a better understanding of our impact. In the context of Nedbank, forests and water have low materiality.*

## Water

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:



- ☒ No, but we plan to introduce them in the next two years

#### (4.5.3) Please explain

*Our approved environmental targets primarily focus on climate change, driven by progress in Energy Policy commitments and sustainable-development financing ambitions. Additionally, targets related to water and forests (noting we do not have indigenous forests in South Africa) will be determined as we gain a better understanding of our impact. In the context of Nedbank, forests and water have low materiality.*  
[Fixed row]

#### (4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

##### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

##### Board or executive level

- ☒ Board/Executive board

#### (4.5.1.2) Incentives

*Select all that apply*

- ☒ Bonus - % of salary  
☒ Shares

#### (4.5.1.3) Performance metrics

##### Targets

- ☒ Progress towards environmental targets  
☒ Achievement of environmental targets  
☒ Reduction in absolute emissions in line with net-zero target

## Emission reduction

☒ Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*Achievement of board-approved targets drives remuneration outcomes. Board-approved targets cascade into goal commitment contracts (GCCs). Our environmental approved targets were primarily linked to climate change through active progress on the Energy Policy commitments and sustainable-development financing ambitions. Our Environmental targets linked to incentives are: Achieve appropriate progress on our Energy Policy commitments: Renewable-energy finance (SDG 7) and Energy Policy-related timelines and targets, including fossil-fuel related glidepaths will be communicated in 2024 with further sizing of next portfolio carbon intensities, with associated glidepaths. Our own carbon footprint is to decline by 40% by the end of 2025 and renewable green energy for our own operations is to contribute more than 30% of energy sourced by 2025 and both to be progressed further by 2026. Meet sustainable development financing (SDF) ambitions: By the end of 2025 it is our ambition to have increased SDF exposures to around 20% of the group's total gross loans and advances (2023: 16%), supported by more than R150bn in new SDF finance (from the 2021 base) that is aligned to the SDGs. Our plans currently suggest we get to 19% by 2025. Refer to page 93-96 of our integrated report.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The Position's incentives contribute to achieving our environmental commitments by ensuring implementation and adherence to our energy policy. This policy aims to reduce fossil fuel exposure in our portfolios. By 2025, we plan to decrease our carbon footprint by 40% and have renewable green energy account for over 30% of our sourced energy. Additionally, our ambition is to increase Sustainable Development Financing (SDF) exposures to around 20% of the group's total gross loans and advances by 2025 (currently at 16% in 2023)*

*[Add row]*

## (4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.6.1) Provide details of your environmental policies.

##### Row 1

##### (4.6.1.1) Environmental issues covered

*Select all that apply*

☒ Climate change

##### (4.6.1.2) Level of coverage

*Select from:*

☒ Organization-wide

##### (4.6.1.3) Value chain stages covered

*Select all that apply*

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

##### (4.6.1.4) Explain the coverage

*Our Social and Environmental Policy applies to all our divisions, departments, branches and business units of the group, regarding all their activities and interactions with stakeholders; and is monitored for compliance by the Group Chief Compliance Officer, Our Energy Policy that focuses on Climate Change focuses on the financing of fossil-fuel-related activities and renewable and embedded energy solutions, as defined in the policy. We will continue to pursue active dialogue with key stakeholders to inform future enhancements of this policy.*

#### **(4.6.1.5) Environmental policy content**

##### **Environmental commitments**

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

##### **Climate-specific commitments**

- ☒ Commitment to net-zero emissions
- ☒ Commitment to not invest in fossil-fuel expansion

##### **Social commitments**

- ☒ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ☒ Commitment to respect internationally recognized human rights
- ☒ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

##### **Additional references/Descriptions**

- ☒ Description of renewable electricity procurement practices

#### **(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals**

*Select all that apply*

- ☒ Yes, in line with the Paris Agreement

#### **(4.6.1.7) Public availability**

Select from:

☒ Publicly available

#### (4.6.1.8) Attach the policy

*Nedbank Group Energy Policy.pdf*

### Row 2

#### (4.6.1.1) Environmental issues covered

Select all that apply

☒ Forests

☒ Water

☒ Biodiversity

#### (4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

#### (4.6.1.4) Explain the coverage

*Our Social and Environmental Policy applies to all our divisions, departments, branches and business units of the group, regarding all their activities and interactions with stakeholders; and is monitored for compliance by the Group Chief Compliance Officer, who will report on it to the Group Operational Committee (Opcom) to ensure alignment with our other policies and its continued relevance to our operations. Please note policy attached supported by annexures that could not be attached.*

#### (4.6.1.5) Environmental policy content

##### Environmental commitments

- ✓ Commitment to Net Positive Gain
- ✓ Commitment to a circular economy strategy
- ✓ Commitment to comply with regulations and mandatory standards
- ✓ Commitment to take environmental action beyond regulatory compliance
- ✓ Commitment to avoidance of negative impacts on threatened and protected species
- ✓ Commitment to stakeholder engagement and capacity building on environmental issues
- ✓ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ✓ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

##### Forests-specific commitments

- ✓ Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion

##### Water-specific commitments

- ✓ Commitment to reduce or phase out hazardous substances
- ✓ Commitment to control/reduce/eliminate water pollution
- ✓ Commitment to the conservation of freshwater ecosystems
- ✓ Commitment to water stewardship and/or collective action

##### Social commitments

- ✓ Commitment to promote gender equality and women's empowerment
- ✓ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ✓ Commitment to respect internationally recognized human rights

##### Additional references/Descriptions

- ✓ Description of commodities covered by the policy
- ✓ Description of dependencies on natural resources and ecosystems
- ✓ Description of impacts on natural resources and ecosystems
- ✓ Description of environmental requirements for procurement

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation
- ☒ Yes, in line with another global environmental treaty or policy goal, please specify

#### (4.6.1.7) Public availability

Select from:

- ☒ Not publicly available

#### (4.6.1.8) Attach the policy

NEDBANK GROUP - Social and Environmental Risk Policy - Level 1 2020.pdf

[Add row]

#### (4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	<p>Select from:</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies</li></ul>
Investing (Asset manager)	<p>Select from:</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies</li></ul>
Insurance (Insurance company)	<p>Select from:</p>

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
	<input checked="" type="checkbox"/> Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

#### **(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.**

##### **Banking (Bank)**

##### **(4.7.1.1) Environmental issues covered**

*Select all that apply*

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

##### **(4.7.1.2) Type of policy**

*Select all that apply*

- ☒ Risk policy
- ☒ Other banking policy, please specify :NEDBANK GROUP - Social and Environmental Risk Policy - Level 1 and Supporting Annexures

##### **(4.7.1.3) Public availability**

*Select from:*

- ☒ Not publicly available



#### (4.7.1.4) Attach the policy

NEDBANK GROUP - Social and Environmental Risk Policy - Level 1.pdf

#### (4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

- ☒ Direct operations and upstream/downstream value chain

#### (4.7.1.6) Industry sectors covered by the policy

Select all that apply

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail                        | <input checked="" type="checkbox"/> Fossil Fuels         |
| <input checked="" type="checkbox"/> Apparel                       | <input checked="" type="checkbox"/> Manufacturing        |
| <input checked="" type="checkbox"/> Services                      | <input checked="" type="checkbox"/> Infrastructure       |
| <input checked="" type="checkbox"/> Materials                     | <input checked="" type="checkbox"/> Power generation     |
| <input checked="" type="checkbox"/> Hospitality                   | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services       |  |
| <input checked="" type="checkbox"/> Food, beverage & agriculture  |  |
| <input checked="" type="checkbox"/> Biotech, health care & pharma |  |

#### (4.7.1.7) Commodities covered by the policy

Select all that apply

- ☒ All agricultural commodities

#### (4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing

#### (4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

#### (4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

*Our Environmental Policy Annexure 1 refers to Group Social and Environmental Management System (SEMS). This policy sets out the Group's requirements for compliance with our Social and Environmental Management System (SEMS) so that the group and its employees always abide by national and international legislation, regulations and instruments that relate to social and environmental risks and avoid penalties, lawsuits, exclusion from public contracts and reputational risk. The Social and Environmental Management System (SEMS) is a risk management strategy created to ensure that we minimise the impact of our business activities on society and the environment. This is done by identifying, monitoring and evaluating Social and Environmental Risks associated with our operations. With SEMS clusters can develop procedures and workflows for lending activities across the bank. The Group Social and Environmental Risk function oversees the management and administration of SEMS. Monitoring and reporting requirements Business clusters will monitor social and environmental exposures in accordance with the process contained in their respective process flows. All client reviews will be conducted at least every 18 months. Any negative social or environmental exposure must be reported to the next cluster Enterprisewide Risk Committee (ERCO) and to the Group Social and Environmental Risk Manager.*

#### (4.7.1.12) Requirements for clients/investees

##### **Environmental commitments**

- ☑ Commitment to no trade of CITES listed species
- ☑ Commitment to respect legally designated protected areas
- ☑ Commitment to comply with regulations and mandatory standards
- ☑ Commitment to take environmental action beyond regulatory compliance
- ☑ Commitment to avoidance of negative impacts on threatened and protected species
- ☑ Commitment to stakeholder engagement and capacity building on environmental issues
- ☑ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ☑ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

##### **Climate-specific commitments**

- ☑ Other climate-related commitment, please specify :We Assess alignment to our Energy Policy

##### **Forests-specific commitments**

- ☑ Other forests-related commitment, please specify :Requirements per IFC performance Standards

#### Water-specific commitments

- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to the conservation of freshwater ecosystems
- ☒ Commitment to water stewardship and/or collective action

#### Social commitments

- ☒ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ☒ Commitment to respect internationally recognized human rights

#### Additional references/Descriptions

- ☒ Description of biodiversity-related performance standards
- ☒ Description of impacts on natural resources and ecosystems

#### (4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

- ☒ Yes

#### (4.7.1.14) % of clients/investees compliant with the policy

100

#### (4.7.1.15) % of portfolio value that is compliant with the policy

100

#### (4.7.1.16) Target year for 100% compliance

Select from:

- ☒ Already met

## Investing (Asset manager)

### (4.7.1.1) Environmental issues covered

*Select all that apply*

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

### (4.7.1.2) Type of policy

*Select all that apply*

- ☒ Risk policy
- ☒ Sustainable/Responsible Investment Policy
- ☒ Investment policy/strategy
- ☒ Other investing policy, please specify :NEDBANK GROUP - Social and Environmental Risk Policy - Level 1and associated annexures

### (4.7.1.3) Public availability

*Select from:*

- ☒ Not publicly available

### (4.7.1.4) Attach the policy

*NEDBANK GROUP - Social and Environmental Risk Policy - Level 1.pdf*

### (4.7.1.5) Value chain stages of client/investee covered by policy

*Select from:*

- ☒ Direct operations and upstream/downstream value chain

### (4.7.1.6) Industry sectors covered by the policy

Select all that apply

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Retail                        | <input checked="" type="checkbox"/> Fossil Fuels            |
| <input checked="" type="checkbox"/> Apparel                       | <input checked="" type="checkbox"/> Manufacturing           |
| <input checked="" type="checkbox"/> Services                      | <input checked="" type="checkbox"/> Infrastructure          |
| <input checked="" type="checkbox"/> Materials                     | <input checked="" type="checkbox"/> Power generation        |
| <input checked="" type="checkbox"/> Hospitality                   | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Food, beverage & agriculture  |   |
| <input checked="" type="checkbox"/> Biotech, health care & pharma |   |

#### (4.7.1.7) Commodities covered by the policy

Select all that apply

- ☒ All agricultural commodities

#### (4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

#### (4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

*Our Environmental Policy Annexure 1 refers to Group Social and Environmental Management System (SEMS). This policy sets out the Group's requirements for compliance with our Social and Environmental Management System (SEMS) so that the group and its employees always abide by national and international legislation, regulations and instruments that relate to social and environmental risks and avoid penalties, lawsuits, exclusion from public contracts and reputational risk. The Social and Environmental Management System (SEMS) is a risk management strategy created to ensure that we minimise the impact of our business activities on society and the environment. This is done by identifying, monitoring and evaluating Social and Environmental Risks associated with our operations. With*

SEMS clusters can develop procedures and workflows for lending activities across the bank. The Group Social and Environmental Risk function oversees the management and administration of SEMS. Monitoring and reporting requirements Business clusters will monitor social and environmental exposures in accordance with the process contained in their respective process flows. All client reviews will be conducted at least every 18 months. Any negative social or environmental exposure must be reported to the next cluster Enterprisewide Risk Committee (ERCO) and to the Group Social and Environmental Risk Manager.

#### (4.7.1.12) Requirements for clients/investees

##### Environmental commitments

- ☒ Commitment to no trade of CITES listed species
- ☒ Commitment to respect legally designated protected areas
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to avoidance of negative impacts on threatened and protected species
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues
- ☒ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ☒ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals
- ☒ Other environmental commitment, please specify :We assess alignment to Equator Principles and IFC performance stands where applicable.

##### Climate-specific commitments

- ☒ Other climate-related commitment, please specify :We assess alignment with our Energy policy

##### Forests-specific commitments

- ☒ Other forests-related commitment, please specify :We assess alignment with The equator Principles and IFC performance standards where applicable.

##### Water-specific commitments

- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to the conservation of freshwater ecosystems
- ☒ Commitment to water stewardship and/or collective action

##### Social commitments

- ☒ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

- ☒ Commitment to respect internationally recognized human rights
- ☒ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

**Additional references/Descriptions**

- ☒ Description of biodiversity-related performance standards
- ☒ Description of dependencies on natural resources and ecosystems
- ☒ Description of impacts on natural resources and ecosystems

**(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy**

*Select from:*

- ☒ Yes

**(4.7.1.14) % of clients/investees compliant with the policy**

100

**(4.7.1.15) % of portfolio value that is compliant with the policy**

100

**(4.7.1.16) Target year for 100% compliance**

*Select from:*

- ☒ Already met

**Insurance (Insurance company)**

**(4.7.1.1) Environmental issues covered**

*Select all that apply*

- ☒ Climate change
- ☒ Forests

- ☒ Water
- ☒ Biodiversity

#### (4.7.1.2) Type of policy

*Select all that apply*

- ☒ Risk policy
- ☒ Other insurance policy, please specify :NEDBANK GROUP - Social and Environmental Risk Policy - Level 1and associated annexures

#### (4.7.1.3) Public availability

*Select from:*

- ☒ Not publicly available

#### (4.7.1.4) Attach the policy

*NEDBANK GROUP - Social and Environmental Risk Policy - Level 1.pdf*

#### (4.7.1.5) Value chain stages of client/investee covered by policy

*Select from:*

- ☒ Direct operations and upstream/downstream value chain

#### (4.7.1.6) Industry sectors covered by the policy

*Select all that apply*

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Retail                       | <input checked="" type="checkbox"/> Fossil Fuels         |
| <input checked="" type="checkbox"/> Apparel                      | <input checked="" type="checkbox"/> Manufacturing        |
| <input checked="" type="checkbox"/> Services                     | <input checked="" type="checkbox"/> Infrastructure       |
| <input checked="" type="checkbox"/> Materials                    | <input checked="" type="checkbox"/> Power generation     |
| <input checked="" type="checkbox"/> Hospitality                  | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services      |  |
| <input checked="" type="checkbox"/> Food, beverage & agriculture |  |



- ☒ Biotech, health care & pharma

#### (4.7.1.7) Commodities covered by the policy

Select all that apply

- ☒ All agricultural commodities

#### (4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing

#### (4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

#### (4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

*Our Environmental Policy Annexure 1 refers to Group Social and Environmental Management System (SEMS). This policy sets out the Group's requirements for compliance with our Social and Environmental Management System (SEMS) so that the group and its employees always abide by national and international legislation, regulations and instruments that relate to social and environmental risks and avoid penalties, lawsuits, exclusion from public contracts and reputational risk. The Social and Environmental Management System (SEMS) is a risk management strategy created to ensure that we minimise the impact of our business activities on society and the environment. This is done by identifying, monitoring and evaluating Social and Environmental Risks associated with our operations. With SEMS clusters can develop procedures and workflows for lending activities across the bank. The Group Social and Environmental Risk function oversees the management and administration of SEMS. Monitoring and reporting requirements Business clusters will monitor social and environmental exposures in accordance with the process contained in their respective process flows. All client reviews will be conducted at least every 18 months. Any negative social or environmental exposure must be reported to the next cluster Enterprisewide Risk Committee (ERCO) and to the Group Social and Environmental Risk Manager.*

#### (4.7.1.12) Requirements for clients/investees

##### Environmental commitments

- ☒ Other environmental commitment, please specify :Alignment to our risk management processes

**Climate-specific commitments**

☒ Other climate-related commitment, please specify :Alignment to our risk management processes

**Forests-specific commitments**

☒ Other forests-related commitment, please specify :Alignment to our risk management processes

**Water-specific commitments**

☒ Other water-related commitment, please specify :Alignment to our risk management processes

**Social commitments**

☒ Other social commitment, please specify :Alignment to our risk management processes

**Additional references/Descriptions**

☒ Other additional reference/description, please specify :Alignment to our risk management processes

**(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy**

Select from:

☒ Yes

**(4.7.1.14) % of clients/investees compliant with the policy**

100

**(4.7.1.15) % of portfolio value that is compliant with the policy**

100

**(4.7.1.16) Target year for 100% compliance**

Select from:

☒ Already met

[Add row]

## **(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.**

### **Banking (Bank)**

#### **(4.7.2.1) Type of exclusion policy**

*Select from:*

☒ Other, please specify : Thermal coal – focusing on mining, trading and infrastructure. Oil – focusing on upstream activities (exploration and production of crude oil). Gas – focusing on upstream activities (exploration and production of natural gas). Power generation –

#### **(4.7.2.3) Year of exclusion implementation**

2021

#### **(4.7.2.4) Phaseout pathway**

*Select all that apply*

☒ New business/investment for new projects

#### **(4.7.2.5) Year of complete phaseout**

2045

#### **(4.7.2.6) Country/area the exclusion policy applies to**

*Select all that apply*

☒ Worldwide

#### **(4.7.2.7) Description**

*As per our energy policy with regard to our corporate or commercial clients whose principal business activities relate to fossil fuels, we make the following undertakings (full details in our energy policy): Not to provide financing to thermal coal mines outside of South Africa. Not to provide project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025. Not to finance new oil exploration projects directly, regardless of jurisdiction. Not to provide any new financing for oil production, regardless of jurisdiction, from 1 January 2035. Not to finance new gas exploration projects directly, regardless of jurisdiction. Not to*

*provide financing to any new coal-fired power stations, regardless of technology or jurisdiction. Not to provide financing for new utility-scale or embedded oil-fired power generation, unless it is integrated as backup supply to renewable generation projects.*

## **Investing (Asset manager)**

### **(4.7.2.1) Type of exclusion policy**

*Select from:*

☒ Other, please specify : Thermal coal – focusing on mining, trading and infrastructure. Oil – focusing on upstream activities (exploration and production of crude oil). Gas – focusing on upstream activities (exploration and production of natural gas). Power generation –

### **(4.7.2.3) Year of exclusion implementation**

2021

### **(4.7.2.4) Phaseout pathway**

*Select all that apply*

☒ New business/investment for new projects

### **(4.7.2.5) Year of complete phaseout**

2045

### **(4.7.2.6) Country/area the exclusion policy applies to**

*Select all that apply*

☒ Worldwide

### **(4.7.2.7) Description**

*As per our energy policy with regard to our corporate or commercial clients whose principal business activities relate to fossil fuels, we make the following undertakings (full details in our energy policy): Not to provide financing to thermal coal mines outside of South Africa. Not to provide project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025. Not to finance new oil exploration projects directly, regardless of jurisdiction. Not to provide any new financing for oil production, regardless of jurisdiction, from 1 January 2035. Not to finance new gas exploration projects directly, regardless of jurisdiction. Not to*

*provide financing to any new coal-fired power stations, regardless of technology or jurisdiction. Not to provide financing for new utility-scale or embedded oil-fired power generation, unless it is integrated as backup supply to renewable generation projects.*

## **Insurance underwriting (Insurance company)**

### **(4.7.2.1) Type of exclusion policy**

*Select from:*

☒ Other, please specify : Thermal coal – focusing on mining, trading and infrastructure. Oil – focusing on upstream activities (exploration and production of crude oil). Gas – focusing on upstream activities (exploration and production of natural gas). Power generation –

### **(4.7.2.3) Year of exclusion implementation**

2021

### **(4.7.2.4) Phaseout pathway**

*Select all that apply*

☒ New business/investment for new projects

### **(4.7.2.5) Year of complete phaseout**

2045

### **(4.7.2.6) Country/area the exclusion policy applies to**

*Select all that apply*

☒ Worldwide

### **(4.7.2.7) Description**

*As per our energy policy with regard to our corporate or commercial clients whose principal business activities relate to fossil fuels, we make the following undertakings (full details in our energy policy): Not to provide financing to thermal coal mines outside of South Africa. Not to provide project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025. Not to finance new oil exploration projects directly, regardless of jurisdiction. Not to provide any new financing for oil production, regardless of jurisdiction, from 1 January 2035. Not to finance new gas exploration projects directly, regardless of jurisdiction. Not to*

provide financing to any new coal-fired power stations, regardless of technology or jurisdiction. Not to provide financing for new utility-scale or embedded oil-fired power generation, unless it is integrated as backup supply to renewable generation projects.

## Banking (Bank)

### (4.7.2.1) Type of exclusion policy

Select from:

☒ Other, please specify :IFC Exclusion List

### (4.7.2.3) Year of exclusion implementation

2012

### (4.7.2.4) Phaseout pathway

Select all that apply

☒ New business/investment for existing projects

### (4.7.2.5) Year of complete phaseout

2050

### (4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☒ Worldwide

### (4.7.2.7) Description

As part of our Environmental Policy, Axxenure 2 – Sector Policies, Nedbank has developed an independent social-and environmental risk assessment, with assessment criteria aligned to relevant Equator Principles (EP) and International Finance Corporation (IFC). As part of the policy we have integrated the IFC Exclusion list. Refer to page 18 of our Environmental Policy for complete exclusion list.

[Add row]

**(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?**

	Covenants included in financing agreements to reflect and enforce policies
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.8.1) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your environmental policies.**

**Row 1**

**(4.8.1.1) Environmental issue**

Select all that apply

☒ Climate change

**(4.8.1.2) Types of covenants used**

Select all that apply

☒ A purpose or use of proceeds clause that refers to a taxonomy aligned activity

☒ Covenants related to compliance with your environmental policies

**(4.8.1.3) Asset class/product types covered by covenants**

Select all that apply

☒ Corporate loans

☒ Retail loans

☒ Project finance

#### (4.8.1.4) Criteria for how covenants are applied

Select from:

☒ Selected clients

#### (4.8.1.5) % of clients covered by covenants

100

#### (4.8.1.6) % of portfolio covered in relation to total portfolio value

100

#### (4.8.1.7) Provide details on which environmental policies your covenants enforce and how

*The Covenants enforce our Environmental Policy Related to Fossil Fuels as per Our Energy Policy, it Also enforces our sector lending guidelines and Exclusion lists as outlined in our Environmental Policy Annexure 2 – Sector policies. As per our energy policy with regard to our corporate or commercial clients whose principal business activities relate to fossil fuels, we make the following undertakings (full details in our energy policy): Not to provide financing to thermal coal mines outside of South Africa. Not to provide project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025. Not to finance new oil exploration projects directly, regardless of jurisdiction. Not to provide any new financing for oil production, regardless of jurisdiction, from 1 January 2035. Not to finance new gas exploration projects directly, regardless of jurisdiction. Not to provide financing to any new coal-fired power stations, regardless of technology or jurisdiction. Not to provide financing for new utility-scale or embedded oil-fired power generation, unless it is integrated as backup supply to renewable generation projects. The Environmental policy provides guidance on covenants related to Biodiversity, Hazardous substances and water. Such Nedbank must promote: Respect for (land) rights of local communities and indigenous peoples Conservation strategies that enable communities to prioritise habitat and wildlife strategies for the protection of listed species.*

#### Row 2

#### (4.8.1.1) Environmental issue

Select all that apply

☒ Forests

☒ Water

☒ Biodiversity



#### (4.8.1.2) Types of covenants used

Select all that apply

- ☒ A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- ☒ Covenants related to compliance with your environmental policies

#### (4.8.1.3) Asset class/product types covered by covenants

Select all that apply

- ☒ Corporate loans
- ☒ Corporate real estate
- ☒ Project finance

#### (4.8.1.4) Criteria for how covenants are applied

Select from:

- ☒ Selected clients

#### (4.8.1.5) % of clients covered by covenants

100

#### (4.8.1.6) % of portfolio covered in relation to total portfolio value

100

#### (4.8.1.7) Provide details on which environmental policies your covenants enforce and how

*The Covenants enforce our Environmental Policy Related to Fossil Fuels as per Our Energy Policy, it Also enforces our sector lending guidelines and Exclusion lists as outlined in our Environmental Policy Annexure 2 – Sector policies. The Environmental policy provides guidance on covenants related to Biodiversity, Hazardous substances and water and is Linked to the IFC Performance Standards. Such Nedbank must promote: Respect for (land) rights of local communities and indigenous peoples Conservation strategies that enable communities to prioritise habitat and wildlife strategies for the protection of listed species.*

[Add row]

## **(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?**

### **Climate change**

#### **(4.9.1) Pension scheme incorporates environmental criteria in its holdings**

Select from:

☒ Yes, as the default investment strategy for all plans

#### **(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated**

*Nedbank's employment-based retirement schemes often invest in equities listed on the Johannesburg Stock Exchange, where certain ESG ratings are part of the listing requirements. Consequently, these retirement schemes inherently incorporate some ESG ratings. Additionally, water and forests are frequently included in many ESG criteria and are generally considered subsets of climate change. Therefore, they are embedded in climate change actions*

### **Forests**

#### **(4.9.1) Pension scheme incorporates environmental criteria in its holdings**

Select from:

☒ Yes, as the default investment strategy for all plans

#### **(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated**

*Nedbank's employment-based retirement schemes often invest in equities listed on the Johannesburg Stock Exchange, where certain ESG ratings are part of the listing requirements. Consequently, these retirement schemes inherently incorporate some ESG ratings. Additionally, water and forests are frequently included in many ESG criteria and are generally considered subsets of climate change. Therefore, they are embedded in climate change actions*

### **Water**

#### **(4.9.1) Pension scheme incorporates environmental criteria in its holdings**

Select from:

☒ Yes, as the default investment strategy for all plans

#### (4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

*Nedbank's employment-based retirement schemes often invest in equities listed on the Johannesburg Stock Exchange, where certain ESG ratings are part of the listing requirements. Consequently, these retirement schemes inherently incorporate some ESG ratings. Additionally, water and forests are frequently included in many ESG criteria and are generally considered subsets of climate change. Therefore, they are embedded in climate change actions*

[Fixed row]

#### (4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

##### (4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

##### (4.10.2) Collaborative framework or initiative

Select all that apply

☒ Equator Principles

☒ IIF Forum on Implementation of TCFD recommendations

☒ Principles for Responsible Investment (PRI)

☒ UN Global Compact

☒ UNEP FI

##### (4.10.3) Describe your organization's role within each framework or initiative

*United Nations Principles for Responsible Investments (UN PRI) Nedbank Wealth has been a member of the United Nations Principles for Responsible Investments (UN PRI) since June 2022, and submitted their inaugural assessment report in September 2023 for calendar year 2022. The annual assessment provides an opportunity to identify global best practice and how we can advance our effort. 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. 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. Our sustainability efforts and governance and risk management approaches are informed by, the United Nations Global Compact.*

*[Fixed row]*

#### **(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

##### **(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

*Select all that apply*

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

##### **(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

##### **(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement**

*Select all that apply*

☒ Paris Agreement

☒ Kunming-Montreal Global Biodiversity Framework

☒ Another global environmental treaty or policy goal, please specify :Taskforce on Nature Related Financial Disclosures (TNFD)

#### (4.11.4) Attach commitment or position statement

*Nedbank Nature Position Statement.pdf*

#### (4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Unknown

#### (4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

*While all Nedbank business units, clusters, divisions and employees embrace the role they have to ensure effective and mutually beneficial stakeholder relationships, ultimate responsibility for the effectiveness of our stakeholder engagements rests with the Nedbank Group Exco. Nedbank Group advocates an inclusive approach to stakeholder engagement in line with the King IV Report on Corporate Governance (King IV). In the execution of its duties Nedbank undertakes to ensure that the legitimate and reasonable needs, interests and expectations of all material stakeholders are considered. Nedbank shares the view that the quality of its stakeholder relationships is the ultimate construct that should determine the overall sustainability of the enterprise. Accordingly, King IV has placed stakeholder relationship as the ultimate measure of impact and charged company boards with the responsibility to measure the quality thereof. To ensure consistency and protect the Nedbank brand, stakeholder engagement is informed and governed by a comprehensive stakeholder policy and a supporting engagement framework. The Group Operational Committee monitors compliance with this policy and structure. Furthermore, Our Group Sustainability and Strategy team sets and communicates our environmental positions, workshopped through different clusters and approved by the Group Sustainability and Climate and Resilience Committee.*

*[Fixed row]*

**(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

**Row 1**

##### (4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via a trade association

#### (4.11.2.4) Trade association

##### Africa

- ☒ Other trade association in Africa, please specify :The Banking Association South Africa (BASA)

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Unknown

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ No, we do not know their position

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*Our funding forms part of membership to the association. The Banking Association South Africa (BASA) advances the interests of the industry with its regulators, legislators and stakeholders, to make banking sustainable, profitable and better able contribute to the social and economic development and transformation of the country. As the national association of domestic and international banks operating in South Africa, BASA:*

- Advocates the views of the banks on legislation, regulation, and social and economic issues that affect the industry. BASA canvasses its members through committees and work groups.*
- Facilitates the sustainable transformation of the banking industry.*
- Promotes inclusive economic growth by working with legislators, regulators, as well as other business associations and*

stakeholders, to establish a stable, conducive policy and business environment. • Helps find sustainable solutions to the challenges of poverty, unemployment and inequality by mobilising the skills and resources of the industry. • Hosts the Southern African Development Community Banking Association (SADC BA), which works with regulators to strengthen the integrity and efficiency of banking services in the region.

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

☒ Paris Agreement

[Add row]

### **(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?**

Select from:

☒ Yes

#### **(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

##### **Row 1**

#### **(4.12.1.1) Publication**

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

#### **(4.12.1.2) Standard or framework the report is in line with**

*Select all that apply*

- ☒ GRI
- ☒ TCFD

#### (4.12.1.3) Environmental issues covered in publication

*Select all that apply*

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

#### (4.12.1.4) Status of the publication

*Select from:*

- ☒ Complete

#### (4.12.1.5) Content elements

*Select all that apply*

- ☒ Strategy
- ☒ Governance
- ☒ Emission targets
- ☒ Emissions figures
- ☒ Risks & Opportunities
- ☒ Water accounting figures

#### (4.12.1.6) Page/section reference

*Governance - Page 16 Strategy - Page 27 Risk Management - Page 54 Metrics and Targets – Page 80*

#### (4.12.1.7) Attach the relevant publication

*2023 Nedbank Group Climate Report\_Final\_18-04-2024.pdf*

#### (4.12.1.8) Comment



*On An annual Basis, Nedbank publishes a Suite Integrated Reports covering Climate, Society and Governance Reports. The can be accessed here 2023*  
*([nedbank.co.za](https://www.nedbank.co.za))*  
*[Add row]*

## C5. Business strategy

### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

#### Climate change

##### (5.1.1) Use of scenario analysis

Select from:

☒ Yes

##### (5.1.2) Frequency of analysis

Select from:

☒ More than once a year

#### Forests

##### (5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

##### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

##### (5.1.4) Explain why your organization has not used scenario analysis

*Nedbank recognizes the critical role of water in sustaining life and ecosystems. While Indigenous forests are not a material environmental theme in South Africa, Nedbank acknowledges the importance of assessing our impacts and dependencies on water resources. Following the disclosure of our Nature Position Statement,*

*we are committed to conducting our first Nature Risk Assessment using the Leap Method, in alignment with the Taskforce for Nature-related Financial Disclosures (TNFD). This assessment will guide our strategies and commitments to ensure responsible water management and conservatio*

## Water

### (5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (5.1.4) Explain why your organization has not used scenario analysis

*Nedbank acknowledges the vital role of water in sustaining life and ecosystems. Although our impact on water is considered low, we recognize the importance of assessing our effects on water resources. Following the disclosure of our Nature Position Statement, we are committed to conducting our inaugural Nature Risk Assessment using the Leap Method, aligned with the Taskforce for Nature-related Financial Disclosures (TNFD). This assessment will inform our strategies and commitments to promote responsible water management and conservation*  
[Fixed row]

### (5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

## Climate change

### (5.1.1.1) Scenario used

#### Climate transition scenarios

☒ NGFS scenarios framework, please specify :Delayed Transition: Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C.

### (5.1.1.3) Approach to scenario

Select from:

- ☒ Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- ☒ Country/area

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical
- ☒ Policy
- ☒ Market
- ☒ Technology

### (5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 1.5°C or lower

### (5.1.1.7) Reference year

2021

### (5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040

#### (5.1.1.9) Driving forces in scenario

##### Local ecosystem asset interactions, dependencies and impacts

- ☑ Climate change (one of five drivers of nature change)

##### Stakeholder and customer demands

- ☑ Consumer sentiment
- ☑ Sensitivity to inequity of nature impacts

##### Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Political impact of science (from galvanizing to paralyzing)
- ☑ Level of action (from local to global)
- ☑ Global targets
- ☑ Other regulators, legal and policy regimes driving forces, please specify :South African Reserve Bank Prudential Authority

##### Direct interaction with climate

- ☑ On asset values, on the corporate
- ☑ Other direct interaction with climate driving forces, please specify :Acute Hazards such as Wildfire, storm, Heat Drought, Flooding and Sea-level rise.

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Climate scenario analysis plays a crucial role in understanding potential impacts and informing decision-making. However, it faces several challenges. The main one for Nedbank being Data Gaps and Limitations: Incomplete or unreliable data can hinder accurate modelling. Addressing data gaps and improving data quality is essential for robust scenario analysis. Our Scenario Analysis is based on assumptions aligned to SSP1-2,6, SSP2-4,5 SSP5-8,5 that provide assumptions for scenario on conventional development pathways. For the transition scenario Assessment, NGFs assumptions aligned to Divergent Net-zero, Delayed transition and nationally determined contributions (NDCs) Refer to Page 61 of Our Climate report*

#### (5.1.1.11) Rationale for choice of scenario

*The Nedbank Climate Risk Management Framework (CRMF) provides an overarching structure which supports the climate risk management process. The CRMF outlines the risk management principles and objectives that enable the group to identify, assess, manage, monitor, and report on climate-related risks. This enables*

more effective decision-making at the strategic, tactical, and operational levels of the group Our CRMF our lines the following in rationalising Scenarios. Scenarios should have the following characteristics: • The first step is to identify potential exposures to climate related risks and opportunities and the demands from stakeholders to understand the impact of climate related risks: • Plausible. The events in the scenario should be possible and the narrative credible (ie, the descriptions of what happened, and why and how it happened, should be believable). • Distinctive. Each scenario should focus on a different combination of the key factors. Scenarios should be clearly differentiated in structure and in message, not variations on a single theme. Multiple scenarios should be used to explore how different permutations and/or temporal developments of the same key factors can yield very different outcomes. • Consistent. Each scenario should have strong internal logic. The goal of scenario analysis is to explore the way that factors interact, and each action should have a reaction. Neither actors nor external factors should completely overturn the evidence of current trends and positions unless logical explanations for those changes are a central part of the scenario. • Relevant. Each scenario, and the set of scenarios taken as a whole, should contribute specific insights into the future that relate to strategic and/or financial implications of climate-related risks and opportunities. • Challenging. Scenarios should challenge conventional wisdom and simplistic assumptions about the future. When thinking about the major sources of uncertainty, scenarios should try to explore alternatives that will significantly alter the basis for business-as-usual assumptions. [Add row]

## **(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.**

### **Climate change**

#### **(5.1.2.1) Business processes influenced by your analysis of the reported scenarios**

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Target setting and transition planning

#### **(5.1.2.2) Coverage of analysis**

Select from:

- ☒ Organization-wide

#### **(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues**

Scenario analysis serves as a tool for managing climate risk. Within the realm of risk management, particularly concerning the impact of risk, assessments were conducted to gauge the effects of both physical and transition risks. This evaluation was structured around three key elements: 1. Modelling of physical hazards or identifying transition risk factors based on a range of scenarios and timeframes. 2. Determining the exposure of client assets to climate-related risk factors, considering their specific locations or regions. 3. Assessing the susceptibility of different asset types to the physical dangers and transition risks they face. These

elements were integrated to calculate a comprehensive risk score for each asset. Subsequently, assets were sorted into various risk profiles, offering a comparative perspective on the risk levels present within Nedbank's evaluated lending portfolio. Outcomes from scenario analysis: Physical risk: The 2023 Climate Risk Management Assessment (CRMA) revealed that Nedbank's portfolio is vulnerable to a spectrum of physical hazards. These hazards vary in intensity and occurrence based on the asset's location, industry, and the scenario considered. The most significant hazards identified for Nedbank's portfolio include floods, droughts, heatwaves, and storms, which are sector or location-specific and could lead to considerable harm and interruption for Nedbank's clientele and assets in the future. The assessment underscored an increasing trend in these hazards over time. Sectors and areas within Nedbank's portfolio that carry a high risk have been pinpointed and will guide future risk management strategies and client interactions. Transition risk: The CRMA indicates that Nedbank's portfolio is subject to a variety of transition risk factors that could impact the economic stability and endurance of its clients. Notable transition risks affecting Nedbank's portfolio include carbon taxation, shifts towards renewable energy, and a decrease in demand. These factors could influence the income, expenses, and overall profitability of Nedbank's clients. Based on these findings, clients, industries, and lending portfolios have been classified into risk categories, which will shape Nedbank's approach to transition financing

[Fixed row]

## **(5.2) Does your organization's strategy include a climate transition plan?**

### **(5.2.1) Transition plan**

Select from:

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

### **(5.2.3) Publicly available climate transition plan**

Select from:

☒ Yes

### **(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan**

Select from:

☒ Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

### **(5.2.8) Description of feedback mechanism**

Nedbank gathers input from shareholders regarding its climate transition plans through various channels and mechanisms: Annual General Meeting (AGM): The AGM serves as a crucial 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 concerns, and provide feedback directly to the bank's management and board of directors. **Shareholder Engagement Sessions:** Nedbank conducts dedicated sessions and roadshows focused on climate-related matters. These gatherings 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 outline its climate strategy, targets, and performance. These documents serve as valuable sources 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 engages in collaborative initiatives and partnerships related to climate change and sustainable finance. For instance, the bank collaborates 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, aligning with industry standards and best practices.

### (5.2.9) Frequency of feedback collection

Select from:

☒ More frequently than annually

### (5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Nedbank bases its transition plans on the widely adopted IEA Net-zero Emissions by 2050 scenario (NZE). This science-based pathway aligns with the Paris Agreement's goals, aiming to limit global warming to well below 2C by 2050 and pursue efforts to keep the increase below 1.5C. Here are the key points: **Targeted Commitment Date:** Nedbank's first targeted commitment date is 31 December 2029 for fossil fuel and power generation pathways. The bank aims to achieve specific reductions by 2029: 47% for thermal coal and 26% for upstream oil and gas. **Renewable Energy Dominance:** Nedbank's power generation financing activities primarily focus on renewable energy, resulting in a low CO2e intensity compared to the 2030 IEA NZE target. **Cap Alignment:** To stay current with the latest IEA updates, Nedbank has adopted a cap aligned with the 2030 IEA NZE target of 165 gCO2e/kWh. **Considerations:** Nedbank's scenarios incorporate the latest available science, consider the African context, and account for the African Just Transition. The bank commits to regular reviews to ensure alignment with evolving science, and targets beyond 2030 will be communicated closer to that time. **Own Operation Glidepaths:** Nedbank follows a decarbonization trajectory, reducing total carbon emissions annually. The goal is to achieve carbon-neutral facilities by 2035 through direct emissions reduction and monitoring of indirect emissions

### (5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

As reported in our 2023 Climate Report, 1. **Thermal Coal Glidepath:** During the specified period, although thermal coal limits decreased, thermal coal emissions increased. This rise in emissions is linked to an increase in the attribution factor for a client in 2023. The attribution factor represents the ratio between a client's limits and their total debt and equity. Since glidepath emissions are calculated based on these limits, the reduction in the client's total debt and equity (while keeping the limits unchanged year-on-year) results in more emissions being attributed to Nedbank. However, it is anticipated that emissions will gradually decrease over time as limits and exposures decline. 2. **Power Generation:** The average book intensity decreased primarily due to two factors: • A reduction in non-renewable power generation limits and associated exposure resulting from client repayments over the period. • An increase in the size of our renewable energy book. 3. **Upstream Oil & Gas Glidepaths:** The attributed emissions of the upstream oil & gas glidepath decreased by 27%, going from 6,017 ktCO2e to 4,404 ktCO2e. This reduction was a result of strategic portfolio adjustments combined with our clients' decrease in their own emissions. Our calculations were based on the latest available client financial information for both years. Refer to Page 51 of our climate report



### (5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

2023 Nedbank Group Climate Report\_Final\_18-04-2024.pdf

### (5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☒ No other environmental issue considered

[Fixed row]

## (5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

### (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

☒ Upstream/downstream value chain

☒ Investment in R&D

☒ Operations

[Fixed row]

### (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

#### Products and services

#### (5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

#### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Our strategy is to commit increasing levels of our capital to sustainable development activities that support the decarbonisation of the economy and inclusive growth and cater to the changing needs of our clients and society. In 2021, leveraging our track record in climate and environmental leadership and our Climate Position Statement, we published our Energy Policy. This includes a pledge to eliminate exposure to fossil fuels by 2045, acknowledging the urgency for a zero-carbon energy system by 2050 and the necessity for an orderly withdrawal from fossil fuel financing well in advance. In 2022 we defined our glidepath methodology for fossil fuels and power generation, which was piloted internally in 2023, and began to embed glidepath management within our business, credit, and risk frameworks. In 2023 we focused on the further building of a strong foundation of net-zero capabilities and commitments. A Practical example of our efforts is We partnered with clients to drive climate impact objectives through sustainability finance solutions including: provided over R3,4bn in private power generation funding (2022 R1,6bn); raised R2bn in green bonds; and remained a leading funder of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in SA, with funding of 4GW across 50 projects with exposure of R28,8bn.*

### Upstream/downstream value chain

#### (5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

#### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Downstream Value Chain: Nedbank actively involves clients in its sustainability journey to achieve net-zero goals. By engaging with clients on their decarbonization journeys, the bank deepens relationships and gains a better understanding of their businesses. Beyond conventional lending channels, Nedbank provides sustainable lending and investment solutions. In 2023, the bank intensified engagement with 122 clients from climate-sensitive sectors (such as Oil and Gas, Power Generation, Real Estate, Mining, and Agriculture). These sessions aimed to explore financing solutions for clients' decarbonization efforts and collect insights to manage carbon impacts and risks within the lending portfolio. Additionally, Nedbank extended these conversations to an additional 40 CIB clients beyond climate-sensitive sectors. Renewable Energy: Nedbank remains a key player in renewable energy, having funded 3,517 MW across 50 projects through South Africa's Renewable Energy Independent Power Producer Procurement Program (REIPPPP). As of December 2023, the bank's total renewable energy exposure reached around R30 billion. Client facilities increased by 22% to R46 billion, reinforcing Nedbank's commitment to supporting the country's transition to a green economy. Upstream Value Chain: Nedbank's Procurement Policy prioritizes environmental impact assessment when selecting suppliers. Suppliers complete a comprehensive Supplier Profile Questionnaire (SPQ) during onboarding and are encouraged to update it annually. Approximately 39.2% of annual procurement cashflow is spent with 18.4% of suppliers who have environmental policies. The bank aims to increase spending with environmentally responsible suppliers to over 66% of the supplier base by the end of 2025. Nedbank actively supports suppliers in developing environmental strategies and policies through newsletters, engagements, and the Supplier Relationship Management (SRM) program. The SRM program, currently piloted with over 50 strategic and critical suppliers, focuses on ESG elements, performance, and innovation, with plans to expand further. For more detailed information, please refer to pages 42 and 43 of the 2023 Climate Report*

## Investment in R&D

### (5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Nedbank recognizes the significance of research and development (R&D) in addressing climate-related risks and opportunities. The bank's rationale for conducting R&D across climate-related areas includes minimizing its operational impact, staying informed about regulatory changes, and creating innovative products and services to meet evolving client and market needs. Nedbank's strategic approach is shaped by climate-related risks and opportunities. The bank actively invests in R&D efforts to reduce operational impact, track regulatory developments, and develop climate-related solutions. This proactive stance aims to address risks, identify market openings, and enhance the bank's resilience and competitiveness. An illustrative example is our 2023 Nature Position Statement, committing us to developing internal capacity for assessing and disclosing nature-related dependencies, impacts, risks, and opportunities. We will provide annual progress updates, enhance risk-screening processes, and collaborate with partners like WWF to stay informed about nature developments and their applicability to our business*

Operations

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

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. 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. In our own operations we focus on tracking, managing, and disclosing our Scope 1 emissions directly attributable to our facilities and assets; our Scope 2 or indirect emissions, such as purchased electricity; and our upstream Scope 3 emissions emanating from our employees' commuting as well as the emissions relating to the goods and services we procure from our suppliers for our own use. Nedbank continually improves the management of energy and GHG emissions across its business by setting emission reduction targets in line with its commitments and investing in renewable energy generation for its own operations. In Nedbank facilities we 1st minimise our impact through reduction efforts and then offset our carbon footprint. We are working towards further reducing and eventually eliminating Scope 1 and Scope 2 GHG emissions from our own operations. Further details on our operational carbon footprint, and how we manage our own energy generation, are set out in the metrics and targets section of our 2023 Climate Report.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☒ Assets
- ☒ Revenues
- ☒ Liabilities
- ☒ Direct costs
- ☒ Access to capital
- ☒ Capital allocation

#### (5.3.2.2) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

#### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☒ Climate change

#### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*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. 1. Lending, Underwriting, and Investing Practices: Nedbank actively integrates climate-related risks into its lending, underwriting, and investment decisions. The bank applies risk management practices to effectively handle risks in greenhouse gas (GHG)-intensive industries. Specifically, Nedbank assesses 17 risk categories through its Social and Environmental Management Systems (SEMS). Case studies demonstrate how climate risks influence credit decisions, especially in high-GHG emitting and vulnerable sectors such as mining, oil and gas, agriculture, real estate, water, and waste management. 2. Social and Environmental Management Systems (SEMS): Nedbank has transformed and improved its SEMS to align with global best practices. Learnings from the Principles of Responsible Banking (PRB), Principles of Responsible Investment (PRI), and Task Force on Nature-Related Financial Disclosures (TNFD) inform the SEMS. Climate-related risks and opportunities are now integrated into management procedures, covering areas like lending clusters, 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. For instance, the bank has set restrictions on lending to thermal coal projects with the intention to reduce exposure over time. 3. Equator Principles and IFC Performance Standards: Nedbank applies the Equator Principles (EP) and the International Finance Corporation (IFC) Performance Standards in its lending practices. These standards are integrated into Nedbank's transactions*

[Add row]

## (5.10) Does your organization use an internal price on environmental externalities?

### (5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, but we plan to in the next two years

### (5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (5.10.4) Explain why your organization does not price environmental externalities

*Nedbank's reason not to have priced environmental externalities is influenced by their evolving Climate Risk Management Framework. The CRMA, recently added to their risk toolkit, will undergo continuous refinement and periodic updates. It complements other climate risk assessment tools, including scenario analysis, climate stress testing, and sensitivity analysis. The next steps involve validating and refining CRMA results, analysing risk profiles by various criteria, integrating findings into risk management systems, expanding coverage, and enhancing data quality through collaboration with climate experts. This approach reflects Nedbank's commitment to addressing climate risks while adapting to emerging practices and standards. By incorporating stakeholder feedback and leveraging scientific advancements, they aim to make informed decisions that balance environmental impact and financial considerations. Refer to page 64 of our 2023 Climate report.*

[Fixed row]

## (5.11) Do you engage with your value chain on environmental issues?

### Clients

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

### Investees

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

#### Suppliers

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

#### (5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

#### Smallholders

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

#### Investors and shareholders

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

#### (5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

## Other value chain stakeholders

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, but we plan to within the next two years

### (5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Nedbank directly engages with its suppliers  
[Fixed row]

## (5.11.3) Provide details of your environmental engagement strategy with your clients.

### Row 1

#### (5.11.3.1) Type of clients

Select from:

☒ Clients of Banks

#### (5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☒ Climate change

#### (5.11.3.3) Type and details of engagement



### Capacity building

- ☒ Provide training, support and best practices on how to set science-based targets
- ☒ Support clients to develop public, time-bound action plans with clear milestones
- ☒ Support clients to set their own environmental commitments across their operations

### Innovation and collaboration

- ☒ Collaborate with clients on innovations to reduce environmental impacts in products and services

#### (5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

- ☒ Unknown

#### (5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

- ☒ Unknown

#### (5.11.3.6) Explain the rationale for the coverage of your engagement

*Nedbank's commitment to sustainability is at the forefront of our engagement with clients, especially those experiencing heightened climate-related risks and impacts. Our approach is rooted in the understanding that supporting our clients' transition to a low-carbon economy is not only environmentally imperative but also essential for long-term business resilience and success. As part of our Sustainable Development Framework, which aligns with the United Nations Sustainable Development Goals (SDGs), we recognize the importance of proactive measures in mitigating climate change. This is why our engagements are strategically targeted towards clients with increased exposure to climate-related challenges, offering them robust support and innovative financial solutions*

#### (5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

*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.*

### (5.11.3.8) Attach your engagement strategy

*Nedbank Climate Client Engagement Manual (Oct 2023) 1.pdf*

### (5.11.3.9) Staff in your organization carrying out the engagement

*Select all that apply*

- ☒ Specialized in-house engagement teams
- ☒ Equity/credit analysts
- ☒ Senior-level roles

### (5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

*Select all that apply*

- ☒ CEO
- ☒ Investor relations managers

### (5.11.3.11) Effect of engagement, including measures of success

*Nedbank's engagements on climate-related issues are underpinned by a commitment to open and transparent communication, fostering a collaborative environment where both Nedbank and its clients can share strategies and insights on sustainable practices. A key measure of our success is not only the quality of these interactions but also the quantity. We meticulously track the number of clients we engage with on climate and other ESG issues, setting targets to increase this engagement year on year. Our efforts in this domain have been fruitful, as evidenced by the 122 engagements we conducted last year with clients in climate-sensitive sectors, including Oil and Gas, Power Generation, Real Estate, Mining, and Agriculture. These engagements are a testament to our proactive approach and unwavering dedication to supporting our clients through the complexities of environmental challenges and the transition to a low-carbon economy*

### (5.11.3.12) Escalation process for engagement when dialogue is failing

*Select from:*

- ☒ No, we don't have an escalation process

*[Add row]*

## (5.11.4) Provide details of your environmental engagement strategy with your investees.

## Row 1

### (5.11.4.1) Environmental issues covered by the engagement strategy

*Select all that apply*

☒ Climate change

### (5.11.4.2) Type and details of engagement

#### Capacity building

- ☒ Provide training, support, and best practices on how to make credible renewable energy usage claims
- ☒ Provide training, support, and best practices on how to measure GHG emissions
- ☒ Provide training, support, and best practices on how to set science-based targets
- ☒ Support investees to develop public time-bound action plans with clear milestones
- ☒ Support investees to set their own environmental commitments across their operations

#### Financial incentives

- ☒ Provide financial incentives for environmental performance

#### Information collection

- ☒ Collect climate transition plan information at least annually from investees
- ☒ Collect GHG emissions data at least annually from investees

#### Innovation and collaboration

- ☒ Collaborate with investees on innovations to reduce environmental impacts in products and services
- ☒ Collaborate with investees on innovative business models and corporate renewable energy sourcing mechanisms

### (5.11.4.3) % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

*Select from:*

☒ Unknown

#### (5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:

☒ Unknown

#### (5.11.4.6) Explain the rationale for the coverage of your engagement

*Nedbank's strategic engagement with investees is driven by a commitment to environmental stewardship and the recognition of the urgent need to address climate-related risks. Our engagements are meticulously designed to target investees that are navigating the complexities of increased climate-related risks and impacts. By focusing on these entities, we aim to empower them to not only adapt to but also prosper in a low-carbon economy. Our support extends beyond traditional financial services; we provide sustainable finance solutions that are tailored to bolster both adaptation and mitigation strategies. This dual approach ensures that our investees are equipped with the necessary tools to manage their climate risks effectively while capitalizing on the opportunities that arise from the transition to sustainable practices. At Nedbank, we believe that by supporting our investees in this journey, we are contributing to a resilient, inclusive, and environmentally sound economic future*

#### (5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

*Nedbank employs a comprehensive and multifaceted approach to communicate its engagement strategy to investees and the public. Central to this strategy is the publication of annual reports, including the Climate Report and the Integrated Report, which provide transparent insights into the bank's sustainability initiatives and financial stewardship. These reports serve as a cornerstone for dialogue with investees, ensuring they are well-informed of Nedbank's commitment to environmental and social governance (ESG) principles. In addition to these reports, Nedbank's Risk Management processes play a pivotal role in guiding engagements. The Socio-Economic and Environmental Management System (SEMS) is a key component of this framework, offering a structured approach to assess and manage risks associated with investee activities. This system, along with our robust policies, ensures that our engagements are not only strategic but also aligned with our overarching goal of fostering sustainable and ethical business practices.*

#### (5.11.4.8) Attach your engagement strategy

*Nedbank Climate Client Engagement Manual (Oct 2023) 1.pdf*

#### (5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply

- ☒ Specialized in-house engagement teams
- ☒ Fund managers
- ☒ Equity/credit analysts
- ☒ Senior-level roles

#### (5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

- ☒ Board members
- ☒ Board chair
- ☒ CEO
- ☒ Investor relations managers

#### (5.11.4.11) Effect of engagement, including measures of success

*Nedbank's engagement with investees on climate-related issues is characterized by a commitment to open and transparent communication. The effectiveness of these engagements is gauged by the degree to which investees align with Nedbank's climate commitments. A prime example of this is the implementation of the Socio-Economic and Environmental Management System (SEMS), which operationalizes the Nedbank Energy Policy. This policy ensures that financing agreements honor the set limits for new thermal coal projects, encompassing coal mining, coal-related infrastructure, and trade. To illustrate our dedication to reducing climate impact, Nedbank has imposed a cap on total coal mining lending to 1% of total group gross loans and aims to halve this exposure to 0.5% by 2030. In 2023, the SEMS process was effectively applied across various business units, reflecting our systematic approach to integrating climate considerations into all facets of our operations*

#### (5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:

- ☒ No, we don't have an escalation process

[Add row]

#### (5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

##### Climate change

#### (5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Adaptation to climate change

#### (5.11.7.3) Type and details of engagement

### Capacity building

- ☒ Provide training, support and best practices on how to measure GHG emissions
- ☒ Provide training, support and best practices on how to mitigate environmental impact
- ☒ Support suppliers to develop public time-bound action plans with clear milestones
- ☒ Support suppliers to set their own environmental commitments across their operations

### Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services
- ☒ Collaborate with suppliers on innovative business models and corporate renewable energy sourcing mechanisms
- ☒ Engage with suppliers to advocate for policy or regulatory change to address environmental challenges

#### (5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

#### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ Unknown

#### (5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- ☒ Unknown

#### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*The group's Procurement Policy includes as primary criterion in our assessment and selection processes (eg when issuing tenders), the assessment of the environmental impact of suppliers' products and services. Suppliers are further required to complete a comprehensive Supplier Profile Questionnaire (SPQ) at the onboarding stage and suppliers are encouraged to update their profile at least annually. A series of 10 questions is asked of our suppliers, specifically about environmental practices. We have 39,2% of our annual procurement cashflow spent with 18,4% of our supplier base who have an environmental policy in place. We aim to increase our spending with environmentally responsible suppliers to greater than 66% of our supplier base by the end of 2025. During 2023 we participated in the CDP's inaugural Supplier Engagement Rating (SER). The CDP SER evaluates an organisation's engagements with its suppliers on climate change and*

recognises best practice in this regard, as well as aiming to accelerate global practices on supply chain or scope 3 upstream emissions. In our 1st submission, Nedbank achieved a B rating, which means that we are actively managing our supplier engagement which compares favourably with the C ratings that the Financial Services Sector achieved and the global average for corporates that participated in this rating. We offer our suppliers support in the development of an environmental strategy and policy. This is done through our quarterly newsletters, formal and informal engagements, supplier briefing sessions during tenders, and our Supplier Relationship Management (SRM) programme for strategic and critical suppliers. The group has implemented an SRM programme. There are just over 50 strategic and critical suppliers that have been included in the pilot programme. All the elements of ESG are part of the agenda, with performance and innovation being its key aims. These suppliers constitute about 20% of the group's procurement spend. Plans are in place to increase the number of strategic suppliers and increase the spend under the programme to at least 60%.

#### (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

[Add row]

#### (5.11.8) Provide details of any environmental smallholder engagement activity

##### Row 1

##### (5.11.8.1) Commodity

Select from:

☒ Other, please specify :South African Context of Agriculture involves Fruit and Vegetable farming including cattle farming

##### (5.11.8.2) Type and details of smallholder engagement approach

###### Capacity building

- ☒ Provide training, support and best practices on sustainable agriculture practices and nutrient management
- ☒ Support smallholders to adhere to regenerative agriculture principles
- ☒ Support smallholders to adopt best practices which protect biodiversity
- ☒ Support smallholders to measure and report on environmental and social indicators

###### Innovation and collaboration

- ☒ Collaborate with smallholders on innovations to reduce environmental impacts in products and services

## Smallholder financing

☒ Financing contracts long-term

### (5.11.8.3) Number of smallholders engaged

20

### (5.11.8.4) Effect of engagement and measures of success

*Nedbank's engagement with agricultural smallholders is a reflection of our deep commitment to sustainability and our understanding of the sector's unique position as both a contributor to and a victim of climate change. Our success in this engagement is measured by the alignment of our initiatives with the goal of fostering a resilient agricultural sector. We prioritize climate change and sustainability, integrating them into the core of our operations, with a particular focus on water conservation, energy efficiency, and soil health. These areas are critical in supporting our agricultural clients' transition to sustainable practices through our lending programs. Our role, however, extends beyond mere financial support. We leverage our banking expertise to educate and raise awareness about climate risks and the economic viability of sustainable farming. Through open dialogues, we provide our clients with strategic advice to future-proof their businesses and offer customized funding solutions that cater to their specific needs. Our efforts are amplified through sponsorships, events, and networks, where we advocate for sustainability and the construction of climate-resilient farming enterprises. We are convinced that through our lending practices and advocacy for a fair and inclusive transition, banks can significantly contribute to transforming the South African agricultural sector into one that is robust and future-ready. This approach is in line with Nedbank's objectives to enhance social and economic opportunities through education, training, and development in agriculture, in partnership with other key players in the field. The Nedbank team is actively involved with farmers across the value chain, providing expertise, products, services, and access to funding, as detailed on pages 147 & 148 of our 2023 Society report. Our engagements are not just transactions; they are part of a larger mission to ensure that every stakeholder in the agricultural sector is equipped to thrive in a sustainable future.*

[Add row]

### (5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

### (5.11.9.2) Type and details of engagement



#### Education/Information sharing

- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

#### Innovation and collaboration

- ☒ Align your organization's goals to support customers' targets and ambitions
- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ Unknown

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Nedbank's rationale for engaging with stakeholders, including investors and others within the value chain, is deeply rooted in our commitment to environmental stewardship and strategic alignment with our sustainability goals. We believe in the power of sharing information on our environmental initiatives and progress, as it fosters a culture of transparency and collective responsibility. Our engagements are designed to inform stakeholders of the steps we are taking to integrate environmental considerations into our business model, ensuring that our strategy is not only understood but also supported by all. By doing so, Nedbank is dedicated to creating long-term value that transcends financial gains, aiming to benefit our stakeholders without compromising the health of our planet. This balanced approach to value creation is a testament to our belief that a sustainable future is not a trade-off but a shared opportunity for growth and prosperity.*

#### (5.11.9.6) Effect of engagement and measures of success

*Nedbank's engagement with investors and stakeholders on climate-related issues is pivotal to our operational ethos. The effectiveness of these engagements is measured by the transparency of our communications and the alignment of stakeholders with our climate commitments and journey towards long-term value creation. In 2023, we marked a decade of our annual ESG shareholder roadshow, a testament to our enduring dedication to these principles. The event was chaired by Mpho Makwana and supported by esteemed members of our leadership, including Hubert Brody, Stanley Subramoney, and Daniel Mminele. Discussions spanned from succession planning to climate-related strategies, highlighting Nedbank's forthcoming disclosure of fossil-fuel related glidepaths in 2024, the criticality of a Just Transition within the South African context, and the support extended to clients aiming for net-zero emissions. A particular emphasis was placed on blue finance, addressing water-related matters. The integration of ESG factors into our group's incentive scheme was met with positive reception, reflecting our stakeholders' support for our sustainability initiatives. For a detailed account, please refer to page 20 of our 2023 Climate Report*

[Add row]

**(5.14) Do your external asset managers have to meet environmental requirements as part of your organization's selection process and engagement?**

	External asset managers have to meet specific environmental requirements as part of the selection process and engagement	Policy in place for addressing external asset manager non-compliance
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have a policy in place for addressing non-compliance

[Fixed row]

**(5.14.1) Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.**

**Row 1**

**(5.14.1.1) Environmental issues covered by the requirement**

*Select all that apply*

☒ Climate change

**(5.14.1.2) Coverage**

*Select from:*

☒ All assets managed externally

**(5.14.1.3) Environmental requirement that external asset managers have to meet**

*Select from:*

☒ Other, please specify :Alignment to Nedbank Energy Policy to ensure deals honour the commitments and alignment with the risks managed through SEMs

#### (5.14.1.4) Mechanisms used to include environmental requirement in external asset manager selection

*Select all that apply*

- ☒ Include environmental requirements in requests for proposals
- ☒ Review investment manager's environmental performance (e.g., active ownership, proxy voting records, under-weighting in high impact activities)
- ☒ Review investment manager's environmental policies
- ☒ Other, please specify :Alignment with Nedbank Policies

#### (5.14.1.5) Response to external asset manager non-compliance with environmental requirement

*Select from:*

- ☒ Retain and engage

#### (5.14.1.6) % of non-compliant external asset managers engaged

*Select from:*

- ☒ Unknown

[Add row]

### (5.15) Does your organization exercise voting rights as a shareholder on environmental issues?

#### (5.15.1) Exercise voting rights as a shareholder on environmental issues

*Select from:*

- ☒ No, but we plan to in the next two years

#### (5.15.2) Primary reason for not exercising voting rights as a shareholder on environmental issues

*Select from:*

- ☒ No standardized procedure

#### (5.15.3) Explain why you do not exercise voting rights on environmental issues

*Nedbank conscientiously exercises its voting rights as a shareholder to ensure that our investments and corporate actions are in strict alignment with our policies and commitments, including those pertaining to environmental stewardship. This practice is integral to our strategy for long-term value creation, as it reinforces our dedication to sustainability and responsible corporate governance. While we strive for transparency and accountability in all our activities, we acknowledge that due to resource constraints, we have not been able to comprehensively track our voting specifically related to environmental issues. However, we remain committed to enhancing our tracking mechanisms and reporting processes to better reflect our engagement and voting patterns in this critical area of our business operations*  
[Fixed row]

## C6. Environmental Performance - Consolidation Approach

### (6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

#### Climate change

##### (6.1.1) Consolidation approach used

Select from:

☒ Financial control

##### (6.1.2) Provide the rationale for the choice of consolidation approach

*Nedbank has chosen the Financial Control consolidation approach for calculating our environmental performance data. This means we account for 100% of the greenhouse gas (GHG) emissions from operations over which we have financial control, in alignment with the GHG Protocol standards. As a financial institution, the Financial Control method is particularly suited to us because it aligns with our services and the significant impacts that arise from them. According to the GHG Protocol, financial control is established when an operation is fully consolidated in financial accounts, meaning the company has the ability to direct the financial and operating policies of the operation to gain economic benefits. This approach ensures comprehensive and accurate reporting of our environmental impact.*

#### Forests

##### (6.1.1) Consolidation approach used

Select from:

☒ Other, please specify :Not Applicable

##### (6.1.2) Provide the rationale for the choice of consolidation approach

*Nedbank has not yet established a consolidation approach for water, forests, plastics, and biodiversity. These elements are considered subsets of climate change and are integrated into our broader climate action strategy. As new standards and guidance emerge, we will continue to refine our approach accordingly.*

#### Water

### (6.1.1) Consolidation approach used

Select from:

☒ Other, please specify :Not Applicable

### (6.1.2) Provide the rationale for the choice of consolidation approach

*Nedbank has not yet established a consolidation approach for water, forests, plastics, and biodiversity. These elements are considered subsets of climate change and are integrated into our broader climate action strategy. As new standards and guidance emerge, we will continue to refine our approach accordingly.*

## Plastics

### (6.1.1) Consolidation approach used

Select from:

☒ Other, please specify :Not Applicable

### (6.1.2) Provide the rationale for the choice of consolidation approach

*Nedbank has not yet established a consolidation approach for water, forests, plastics, and biodiversity. These elements are considered subsets of climate change and are integrated into our broader climate action strategy. As new standards and guidance emerge, we will continue to refine our approach accordingly.*

## Biodiversity

### (6.1.1) Consolidation approach used

Select from:

☒ Other, please specify :Not Applicable

### (6.1.2) Provide the rationale for the choice of consolidation approach

*Nedbank has not yet established a consolidation approach for water, forests, plastics, and biodiversity. These elements are considered subsets of climate change and are integrated into our broader climate action strategy. As new standards and guidance emerge, we will continue to refine our approach accordingly.*

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) 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?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) 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?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

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

Select all that apply

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

## **(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### **(7.3.1) Scope 2, location-based**

Select from:

☒ We are reporting a Scope 2, location-based figure

### **(7.3.2) Scope 2, market-based**

Select from:

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

### **(7.3.3) 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 location-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. As such, we also report on market emissions in addition to location emissions, as market emissions account for the entire market of electricity suppliers (i.e. renewables, utilities, wheeling, etc.). The wheeling of green power to Nedbank and the use of RECs therefore requires reporting according to market-based accounting.*

*[Fixed row]*

## **(7.4) 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?**

Select from:



☒ No

## **(7.5) Provide your base year and base year emissions.**

### **Scope 1**

#### **(7.5.1) Base year end**

12/30/2019

#### **(7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)**

1465.86

#### **(7.5.3) Methodological details**

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### **Scope 2 (location-based)**

#### **(7.5.1) Base year end**

12/31/2019

#### **(7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)**

137102.83

#### **(7.5.3) Methodological details**

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### **Scope 2 (market-based)**

#### (7.5.1) Base year end

12/31/2019

#### (7.5.2) Base year emissions (metric tons CO2e)

145079.72

#### (7.5.3) Methodological details

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### Scope 3 category 1: Purchased goods and services

#### (7.5.1) Base year end

12/31/2019

#### (7.5.2) Base year emissions (metric tons CO2e)

1396.65

#### (7.5.3) Methodological details

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### Scope 3 category 2: Capital goods

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 Category 2: Capital Goods*

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

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)*

### Scope 3 category 4: Upstream transportation and distribution

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 4: Upstream transportation and distribution*

### Scope 3 category 5: Waste generated in operations

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 5: Waste generated in operations.*

### Scope 3 category 6: Business travel

#### (7.5.1) Base year end

12/31/2019

#### (7.5.2) Base year emissions (metric tons CO2e)

9497.74

#### (7.5.3) Methodological details

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### Scope 3 category 7: Employee commuting

#### (7.5.1) Base year end

12/31/2019

#### (7.5.2) Base year emissions (metric tons CO2e)

38980.86

### (7.5.3) Methodological details

*We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

### Scope 3 category 8: Upstream leased assets

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 8: Upstream leased assets*

### Scope 3 category 9: Downstream transportation and distribution

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

2648

### (7.5.3) Methodological details

*This year marks the inaugural phase of our extended supply chain emissions reporting. As a significant stride towards enhancing our scope 3 reporting, we have broadened our carbon footprint to encompass emissions from our, one of our principal cash-in-transit service providers, and our Courier services as per the figure capture here. We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available. Refer to page 96 of our 2023 Climate Report*

### Scope 3 category 10: Processing of sold products

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 10: Processing of sold products. As a financial institution this KPI is not material*

### Scope 3 category 11: Use of sold products

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 11: Use of sold products. As a financial institution this KPI is not material.*

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

#### (7.5.1) Base year end

12/30/2023

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 12: End of life treatment of sold products. As a financial institution this KPI is not material.*

## Scope 3 category 13: Downstream leased assets

### (7.5.1) Base year end

12/30/2023

### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 13: Downstream leased assets. As a financial institution this KPI is not material.*

## Scope 3 category 14: Franchises

### (7.5.1) Base year end

12/30/2023

### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3 category 14: Franchise*

## Scope 3: Other (upstream)

### (7.5.1) Base year end

12/30/2023

### (7.5.2) Base year emissions (metric tons CO2e)

6656

### (7.5.3) Methodological details

*This year marks the inaugural phase of our extended supply chain emissions reporting. As a significant stride towards enhancing our scope 3 reporting, we have broadened our carbon footprint to encompass emissions from our, our cloud computing and digital platform service providers, one of our principal cash-in-transit service providers, our courier service provider and our distributed workforce (work-from-home) as per the figure capture here. We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available. Refer to page 96 of our 2023 Climate Report*

## Scope 3: Other (downstream)

### (7.5.1) Base year end

12/30/2023

### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Nedbank has not measured or established baseline emissions for Scope 3: Other (downstream)*  
*[Fixed row]*

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

### Reporting year



### (7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

7177.36

### (7.6.3) Methodological details

*Our carbon footprint was calculated by employing the revised edition of the GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available. Scope 1 Includes the following direct emissions: gas and fuels used in our owned or controlled equipment, such as generators, air conditioning and refrigeration gas refills, and our vehicle fleet. The following activities and data were included in our carbon footprint: a) South African operations' emission activities and equipment and b) Emission activities of Nedbank employees associated directly with South African offices and branches (535 in both 2022 and 2023).*

*[Fixed row]*

## (7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

### Reporting year

### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

83070

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

5417

### (7.7.4) Methodological details

*Our carbon footprint was calculated by employing the revised edition of the GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available. Scope 2 Includes emissions from purchased electricity in both our South African and non-South African operations. Although our electricity consumption remained the primary source of emissions, accounting for approximately 66,1% of our total carbon footprint, we are investing in cleaner renewable forms of energy. Through a variety of initiatives and the 2019 consumption target, we continue to aim for reduced grid electricity consumption and transitioning towards renewable sources. Through the purchase of electricity wheeling, the overall fossil fuel-based electricity consumption per FTE has decreased.*

*[Fixed row]*

## (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

61.12

#### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

*Paper Consumption: The demand on paper consumption continued to reduce throughout 2023 from the further adoption of self-help digital solutions as part of Nedbank's digital journey.*

### Capital goods

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

#### (7.8.5) Please explain

*Nedbank continues to evolve its understanding of our greenhouse gas emissions. As a financial institution, emissions associated with our capital goods are considered not material to our overall environmental impact. Consequently, these emissions have not been measured or evaluated in our sustainability reporting. Nedbank remains committed to transparency and environmental responsibility, focusing our efforts on areas where we can make the most significant impact.*

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

### **(7.8.1) Evaluation status**

Select from:

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*At Nedbank, we have comprehensively calculated our Scope 1 and Scope 2 emissions, which encompass all emissions from our operations, including those from generators and other fuel-related activities. As a result, emissions associated with fuel-and-energy-related activities (not included in Scope 1 or 2) are not relevant to our overall emissions profile. We ensure that our reporting is accurate and reflective of our true environmental impact, focusing on the most significant sources of emissions within our operations.*

## **Upstream transportation and distribution**

### **(7.8.1) Evaluation status**

Select from:

☒ Relevant, not yet calculated

### **(7.8.5) Please explain**

*As a financial institution, Nedbank considers emissions associated with upstream transportation and distribution as not material to our overall environmental impact. Consequently, these emissions have not been measured or evaluated in our sustainability reporting. Our focus remains on areas where we can make a significant impact. Additionally, it is important to note that our digital strategy further minimizes our environmental footprint, ensuring that our overall impact remains low.*

## **Waste generated in operations**

### **(7.8.1) Evaluation status**

Select from:

☒ Relevant, not yet calculated

#### (7.8.5) Please explain

*Inclusion of emissions from our operations' water-use, recycled and landfill waste generated may be considered in future, based on a significance assessment that we aim to conduct to further enhance our scope 3 carbon footprint reporting. We have however set targets for these activities and are tracking our performance against these targets. See Page 91 of our 2023 Climate Report.*

### Business travel

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

7580.17

#### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Hybrid method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

64.85

#### (7.8.5) Please explain

*Business travel emissions at Nedbank include those generated from business travel in rental cars, commercial airlines, and employee-owned cars. For a detailed breakdown and further information, please refer to page 96 of our 2023 Climate Report*

### Employee commuting

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

17405.12

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Hybrid method

☒ Fuel-based method

☒ Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*Employee commuting carbon footprint was calculated by employing the revised edition of the GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

## Upstream leased assets

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from upstream leased assets, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

## Downstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

2647.4

### (7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Hybrid method
- ☒ Fuel-based method
- ☒ Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*This year marks the inaugural phase of our extended supply chain emissions reporting. As a significant stride towards enhancing our scope 3 reporting, we have broadened our carbon footprint to encompass emissions from one of our principal cash-in-transit service providers and our courier service provider. We calculated our carbon footprint using the updated the revised edition of GHG Protocol – Corporate Accounting and Reporting Standard. External experts were consulted in instances where an estimation of specific activity quantities was required or where guidance applicable to SA was not available.*

## Processing of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from Processing of sold products, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

### Use of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from Use of sold products, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

### End of life treatment of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from End of life treatment of sold products, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

## Downstream leased assets

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from Downstream leased assets, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

## Franchises

### (7.8.1) Evaluation status

Select from:

☒ Not evaluated

### (7.8.5) Please explain

*Nedbank has not evaluated emissions from Franchises, as we have chosen to focus and prioritize areas where we can make the most significant impact. Our commitment to sustainability drives us to concentrate our efforts on the most material sources of emissions, ensuring that our actions lead to meaningful environmental benefits*

## Other (upstream)

### (7.8.1) Evaluation status

Select from:



☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

6656.43

#### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Hybrid method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

*In 2023, Nedbank disclosed for the first time the emissions associated with our cloud computing and digital platforms. We calculated our carbon footprint using the revised edition of the GHG Protocol – Corporate Accounting and Reporting Standard, ensuring that our reporting is accurate and up-to-date with the latest methodologies.*

#### Other (downstream)

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

#### (7.8.5) Please explain

*Nedbank acknowledges that there are opportunities to enhance our measurement and calculation of downstream emissions. We have chosen to focus and prioritize areas where we can make the most significant impact. Our dedication to sustainability motivates us to concentrate our efforts on the most material sources of emissions, ensuring that our actions result in meaningful environmental benefits.*

*[Fixed row]*

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

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:  
☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:  
☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

#### (7.9.1.4) Attach the statement

*2023 Nedbank Group Integrated Report\_.pdf*

#### (7.9.1.5) Page/section reference

*Refer to pages 73 & 102 of Nedbank's Integrated Report.*

#### (7.9.1.6) Relevant standard

Select from:

☒ ISAE 3410

#### (7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

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

#### Row 1

#### (7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

#### (7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

2023 Nedbank Group Integrated Report\_.pdf

(7.9.2.6) Page/ section reference

73,102

(7.9.2.7) Relevant standard

Select from:

☒ ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100  
[Add row]

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

**Row 1**

### (7.9.3.1) Scope 3 category

*Select all that apply*

- ☒ Scope 3: Purchased goods and services
- ☒ Scope 3: Business travel
- ☒ Scope 3: Employee commuting

### (7.9.3.2) Verification or assurance cycle in place

*Select from:*

- ☒ Annual process

### (7.9.3.3) Status in the current reporting year

*Select from:*

- ☒ Complete

### (7.9.3.4) Type of verification or assurance

*Select from:*

- ☒ Limited assurance

### (7.9.3.5) Attach the statement

*2023 Nedbank Group Integrated Report\_.pdf*

### (7.9.3.6) Page/section reference

*Refer to pages 73 & 102 of Nedbank's Integrated Report.*

### (7.9.3.7) Relevant standard

*Select from:*

- ☒ ISAE 3410

### (7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Select from:

☒ Decreased

**(7.10.1) 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 renewable energy consumption**

### (7.10.1.1) Change in emissions (metric tons CO2e)

14990.75

### (7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

### (7.10.1.3) Emissions value (percentage)

15

### (7.10.1.4) Please explain calculation

*The change in Scope 12 combined was obtained by subtracting the current reporting year (2023) figure 88,292.80 from the previous reporting year (2022) figure 103,283.55, which was then divided by the 2022 reporting year figure to reach a percentage change.*

## Other emissions reduction activities

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

## Divestment

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

## Acquisitions

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

## Mergers

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)

0



#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Change in output

##### (7.10.1.1) Change in emissions (metric tons CO2e)

0

##### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

##### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Change in methodology

##### (7.10.1.1) Change in emissions (metric tons CO2e)

0

##### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

##### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Change in boundary

##### (7.10.1.1) Change in emissions (metric tons CO2e)

0

##### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

##### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Change in physical operating conditions

##### (7.10.1.1) Change in emissions (metric tons CO2e)

0

##### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Unidentified

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*

#### Other

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*There are no changes in greenhouse gas emissions associated with this reason; therefore, no specific calculation approach has been applied*  
[Fixed row]

#### (7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

#### (7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Not relevant as we do not have any subsidiaries

#### (7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 0% but less than or equal to 5%

#### (7.30) 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)	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	<i>Select from:</i> <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

### (7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

#### Consumption of fuel (excluding feedstock)

##### (7.30.1.1) Heating value

*Select from:*

☒ Unable to confirm heating value

##### (7.30.1.2) MWh from renewable sources

0

**(7.30.1.3) MWh from non-renewable sources**

0

**(7.30.1.4) Total (renewable and non-renewable) MWh**

0

**Consumption of purchased or acquired electricity**

**(7.30.1.1) Heating value**

*Select from:*

☒ Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

3092

**(7.30.1.3) MWh from non-renewable sources**

83070

**(7.30.1.4) Total (renewable and non-renewable) MWh**

86162

**Consumption of self-generated non-fuel renewable energy**

**(7.30.1.1) Heating value**

*Select from:*

☒ Unable to confirm heating value

#### (7.30.1.2) MWh from renewable sources

2323

#### (7.30.1.4) Total (renewable and non-renewable) MWh

2323

### Total energy consumption

#### (7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

#### (7.30.1.2) MWh from renewable sources

5417

#### (7.30.1.3) MWh from non-renewable sources

83070

#### (7.30.1.4) Total (renewable and non-renewable) MWh

88487

[Fixed row]

**(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**

**Eswatini**

#### (7.30.16.1) Consumption of purchased electricity (MWh)

1074

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

1074.00

**Guernsey**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

90

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0



**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

90.00

**Isle of Man**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

321

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

321.00

**Jersey**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

112

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

112.00

**Kenya**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

90

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

90.00

**Lesotho**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

1113

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

1113.00

**Mozambique**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

1759

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1759.00

## Namibia

(7.30.16.1) Consumption of purchased electricity (MWh)

2905

(7.30.16.2) Consumption of self-generated electricity (MWh)

243

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3148.00

## South Africa

(7.30.16.1) Consumption of purchased electricity (MWh)

77140

(7.30.16.2) Consumption of self-generated electricity (MWh)

2080

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

79220.00

## United Arab Emirates

(7.30.16.1) Consumption of purchased electricity (MWh)

90

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

90.00

## United Kingdom of Great Britain and Northern Ireland

### (7.30.16.1) Consumption of purchased electricity (MWh)

18

### (7.30.16.2) Consumption of self-generated electricity (MWh)

0

### (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

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

0

### (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18.00

## Zimbabwe

### (7.30.16.1) Consumption of purchased electricity (MWh)

1450

### (7.30.16.2) Consumption of self-generated electricity (MWh)

0

### (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

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

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

1450.00  
[Fixed row]

**(7.45) 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.**

**Row 1**

**(7.45.1) Intensity figure**

3.19

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

88292.8

**(7.45.3) Metric denominator**

Select from:

☒ full time equivalent (FTE) employee

**(7.45.4) Metric denominator: Unit total**

27611

**(7.45.5) Scope 2 figure used**

Select from:

☒ Market-based

#### (7.45.6) % change from previous year

15

#### (7.45.7) Direction of change

Select from:

☒ Decreased

#### (7.45.8) Reasons for change

Select all that apply

☒ Change in renewable energy consumption

☒ Other emissions reduction activities

#### (7.45.9) Please explain

*Between 2022 and 2023, our total reported GHG emissions (including Scope 3) decreased by 4.29% in absolute terms. Additionally, carbon emissions per FTE (including Scope 3) dropped by 0.21 tCO<sub>2</sub>e, from 4.65 tCO<sub>2</sub>e per FTE to 4.44 tCO<sub>2</sub>e per FTE in 2023. The high Scope 1 emissions are attributed to the increased load-shedding throughout 2023, necessitating greater use of generators. The slight reduction in Scope 2 emissions is due to the adjusted Eskom emission factor, which changed from 1.04 tCO<sub>2</sub>e per MWh to 1.01 tCO<sub>2</sub>e per MWh, along with our efforts to reduce electricity consumption and floor space. For more details, please refer to pages 94 and 95 of our 2023 Climate Report. Our emissions intensity per FTE (only Scope 1 and Scop2) decreased by 15% year on year.*  
[Add row]

#### (7.52) Provide any additional climate-related metrics relevant to your business.

##### Row 1

#### (7.52.1) Description

Select from:

☒ Other, please specify :Water



#### (7.52.2) Metric value

9

#### (7.52.3) Metric numerator

*Water consumption of 159105 kl*

#### (7.52.4) Metric denominator (intensity metric only)

*Full time employees of 17647*

#### (7.52.5) % change from previous year

9

#### (7.52.6) Direction of change

Select from:

☒ Increased

#### (7.52.7) Please explain

*Our total water consumption across campus sites rose by 9.76% to 159,105 kl in 2023, up from 144,954 kl in 2022. Despite this increase, our current consumption level of 9.02 kl per FTE keeps us on track to meet our water-intensity target. The rise in absolute consumption is primarily due to encouraging more staff to return to the office. Nevertheless, we remain committed to water efficiency in our operations and aim to return to target consumption levels. For further details, please refer to page 81 of our 2023 Climate Repo*

### Row 2

#### (7.52.1) Description

Select from:

☒ Waste

#### (7.52.2) Metric value

0.01

### (7.52.3) Metric numerator

*Tonnes sent to landfill*

### (7.52.4) Metric denominator (intensity metric only)

*Full time employees*

### (7.52.5) % change from previous year

7

### (7.52.6) Direction of change

Select from:

☒ Increased

### (7.52.7) Please explain

*The waste intensity for 2023 was calculated using 154 tonnes of waste sent to landfill (as detailed on page 81 of our climate report) as the numerator and 17 647 full-time employees (as detailed on page 90 of our climate report) as the denominator. This calculation revealed a 7% increase in our waste intensity. This increase is primarily attributable to the corporate real estate optimisation project, which resulted in a slight rise in waste sent to landfill from 142 tonnes in 2022 to 154 tonnes in 2023, representing an 8.45% increase for the year. Despite this, there has been an overall waste reduction of 16% (29 tonnes) since our 2019 baseline. Our goal is to achieve a 40% reduction in waste sent to landfill by the end of 2025, using 2019 levels (183 tonnes) as our baseline. This translates to an annual target of 110 tonnes of waste to landfill or 5.75 kg per FTE, whichever is reached first*

## Row 3

### (7.52.1) Description

Select from:

☒ Other, please specify :Paper

### (7.52.2) Metric value

**(7.52.3) Metric numerator**

*Paper consumption in Tonnes*

**(7.52.4) Metric denominator (intensity metric only)**

*No denominator. Paper is reported in tonnes,*

**(7.52.5) % change from previous year**

6

**(7.52.6) Direction of change**

Select from:

☒ Decreased

**(7.52.7) Please explain**

*In the 2023 financial year, paper consumption decreased by 4 tonnes from the previous year, resulting in a total consumption of 67 tonnes. This represents a 5.6% reduction from 2022's 71 tonnes, underscoring Nedbank's ongoing efforts to meet our 2025 target. This significant reduction, achieved ahead of schedule, has been facilitated by new ways of working. Our paper consumption target focuses on an absolute reduction rather than an intensity-based target. This approach is due to a large portion of our paper usage being linked to client communication and regulatory compliance, rather than individual employee usage. We have set a goal to reduce the mass of paper used by 40% by the end of 2025, based on 2019 levels (826 tonnes). This equates to a target paper usage level of 495 tonnes by the end of 2025. For more details, please refer to page 81 of our 2023 Climate Report*

**Row 4****(7.52.1) Description**

Select from:

☒ Other, please specify :Recycling

**(7.52.2) Metric value**

**(7.52.3) Metric numerator**

*Waste Recycled in Tonnes*

**(7.52.4) Metric denominator (intensity metric only)**

*No denominator. Waste recycled reported in tonnes*

**(7.52.5) % change from previous year**

26

**(7.52.6) Direction of change**

Select from:

☒ Increased

**(7.52.7) Please explain**

*In absolute terms, recycling increased from 338 tonnes to 427 tonnes, a 26.33% rise. Our onsite recycling banks have been highly effective in maximizing recycling and ensuring good levels of waste sorting at the source. Regarding the ratio-based target set the previous year, 70.42% of our total waste was recycled in 2022, equating to 2.77 times more waste being recycled than sent to landfill. We continue our rigorous recycling efforts and are constantly exploring ways to increase our use of recyclable materials.*

*[Add row]*

**(7.53) Did you have an emissions target that was active in the reporting year?**

Select all that apply

☒ Absolute target

☒ Intensity target

**(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.**

## Row 1

### (7.53.1.1) Target reference number

Select from:

☒ Abs 1

### (7.53.1.2) Is this a science-based target?

Select from:

☒ No, but we are reporting another target that is science-based

### (7.53.1.5) Date target was set

12/30/2019

### (7.53.1.6) Target coverage

Select from:

☒ Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

☒ Sulphur hexafluoride (SF6)

### (7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

### (7.53.1.9) Scope 2 accounting method

Select from:

☒ Market-based

### (7.53.1.11) End date of base year

12/30/2019

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

1507.54

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

137186.5

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

0.000

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

138694.040

### (7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

1

### (7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

98.9

### (7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

**(7.53.1.54) End date of target**

12/30/2025

**(7.53.1.55) Targeted reduction from base year (%)**

40

**(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

83216.424

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

7177

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

81115.45

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

88292.450

**(7.53.1.78) Land-related emissions covered by target**

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.1.79) % of target achieved relative to base year**

90.85

**(7.53.1.80) Target status in reporting year**

Select from:

☒ Underway

#### (7.53.1.82) 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.

#### (7.53.1.83) Target objective

In our own operations, a 40% reduction in GHG emissions by the end of 2025 based on 2019 levels. This implies a total carbon footprint (Scope 1 and 2 emissions) of 83 000 tCO<sub>2</sub>e.

#### (7.53.1.84) 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. From 2022 to 2023 our reported total GHG emissions have decreased by 4,29% in absolute terms. The high scope 1 emissions can be linked to the increasing amount of load-shedding that occurred during the entire year of 2023, requiring an increase in the use of generators. The slight decrease in Scope 2 emissions is due to the adjusted Eskom emission factor from 1,04 tCO<sub>2</sub>e per MWh to 1,01 tCO<sub>2</sub>e per MWh; our efforts in reducing electricity consumption and the reduction in floor space. 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 energyintensive fluorescent lights with energy-saving LED lights. Additionally, we are exploring opportunities to incorporate more renewable electricity sources like solar PV

#### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]



## **(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.**

### **Row 1**

#### **(7.53.2.1) Target reference number**

*Select from:*

☒ Int 1

#### **(7.53.2.2) Is this a science-based target?**

*Select from:*

☒ No, but we anticipate setting one in the next two years

#### **(7.53.2.5) Date target was set**

12/31/2018

#### **(7.53.2.6) Target coverage**

*Select from:*

☒ Organization-wide

#### **(7.53.2.7) Greenhouse gases covered by target**

*Select all that apply*

☒ Methane (CH<sub>4</sub>)

☒ Nitrous oxide (N<sub>2</sub>O)

☒ Carbon dioxide (CO<sub>2</sub>)

☒ Perfluorocarbons (PFCs)

☒ Hydrofluorocarbons (HFCs)

☒ Nitrogen trifluoride (NF<sub>3</sub>)

☒ Sulphur hexafluoride (SF<sub>6</sub>)

#### **(7.53.2.8) Scopes**

*Select all that apply*

- ☒ Scope 1
- ☒ Scope 2
- ☒ Scope 3

#### **(7.53.2.9) Scope 2 accounting method**

*Select from:*

- ☒ Market-based

#### **(7.53.2.10) Scope 3 categories**

*Select all that apply*

- ☒ Category 1: Purchased goods and services
- ☒ Category 6: Business travel
- ☒ Category 7: Employee commuting

#### **(7.53.2.11) Intensity metric**

*Select from:*

- ☒ Metric tons CO2e per unit FTE employee

#### **(7.53.2.12) End date of base year**

12/30/2019

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

0.047

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

4.43

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

0.045

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

1.26

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

0.31

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

1.6150000000

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

6.0920000000

**(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

100

**(7.53.2.36) % 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

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

100

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

100

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

100

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

100

**(7.53.2.55) End date of target**

12/30/2025

**(7.53.2.56) Targeted reduction from base year (%)**

30

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)**

4.2644000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

40

**(7.53.2.59) % change anticipated in absolute Scope 3 emissions**

30

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

0.259945674

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

2.937794719

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

0.002213611

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

0.630369056

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

0.274534425

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

0.9071170920

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

4.1048574850

**(7.53.2.81) Land-related emissions covered by target**

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

108.73

### (7.53.2.83) Target status in reporting year

Select from:

☒ Achieved

### (7.53.2.85) Explain target coverage and identify any exclusions

*This year we continued with our revised approach of quantifying emissions based on country-specific emission factors. This approach is consistent with Nedbank's efforts at continuously improving the accuracy of our carbon footprint. 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. Nedbank's target is a 40% reduction in GHG emissions by the end of 2025 based on 2019 levels. This implies total Scope 1 and Scope 2 emissions of 83 000 tCO<sub>2</sub>e. The total GHG inventory target for the Nedbank group is a 30% reduction by the end of 2025 based on 2019 levels. This implies a total carbon footprint of 132 ktCO<sub>2</sub>e, or 4,52 tCO<sub>2</sub>e per FTE, whichever is met first.*

### (7.53.2.86) Target objective

*The total GHG inventory target for the Nedbank group is a 30% reduction by the end of 2025 based on 2019 levels. This implies a total carbon footprint of 132 ktCO<sub>2</sub>e, or 4,52 tCO<sub>2</sub>e per FTE, whichever is met first.*

### (7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☒ No

### (7.53.2.89) List the emissions reduction initiatives which contributed most to achieving this target

*In 2023 we achieved our emissions target of 4,52 tCO<sub>2</sub>e per FTE. The 2023 results indicate good performance against our absolute electricity target (to keep these annual emissions below 97 000 MWh) and showcase Nedbank's efforts to reduce our emissions intensive grid electricity consumption. We have expanded our renewable energy supply in 2023 and energy efficiency measures are still ongoing. Notably, electricity emissions decreased not only because of the decrease in the Eskom grid emission factor from the previous reporting year, but our consumption of grid electricity also decreased by 18,21% largely as a result of the optimisation of Office and Branch space. However, decreased consumption of electricity impacted our scope 1 emissions, particularly diesel used in back-up generators because of load-shedding.*

*[Add row]*

### (7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ No other climate-related targets

**(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.**

**Row 2**

**(7.54.2.1) Target reference number**

Select from:

☒ Oth 1

**(7.54.2.3) Target coverage**

Select from:

☒ Organization-wide

**(7.54.2.4) Target type: absolute or intensity**

Select from:

☒ Intensity

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

**Waste management**

☒ metric tons of waste generated

**(7.54.2.8) Figure or percentage in base year**

0.00591

**(7.54.2.15) Is this target part of an emissions target?**

No.

#### (7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☒ Other, please specify :Zero-to-landfill target

[Add row]

**(7.55) 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.**

Select from:

☒ Yes

**(7.55.1) 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	0	`Numeric input
To be implemented	1	11911
Implementation commenced	0	0
Implemented	2	14990.75
Not to be implemented	0	`Numeric input

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

**Row 1**



#### (7.55.2.1) Initiative category & Initiative type

##### Energy efficiency in production processes

☒ Machine/equipment replacement

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

14990.75

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

*Select all that apply*

☒ Scope 1

☒ Scope 2 (market-based)

#### (7.55.2.4) Voluntary/Mandatory

*Select from:*

☒ Voluntary

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

0

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

0

#### (7.55.2.7) Payback period

*Select from:*

☒ <1 year

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 3-5 years

#### (7.55.2.9) Comment

*As part of our branch refurbishment project, we have upgraded 256 generators to efficient inverter and battery systems. These systems are solar-ready and will be activated in the next deployment phase, depending on site feasibility. An additional 52 systems are planned for 2024.*

#### Row 2

#### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

8025

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

Select all that apply

☒ Scope 2 (market-based)

#### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

1904338

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

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 3-5 years

(7.55.2.9) Comment

We have continued a project to replace energy-intensive fluorescent lighting with energy-efficient LED lighting at our head office and conference centers (Olwazini). Our goal is to replace 100% of the existing fluorescent lights with LED fixtures. This transition will enable us to achieve significant energy savings and reduce our carbon footprint. LED lighting provides numerous benefits over traditional fluorescent lighting, including higher energy efficiency, longer lifespan, and lower maintenance requirements  
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

(7.55.3.2) Comment

To be a reliable partner in our clients' journey to net zero, we strive to lead by example. Since 2009, we have achieved carbon neutrality in our operations through voluntary offsetting of our residual carbon footprint. We have set ambitious targets to decarbonize our operations by transitioning to renewable energy and actively managing our operational footprint. In 2023, Nedbank continued its efforts to diversify electricity sources, focusing on cleaner energy procurement. By expanding our on-site renewable energy sources and utilizing renewable energy certificates (RECs) to verify our wheeled renewable electricity consumption, we have further

minimized our environmental impact. *Energy Target: Nedbank aims to reduce energy consumption by 30% by the end of 2025, based on 2019 levels. Our goal is to keep annual electricity consumption below 97,000 MWh (absolute target) or 3,320 kWh per full-time equivalent (FTE) employee (intensity target), whichever is achieved first. Below is a summary of our electricity consumption*

## Row 2

### (7.55.3.1) Method

Select from:

☒ Dedicated budget for other emissions reduction activities

### (7.55.3.2) Comment

*Efficiency and sustainability go hand in hand. Our commitment to productivity extends beyond financial gains, it encompasses resource optimisation. As such, Nedbank has undertaken a workspace optimisation initiative in optimising corporate real estate which reduced overall square meter floor space hence leveraging efficiencies towards an overall lower carbon footprint. Notably in 2023, electricity emissions decreased not only because of the decrease in the Eskom grid emission factor from the previous reporting year, but our consumption of grid electricity also decreased by 18,21% largely as a result of the optimisation of Office and Branch space.*

[Add row]

## (7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ Yes

### (7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

## Row 1

### (7.79.1.1) Project type

Select from:

☒ Other, please specify : Reducing Emissions from Deforestation and Forest Degradation (REDD+)

### (7.79.1.2) Type of mitigation activity

Select from:

☒ Carbon removal

### (7.79.1.3) Project description

*By selling carbon credits from avoided deforestation, the Makira Forest Protected Area REDD Project funds the long-term preservation of one of Madagascar's most untouched rainforest ecosystems, which is home to rare and endangered species. It also enhances community land management and governance, and promotes sustainable livelihood practices for local residents. In 2001, the government of Madagascar, in partnership with the Wildlife Conservation Society, established the 372,500-hectare Makira Forest Protected Area. In 2012, this area was designated as Makira Natural Park, making it Madagascar's largest and newest park, classified as a category II protected area by the International Union for Conservation of Nature. The Makira Forest Protected Area Project is projected to prevent over 33 million tonnes of CO2 emissions over 30 years. In 2023, 35,000 Verified Emission Reductions (VERs) were retired.*

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

35000

### (7.79.1.5) Purpose of cancelation

Select from:

☒ Voluntary offsetting

### (7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☒ No

### (7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☒ Purchased

### (7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☒ REDD+

#### (7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☒ Standardized Approaches

#### (7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☒ Monitoring and compensation

#### (7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☒ Market leakage

☒ Ecological leakage

#### (7.79.1.13) Provide details of other issues the selected program requires projects to address

*The Key Objectives of the project are Conservation: Protecting 372,000 hectares of dense primary forest, which is home to numerous rare and endangered species. Community Engagement: Enhancing community stewardship of natural resources and promoting sustainable economic development. Carbon Emission Reduction: Preventing over 33 million tonnes of CO2 emissions over 30 years*

#### (7.79.1.14) Please explain

*Our carbon-neutral stance allows us to enhance our client value proposition and foster synergies, partnerships, and collaborations with like-minded organizations. We follow a “reduce first, then offset” strategy. Our internal awareness initiatives and efforts to change behavior drive our carbon reduction activities. Only after these efforts do we use carbon credits to offset any remaining emissions. We are committed to credibility in carbon offsetting, preferring verified carbon credits that are rigorously audited by credible and independent bodies under recognized carbon standards. This ensures transparency and accountability in our carbon offsetting initiatives. Additionally, we support carbon offset projects that offer verifiable credits with additional sustainable development benefits. As a result, we engage with African projects that provide positive social and environmental impacts. For more details, please refer to page 97 of our 2023 Climate Report.*

#### Row 2

#### (7.79.1.1) Project type

Select from:

☒ Clean cookstove distribution

#### (7.79.1.2) Type of mitigation activity

Select from:

☒ Emissions reduction

#### (7.79.1.3) Project description

*The Gyapa Improved Cook-Stoves Project in Ghana produces and sells efficient charcoal stoves, known as gyapa, to replace the inefficient coal pots commonly used in Ghana. Initially launched in the Greater Accra and Ashanti regions, the project has gradually expanded nationwide. This initiative significantly reduces greenhouse gas emissions and saves on charcoal fuel, the primary cooking fuel for urban and semi-urban families in Ghana. Operational since 2007, the project was registered under the Gold Standard in June 2010 (reference number GS407). It successfully renewed its first crediting period in June 2015 for another seven years. While the average lifespan of a stove is conservatively estimated at three years, they can last much longer with proper care. The project reinvests carbon finance revenues into the stove value chain, marketing, and developing robust distribution channels to promote stove sales and usage. Additionally, the project offers several secondary benefits, including reduced indoor air pollution, which improves respiratory health, and biodiversity benefits from the decreased use of non-renewable biomass for cooking. In 2023, 93,775 Verified Emission Reductions (VERs) were retired.*

#### (7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO<sub>2</sub>e)

93775

#### (7.79.1.5) Purpose of cancelation

Select from:

☒ Voluntary offsetting

#### (7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☒ No

#### (7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☒ Purchased

### (7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☒ Gold Standard

### (7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☒ Standardized Approaches

### (7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☒ Monitoring and compensation

### (7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☒ Market leakage

☒ Ecological leakage

### (7.79.1.13) Provide details of other issues the selected program requires projects to address

*The key Objectives Emission Reduction: Decrease CO2 emissions by promoting the use of fuel-efficient stoves. Health Improvement: Reduce indoor air pollution, thereby improving respiratory health. Economic Benefits: Save on fuel costs for families and create job opportunities in the production and distribution of stoves*

### (7.79.1.14) Please explain

*Our carbon-neutral stance allows us to enhance our client value proposition and foster synergies, partnerships, and collaborations with like-minded organizations. We follow a “reduce first, then offset” strategy. Our internal awareness initiatives and efforts to change behavior drive our carbon reduction activities. Only after these efforts do we use carbon credits to offset any remaining emissions. We are committed to credibility in carbon offsetting, preferring verified carbon credits that are rigorously audited by credible and independent bodies under recognized carbon standards. This ensures transparency and accountability in our carbon offsetting initiatives. Additionally, we support carbon offset projects that offer verifiable credits with additional sustainable development benefits. As a result, we engage with African projects that provide positive social and environmental impacts. For more details, please refer to page 97 of our 2023 Climate Report.*

[Add row]



## C12. Environmental performance - Financial Services

### (12.1) Does your organization measure the impact of your portfolio on the environment?

#### Banking (Bank)

##### (12.1.1) We measure the impact of our portfolio on the climate

Select from:

☒ Yes

##### (12.1.2) Disclosure metric

Select all that apply

☒ Financed emissions

☒ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

##### (12.1.5) We measure the impact of our portfolio on forests

Select from:

☒ No, but we plan to do so in the next two years

##### (12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☒ Not an immediate strategic priority

##### (12.1.7) Explain why your organization does not measure its portfolio impact on forests

*Forests are considered a subset of climate change. By taking action on climate change, we address forest-related challenges. Additionally, South Africa has very few indigenous forests, making our impact on forests minimal. Our commitment to forests is further reinforced in our Nature Position Statement, as detailed on page 41 of our 2023 Climate Report. In our climate action efforts, we have evaluated the carbon footprint of Nedbank's direct operations and prioritized assessing our lending*

exposure to high-emitting sectors such as thermal coal, oil, gas, and non-renewable power generation. We plan to evaluate the impacts of our Banking portfolio on forests within the next two years.

#### (12.1.8) We measure the impact of our portfolio on water

Select from:

☒ No, but we plan to do so in the next two years

#### (12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

☒ No standardized procedure

#### (12.1.10) Explain why your organization does not measure its portfolio impact on water

Water is considered a subset of climate change. By taking action on climate change, we address water-related challenges. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development. As water is a primary driver of nature loss, it will be further addressed through the commitments outlined in our Nature Position Statement, detailed on page 41 of our 2023 Climate Report. We monitor the water impact of our own operations and will measure the impact on water of our assets within the next two years. Nedbank aims to reduce water usage in its offices by 40% by the end of 2025, based on 2019 levels. This target equates to a 152 900 kℓ or 8,0 kℓ per full-time.

#### (12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☒ No, but we plan to do so in the next two years

#### (12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

☒ No standardized procedure

#### (12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

Nedbank recognizes the cyclical relationship between climate change and biodiversity, understanding that addressing climate change positively impacts biodiversity. Although we have not yet developed metrics for biodiversity due to the lack of standardized procedures, our Nature Position Statement, detailed on page 41 of our 2023 Climate Report, outlines our plans to understand and measure our biodiversity impact in the future. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development

## Investing (Asset manager)

### (12.1.1) We measure the impact of our portfolio on the climate

Select from:

☒ No, but we plan to do so in the next two years

### (12.1.3) Primary reason for not measuring portfolio impact on climate

Select from:

☒ Not an immediate strategic priority

### (12.1.4) Explain why your organization does not measure its portfolio impact on climate

We have assessed the carbon footprint of Nedbank's direct operations and are currently concentrating on evaluating our lending exposure to thermal coal, oil, gas, and non-renewable power generation. In 2023, we reported on our financed emissions for Residential Mortgages, Vehicle Finance, and Sovereign (NAR). We intend to evaluate the emissions from our managed assets within the next two years.

### (12.1.5) We measure the impact of our portfolio on forests

Select from:

☒ No, but we plan to do so in the next two years

### (12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☒ Not an immediate strategic priority

### (12.1.7) Explain why your organization does not measure its portfolio impact on forests

*Forests are considered a subset of climate change. By taking action on climate change, we address forest-related challenges. Additionally, South Africa has very few indigenous forests, making our impact on forests minimal. Our commitment to forests is further reinforced in our Nature Position Statement, as detailed on page 41 of our 2023 Climate Report. In our climate action efforts, we have evaluated the carbon footprint of Nedbank's direct operations and prioritized assessing our lending exposure to high-emitting sectors such as thermal coal, oil, gas, and non-renewable power generation. We plan to evaluate the impacts of our managed assets on forests within the next two years.*

#### **(12.1.8) We measure the impact of our portfolio on water**

Select from:

☒ No, but we plan to do so in the next two years

#### **(12.1.9) Primary reason for not measuring portfolio impact on water**

Select from:

☒ Not an immediate strategic priority

#### **(12.1.10) Explain why your organization does not measure its portfolio impact on water**

*Water is considered a subset of climate change. By taking action on climate change, we address water-related challenges. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development. As water is a primary driver of nature loss, it will be further addressed through the commitments outlined in our Nature Position Statement, detailed on page 41 of our 2023 Climate Report. We monitor the water impact of our own operations and will measure the impact on water of our assets within the next two years.*

#### **(12.1.11) We measure the impact of our portfolio on biodiversity**

Select from:

☒ No, but we plan to do so in the next two years

#### **(12.1.12) Primary reason for not measuring portfolio impact on biodiversity**

Select from:

☒ No standardized procedure

#### **(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity**

Nedbank recognizes the cyclical relationship between climate change and biodiversity, understanding that addressing climate change positively impacts biodiversity. Although we have not yet developed metrics for biodiversity due to the lack of standardized procedures, our Nature Position Statement, detailed on page 41 of our 2023 Climate Report, outlines our plans to understand and measure our biodiversity impact in the future. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development.

## Insurance underwriting (Insurance company)

### (12.1.1) We measure the impact of our portfolio on the climate

Select from:

☒ No, but we plan to do so in the next two years

### (12.1.3) Primary reason for not measuring portfolio impact on climate

Select from:

☒ Not an immediate strategic priority

### (12.1.4) Explain why your organization does not measure its portfolio impact on climate

We have assessed the carbon footprint of Nedbank's direct operations and are currently concentrating on evaluating our lending exposure to thermal coal, oil, gas, and non-renewable power generation. In 2023, we reported on our financed emissions for Residential Mortgages, Vehicle Finance, and Sovereign (NAR). We intend to evaluate the emissions from our insurance portfolio within the next two years.

### (12.1.5) We measure the impact of our portfolio on forests

Select from:

☒ No, but we plan to do so in the next two years

### (12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☒ Not an immediate strategic priority

### (12.1.7) Explain why your organization does not measure its portfolio impact on forests

*Forests are considered a subset of climate change. By taking action on climate change, we address forest-related challenges. Additionally, South Africa has very few indigenous forests, making our impact on forests minimal. Our commitment to forests is further reinforced in our Nature Position Statement, as detailed on page 41 of our 2023 Climate Report. In our climate action efforts, we have evaluated the carbon footprint of Nedbank's direct operations and prioritized assessing our lending exposure to high-emitting sectors such as thermal coal, oil, gas, and non-renewable power generation. We plan to evaluate the impacts of our insurance portfolio within the next two years.*

#### **(12.1.8) We measure the impact of our portfolio on water**

Select from:

☒ No, but we plan to do so in the next two years

#### **(12.1.9) Primary reason for not measuring portfolio impact on water**

Select from:

☒ Not an immediate strategic priority

#### **(12.1.10) Explain why your organization does not measure its portfolio impact on water**

*Water is considered a subset of climate change. By taking action on climate change, we address water-related challenges. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development. As water is a primary driver of nature loss, it will be further addressed through the commitments outlined in our Nature Position Statement, detailed on page 41 of our 2023 Climate Report. We monitor the water impact of our own operations and will measure the impact on water of our assets within the next two years.*

#### **(12.1.11) We measure the impact of our portfolio on biodiversity**

Select from:

☒ No, but we plan to do so in the next two years

#### **(12.1.12) Primary reason for not measuring portfolio impact on biodiversity**

Select from:

☒ No standardized procedure

#### **(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity**

Nedbank recognizes the cyclical relationship between climate change and biodiversity, understanding that addressing climate change positively impacts biodiversity. Although we have not yet developed metrics for biodiversity due to the lack of standardized procedures, our Nature Position Statement, detailed on page 41 of our 2023 Climate Report, outlines our plans to understand and measure our biodiversity impact in the future. Furthermore, our formal environmental policy confirms our group's commitment to fostering a culture of environmental protection and conservation within our operating environment and among all parties with whom we have business associations, including clients, suppliers, and contractors. We recognize environmental management as a crucial aspect of corporate performance and acknowledge that responsible business management is essential for sustainable development.

[Fixed row]

## **(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.**

### **Banking (Bank)**

#### **(12.1.1.1) Asset classes covered in the calculation**

Select all that apply

- ☒ Project finance
- ☒ Other, please specify :Mortgages Motor Vehicle Finance/loans Sovereign debt

#### **(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year**

12529186

#### **(12.1.1.3) % of portfolio covered in relation to total portfolio value**

17

#### **(12.1.1.4) Total value of assets included in the financed emissions calculation**

218356310640.40

#### **(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)**

0

#### **(12.1.1.6) Emissions calculation methodology**

Select from:

☒ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

#### (12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

3

#### (12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

11119870

#### (12.1.1.9) Base year end

12/30/2022

#### (12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

#### (12.1.1.11) Please explain the details of and assumptions used in your calculation

To better understand and quantify our emissions, we have adopted the methodology developed by the Partnership for Carbon Accounting (PCAF). We first disclosed our financed emissions in 2020, covering fossil fuels such as thermal coal and upstream oil and gas. In 2023, we expanded our financed emissions to include power generation, home loans, motor vehicle finance, and sovereign debt. Below is a summary of our assumptions and the PCAF data quality scores per sector -Thermal Coal: Most GHG emissions related to thermal coal are emitted when the coal is burned, making it essential to include Scope 3 emissions for this sector. The thermal coal reported includes only the Nedbank CIB portfolio. Our thermal coal emission intensity decreased by 19% year on year. PCAF data quality score: 3. Upstream Oil and Gas: Upstream oil and gas is considered a high-emission sector, making it essential to include Scope 3 emissions. PCAF data quality score: 3. Power Generation: We track total financing for non-renewable power generation to ensure adherence to our emission reduction commitments. Our renewable on-balance sheet exposure is 6.4 times greater than our non-renewable exposure. PCAF data quality score: 3. Home Loans (Mortgages): We relied on the following assumptions during the calculation of financed emissions: Properties fall under the South Africa National Standards on building regulations (SANS10400 'dwelling house' occupancy class) and their energy consumption is the maximum for each energy zone. All electricity supplied to the properties is generated by Eskom, using the emissions factor of coal power stations. Residential mortgages for the Consumer and Relationship Banking Segments were considered in this analysis. However, commercial property mortgages, NAR mortgages, and Wealth mortgages were not included. The calculated emissions could be offset by the emissions factor assumption that overlooks alternative energy sources like solar power. PCAF data quality score: 4. Motor Vehicle Finance: Financed emissions from motor vehicle loans are calculated by multiplying the attribution factor by the emissions of the motor vehicle. The following assumptions were made: The vehicle classes financed are passenger vehicles and light commercial vehicles (LCVs). The carbon emission efficiencies of the vehicles are derived from manufacturer specifications for each make and model. An average distance driven has been obtained via TransUnion data based on the age of the vehicle



[Fixed row]

**(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.**

**Climate change**

**(12.1.3.1) Portfolio**

Select from:

☒ Banking (Bank)

**(12.1.3.2) Portfolio metric**

Select from:

☒ Portfolio carbon footprint (tCO2e/Million invested)

**(12.1.3.3) Metric value in the reporting year**

42

**(12.1.3.4) % of portfolio covered in relation to total portfolio value**

23

**(12.1.3.5) Total value of assets included in the calculation**

300883820000

**(12.1.3.6) % of emissions calculated using data obtained from clients/investees**

0

**(12.1.3.7) Please explain the details and key assumptions used in your assessment**

To enhance our understanding and measurement of emissions, we have adopted the methodology from the Partnership for Carbon Accounting (PCAF). This approach aligns with the GHG protocol and aims to standardize the reporting of Scope 3 Category 15 emissions. We calculated the emissions intensity by dividing the on-balance-sheet exposure as of December 31, 2023, by the emissions for each sector. The intensity figure reported here represents our overall financed emissions intensity for the sectors disclosed in 2023: Thermal coal, Upstream oil and gas, Motor vehicle finance, Residential mortgages, and Sovereign. The intensity is calculated by using total financed emissions (12,529,186 tCO<sub>2</sub>e) as the numerator and total exposure in these sectors (R 300,883,820,000) as the denominator.

## Climate change

### (12.1.3.1) Portfolio

Select from:

☒ Banking (Bank)

### (12.1.3.2) Portfolio metric

Select from:

☒ Avoided emissions financed (tCO<sub>2</sub>e)

### (12.1.3.3) Metric value in the reporting year

10350780

### (12.1.3.4) % of portfolio covered in relation to total portfolio value

2

### (12.1.3.5) Total value of assets included in the calculation

23313000000

### (12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

### (12.1.3.7) Please explain the details and key assumptions used in your assessment

PCAF defines avoided emissions related to renewable power projects as the reduction in emissions from the financed project compared to what would have been emitted in the absence of the project (baseline emissions). These avoided emissions are calculated according to the GHG Protocol for Project Finance and are distinct from the calculation of absolute emissions based on the GHG Protocol for Corporate Accounting. Reporting avoided emissions demonstrates a quantifiable positive contribution to decarbonization. Approximately 77% of the power generation portfolio is in the operational phase and was included in the calculation of avoided emissions. However, 7% of the renewable energy projects are still in the construction phase (and construction emissions are not included), so they were excluded from the calculation. Additionally, the required information was unavailable for 2 transactions (representing 4% of our exposure) and was also excluded from the calculation of avoided emissions. For further details, refer to page 85 of our 2023 Climate Reports.

[Add row]

**(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?**

	Portfolio breakdown
Banking (Bank)	Select all that apply <input checked="" type="checkbox"/> Yes, by asset class

[Fixed row]

**(12.2.1) Break down your organization’s financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.**

Row 1

**(12.2.1.1) Portfolio**

Select from:  
☒ Banking (Bank)

**(12.2.1.2) Portfolio metric**

Select from:

☒ Absolute portfolio emissions (tCO2e)

#### (12.2.1.4) Asset class

Select from:

☒ Project finance

#### (12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

95

#### (12.2.1.7) Value of assets covered in the calculation

18240980000

#### (12.2.1.8) Financed emissions or alternative metric

8909920

#### (12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ No

#### (12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

*This asset class encompasses project finance for thermal coal, upstream oil and gas, and non-renewable energy power generation within our Corporate Investment Banking (CIB) Cluster. For more details, please refer to pages 83 to 85 of our 2023 Climate Report. As a financial institution, our primary impact on the economy and society stems from our loans and investments. To understand our climate impact, it is crucial to quantify the emissions we finance through these activities. Initially, we have focused on the high-emission intensity fossil fuels portfolio within CIB to familiarize ourselves with the methodology, measurements, and data systems required for carbon accounting of financed emissions. Following PCAF recommendations, we utilized a combination of internal data, client-published data, and relevant emission factors, always striving for the highest data quality. Our absolute emissions include Scope 1, Scope 2, and Scope 3 emissions. We will continue to refine these estimates as our clients improve their disclosures. Our goal is to gradually expand our calculations to cover larger portions of our overall portfolio*

## Row 2

### (12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

### (12.2.1.2) Portfolio metric

Select from:

☒ Other, please specify

### (12.2.1.4) Asset class

Select from:

☒ Other, please specify :Motor Vehicle Loans/Finance

### (12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

98

### (12.2.1.7) Value of assets covered in the calculation

132704000000

### (12.2.1.8) Financed emissions or alternative metric

1747095

### (12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ No

### (12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

*The financed emissions from a motor vehicle loan are determined by multiplying the attribution factor by the vehicle's emissions. This calculated emission value covers 98.56% of all vehicles in the MFC book, excluding motorbikes, caravans, etc., due to insufficient supporting data. Given data limitations, the financed emissions were calculated based on the following assumptions: The financed vehicle classes are passenger vehicles and light commercial vehicles (LCVs). The carbon emission efficiencies of the vehicles are derived from manufacturer specifications for each make and model. An average distance driven is obtained from TransUnion data, based on the age of the vehicles. For more details, please refer to page 86 of our 2023 Climate Report*

### Row 3

#### (12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

#### (12.2.1.2) Portfolio metric

Select from:

☒ Absolute portfolio emissions (tCO2e)

#### (12.2.1.4) Asset class

Select from:

☒ Other, please specify :Residential Mortgages

#### (12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

83

#### (12.2.1.7) Value of assets covered in the calculation

141730000000

#### (12.2.1.8) Financed emissions or alternative metric

### (12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ No

### (12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

*Financed emissions for mortgages are calculated by multiplying the attribution factor by the building's emissions. Due to limitations in data quality, the following assumptions were made during the calculation: The properties adhere to the South Africa National Standards on building regulations (SANS10400) for 'dwelling house' occupancy class, with maximum energy consumption for each energy zone. All electricity supplied to the properties is generated by Eskom, using the emissions factor for coal power stations. This analysis considered residential mortgages for the Consumer and Relationship Banking Segments, excluding commercial property mortgages, NAR mortgages, and Wealth mortgages. The calculated emissions might be offset by the emissions factor assumption, which does not account for alternative energy sources like solar power that have lower or no carbon emissions. For more details, please refer to page 87 of our 2023 Climate Report.*

## Row 4

### (12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

### (12.2.1.2) Portfolio metric

Select from:

☒ Absolute portfolio emissions (tCO2e)

### (12.2.1.4) Asset class

Select from:

☒ Other, please specify :Project Finance: Sovereign

#### (12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

100

#### (12.2.1.7) Value of assets covered in the calculation

8208840000

#### (12.2.1.8) Financed emissions or alternative metric

208156

#### (12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ No

#### (12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

*Nedbank keeps up-to-date with changes and updates in the PCAF methodology, which recently introduced a new asset class for Sovereigns. In 2023, Nedbank CIB estimated the financed emissions for its sovereign lending portfolio using the newly released PCAF methodology. Debt securities issued by sovereign counterparties for liquidity management and regulatory purposes were excluded from this calculation. Although the remaining sovereign portfolio is not substantial, the estimated emissions have been disclosed based on available data. Note that only Scope 1 emissions data was available for sovereigns, so this calculation includes only Scope 1 emissions. For more details, please refer to page 88 of our 2023 Climate Report*  
[Add row]

### (12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

#### Lending to all fossil fuel assets

#### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:



☒ Yes

**(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

18240980000

**(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)**

0

**(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

95

**(12.3.6) Details of calculation**

*“For the calculation, we used the actual exposure for financed emissions, which amounts to 18,240.98 million Rand (Rm). We then divided this by the drawn exposure reported in 2023 for fossil fuels (including thermal coal, upstream oil and gas, and non-renewable power generation) within CIB, which totals 19,286 million Rand (Rm). This results in a ratio of 95%”*

**Lending to thermal coal**

**(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets**

Select from:

☒ Yes

**(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

776980000

**(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)**

0

**(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

### (12.3.6) Details of calculation

*For the calculation we used actual exposure used in the calculations for thermal coal financed emissions which equals 776.98 (Rm) and we divided this by Drawn exposure reported in 2023 for Fossil fuels (Thermal coal, Upstream oil and gas and Power generation – non-renewable energy) for in ClB which equals to 1233 (Rm) This translates to 63%.*

### Lending to met coal

#### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

#### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

#### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

### Lending to oil

#### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ Yes

### (12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

13695000000

### (12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

### (12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

98

### (12.3.6) Details of calculation

*Please note: Nedbank reports upstream oil and gas together, not as separate categories. Therefore, this entry is repeated for both oil and gas portfolios to align with the CDP questionnaire structure. For the calculation, we used the actual exposure used for upstream oil and gas financed emissions calculation, which amounts to 13,695 million Rand (Rm). We then divided this by the drawn exposure reported in 2023 for fossil fuels (including thermal coal, upstream oil and gas, and non-renewable power generation) within CIB, which totals 14,004 million Rand (Rm). This results in a ratio of 98%*

## Lending to gas

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ Yes

### (12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

13695000000

### (12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

### (12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

### (12.3.6) Details of calculation

*Please note: Nedbank reports upstream oil and gas together, not as separate categories. Therefore, this entry is repeated for both oil and gas portfolios to align with the CDP questionnaire structure. For the calculation, we used the actual exposure used for upstream oil and gas financed emissions calculation, which amounts to 13,695 million Rand (Rm). We then divided this by the drawn exposure reported in 2023 for fossil fuels (including thermal coal, upstream oil and gas, and non-renewable power generation) within CIB, which totals 14,004 million Rand (Rm). This results in a ratio of 98%*

## Investing in all fossil fuel assets (Asset manager)

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

## Investing in thermal coal (Asset manager)

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report*

### Investing in met coal (Asset manager)

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

- ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

### Investing in oil (Asset manager)

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report*

## Investing in gas (Asset manager)

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to*

*have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

## Insuring all fossil fuel assets

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

## Insuring thermal coal

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

#### Insuring met coal

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

#### Insuring oil

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years



### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

### Insuring gas

### (12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

- ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

### (12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

*We acknowledge that achieving the Paris Agreement goals will necessitate the complete decarbonisation of the global energy system by mid-century. Given the long lifespans of physical assets, an orderly exit from fossil fuel financing will be required well before 2050. Our Energy policy is designed to guide our transition away from fossil fuels, while also accelerating efforts to finance non-fossil energy solutions that support socioeconomic development and enhance climate resilience. We aim to have zero exposure to all fossil fuel-related activities covered by this policy by 2045. In line with our Energy policy, we have prioritised high-emission sectors within our banking portfolio and will continue to advance our decarbonisation efforts and assess the impact on other portfolios, including asset management and insurance. For additional information, please refer to our glidepaths on page 51 of our 2023 Climate Report.*

[Fixed row]

**(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.**

**Lending to companies operating in the timber products value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Lending to companies operating in the palm oil value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

Select from:

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

### Lending to companies operating in the cattle products value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

### Lending to companies operating in the soy value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

- ☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

**(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Lending to companies operating in the rubber value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

## Lending to companies operating in the cocoa value chain

### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

### (12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

### (12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

### (12.4.6) % value of the exposure in relation to your total portfolio value

0

## Lending to companies operating in the coffee value chain

### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

**Investing (asset manager) to companies operating in the timber products value chain**

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

*Select from:*

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

☒ Production

☒ Processing

- ☒ Trading
- ☒ Manufacturing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

### Investing (asset manager) to companies operating in the palm oil value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

- ☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0



## Investing (asset manager) to companies operating in the cattle products value chain

### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

### (12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

### (12.4.6) % value of the exposure in relation to your total portfolio value

0

## Investing (asset manager) to companies operating in the soy value chain

### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

### (12.4.2) Commodity value chain stage coverage

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

**Investing (asset manager) to companies operating in the rubber value chain**

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

*Select from:*

- ☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Investing (asset manager) to companies operating in the cocoa value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Investing (asset manager) to companies operating in the coffee value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

#### Insuring companies operating in the timber products value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

*Select from:*

- ☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Insuring companies operating in the palm oil value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Insuring companies operating in the cattle products value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Insuring companies operating in the soy value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

Select from:

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

### Insuring companies operating in the rubber value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

#### (12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

0

#### (12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

0

#### (12.4.6) % value of the exposure in relation to your total portfolio value

0

### Insuring companies operating in the cocoa value chain

#### (12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

*Select from:*

- ☒ Yes

#### (12.4.2) Commodity value chain stage coverage

*Select all that apply*

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

#### (12.4.3) Portfolio exposure (unit currency – as specified in 1.2)



0

**(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

**Insuring companies operating in the coffee value chain**

**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

*Select from:*

☒ Yes

**(12.4.2) Commodity value chain stage coverage**

*Select all that apply*

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

0

**(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)**

0

**(12.4.6) % value of the exposure in relation to your total portfolio value**

0

[Fixed row]

**(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?**

**Banking (Bank)**

**(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy**

Select from:

☒ Yes

**(12.5.2) Taxonomy under which portfolio alignment is being reported**

Select from:

☒ Other, please specify :The Nedbank Sustainable Development Framework

**(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)**

1284448886120.00

**(12.5.25) Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year**

0

**(12.5.26) Total assets aligned with the taxonomy in the reporting year**

145000000000

**(12.5.27) % of portfolio that is aligned with the taxonomy in the reporting year**

### (12.5.28) Description of assets excluded from alignment calculation and reasons for exclusion

*We use the Nedbank Sustainable Development Framework to focus our sustainable development efforts and to identify business opportunities, risks, and cost savings. These opportunities and savings are potentially enormous, estimated to have a global value of trillions of dollars every year. We prioritise 9 of the 17 Sustainable Development Goals (SDGs) where we can deliver meaningful impact through innovation in our banking products, lending, and investment practices.*

### (12.5.32) “Do No Significant Harm” requirements met

Select from:

☒ No

### (12.5.33) Details of “Do No Significant Harm” analysis

*Nedbank does not subscribe to the EU taxonomy as it falls outside our jurisdiction. However, our formal environmental policy underscores our group’s commitment to fostering a culture of environmental protection and conservation within our operating environment. This commitment extends to all parties with whom we have business associations, including but not limited to clients, suppliers, and contractors*

### (12.5.34) Details of calculation

*The % of portfolio that is aligned with the taxonomy in the reporting year refers to our total Sustainable Development Finance in relation to our Gross Loans and Advances. This equates to 16%. Refer to page 8 of our 2023 Annual Results Booklet.*

## Investing (Asset manager)

### (12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

☒ No, but we plan to report in the next two years

### (12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

☒ Not an immediate strategic priority

#### (12.5.36) Explain why you are not providing values of the financing and/or insurance

*The Nedbank Sustainable Development Framework was conceived in 2017 to focus attention and resources on the most material goals and targets, which were selected using a rigorous proprietary methodology created by Earth Security Group. Given that the greatest contribution a bank can make to the sustainable development agenda is through its commercial offering, we give primacy to the products and services lever – sustainable development finance. Refer to page 11 of our 2023 Society Report.*

#### Insurance underwriting (Insurance company)

#### (12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

☒ No, but we plan to report in the next two years

#### (12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

☒ Not an immediate strategic priority

#### (12.5.36) Explain why you are not providing values of the financing and/or insurance

*The Nedbank Sustainable Development Framework was conceived in 2017 to focus attention and resources on the most material goals and targets, which were selected using a rigorous proprietary methodology created by Earth Security Group. Given that the greatest contribution a bank can make to the sustainable development agenda is through its commercial offering, we give primacy to the products and services lever – sustainable development finance. Refer to page 11 of our 2023 Society Report.*

[Fixed row]

#### (12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

*[Fixed row]*

**(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.**

## Row 1

### (12.6.1.1) Environmental issue

*Select all that apply*

☒ Climate change

### (12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

*Select all that apply*

☒ Mitigation

☒ Adaptation

### (12.6.1.3) Portfolio

*Select from:*

☒ Banking (Bank)

### (12.6.1.4) Asset class

*Select from:*

- ☒ Project finance

#### (12.6.1.5) Type of product classification

*Select all that apply*

- ☒ Products that promote environmental and/or social characteristics
- ☒ Products that have sustainable investment as their core objective

#### (12.6.1.6) Taxonomy or methodology used to identify product characteristics

*Select all that apply*

- ☒ Internally classified

#### (12.6.1.7) Type of solution financed, invested in or insured

*Select all that apply*

- ☒ Energy efficiency measures
- ☒ Renewable energy

#### (12.6.1.8) Description of product/service

*Nedbank is committed to being a leader in sustainable finance, ensuring our solutions and services meet today's needs while addressing tomorrow's challenges. We integrate sustainability criteria directly into our debt-financing activities, reinforcing our position as a market leader in environmental, social, and governance (ESG) and sustainable finance. One of our key offerings in sustainable development finance is the financing of renewable and embedded energy solutions, aligned with SDG 7: ensuring access to affordable, reliable, sustainable, and modern energy for all. Our initiatives include: Utility-scale renewable energy finance: Nedbank, through its investment bank, is a leading funder of renewable energy in South Africa. We have successfully grown our portfolio through all rounds of the REIPPPP since its early stages. Private power generation finance: This market includes embedded energy generation and wheeling by commercial and industrial businesses, as well as small businesses and residences. Private power generation for medium enterprises: We continue to enhance our renewable energy-finance offerings for clients with annual turnovers of R50 million to R1.5 billion. These installations typically produce up to 1 MW of power and cost between R3 million and R4 million. Private power generation for small businesses and individuals: There has been a surge in demand for private power generation at the residential level, driven by the need for hybrid power backup systems to manage load-shedding. However, the cost of these systems is a significant obstacle for many South African households. In response, Nedbank offers two financing solutions to improve accessibility.*

#### (12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

#### (12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

#### (12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

#### (12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

*The Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline offers guidance for the business and insights for stakeholders on categorizing sustainable-development financing and investments. These investments aim to create positive societal and environmental outcomes, supporting a just transition, and are thus considered SDF. This criterion takes into account the impacts on environmental factors. Additionally, Nedbank has established an independent social and environmental risk assessment, with criteria aligned to the Equator Principles (EP) and International Finance Corporation (IFC) Performance Standards. All client-facing credit risk reviews and new applications include the screening of high-risk clients and EP-relevant deals through the Social and Environmental Management System (SEMS) process. Climate-related risks are integrated into the existing SEMS process to ensure they are assessed when granting credit. All transactions in high-impact sectors, such as mining, oil and gas, agriculture, waste, property, and water infrastructure, must receive social and environmental approval before the credit committee considers financing. This is in line with the SEMS governance process, industry best practices, and environmental, social, and human rights benchmarks. We continue to adopt a partnership approach to all sensitive investments, working closely with our clients and relevant authorities to maximize benefits and minimize negative impacts.*

### Row 2

#### (12.6.1.1) Environmental issue

Select all that apply

☒ Climate change

#### (12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☒ Mitigation

☒ Adaptation

#### (12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

#### (12.6.1.4) Asset class

Select from:

☒ Project finance

#### (12.6.1.5) Type of product classification

Select all that apply

☒ Products that promote environmental and/or social characteristics

☒ Products that have sustainable investment as their core objective

#### (12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☒ Internally classified

#### (12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☒ Energy efficiency measures

☒ Green buildings and equipment

#### (12.6.1.8) Description of product/service

*Nedbank offers products and services to finance energy-efficient and sustainable buildings, helping to bring future climate targets within closer reach. These initiatives also reduce strain on the electricity grid by lowering demand, ultimately leading to more affordable consumer bills. Green Buildings: Nedbank invests in environmentally friendly and efficient buildings. These structures not only improve residents' quality of life but also reduce negative environmental impacts, such as carbon emissions. Our property evaluation criteria include green certifications (like EDGE and Green Star) and sustainable features such as solar PV, wind or hydro power, rainwater harvesting, and black- and greywater systems, among others. Sustainability-Linked Property Finance: In 2023, we reinforced our position as a leading South African provider of innovative sustainable finance, actively contributing to the green transformation of the country's commercial property landscape. These product and service is linked to SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable. Our commitment to sustainability is evident in our financial exposure, with R15bn invested in green-certified properties and R13bn in properties with sustainable features, termed 'green aspects'.*



Through these investments, we are not just financing buildings; we are actively fostering a future where living spaces are in harmony with the planet. For further details, please refer to page 34 of our 2023 Society Report.

#### (12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

16

#### (12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

#### (12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

#### (12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Rapid urbanisation has left many cities struggling to overcome the challenge of inadequate housing, infrastructure and services, resulting in a proliferation of slums. Urban sprawl, air pollution and limited open public spaces also persist in numerous cities. A significant transformation is required in the way urban spaces are built and managed. Creating career opportunities, safe and affordable housing, as well as building resilient societies and economies are some of the measures that need to be adopted to create sustainable cities. Nedbank partners with its clients to help realise this vision of sustainable and smart cities through the deployment of purpose-led financial solutions. The Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline offers guidance for the business and insights for stakeholders on categorizing sustainable-development financing and investments. These investments aim to create positive societal and environmental outcomes, supporting a just transition, and are thus considered SDF. This criterion takes into account the impacts on environmental factors. Additionally, Nedbank has established an independent social and environmental risk assessment, with criteria aligned to the Equator Principles (EP) and International Finance Corporation (IFC) Performance Standards. All client-facing credit risk reviews and new applications include the screening of high-risk clients and EP-relevant deals through the Social and Environmental Management System (SEMS) process. Climate-related risks are integrated into the existing SEMS process to ensure they are assessed when granting credit. All transactions in high-impact sectors, such as mining, oil and gas, agriculture, waste, property, and water infrastructure, must receive social and environmental approval before the credit committee considers financing. This is in line with the SEMS governance process, industry best practices, and environmental, social, and human rights benchmarks. We continue to adopt a partnership approach to all sensitive investments, working closely with our clients and relevant authorities to maximize benefits and minimize negative impacts.

#### Row 3

#### (12.6.1.1) Environmental issue

*Select all that apply*

☒ Climate change

#### **(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change**

*Select all that apply*

☒ Mitigation

☒ Adaptation

#### **(12.6.1.3) Portfolio**

*Select from:*

☒ Banking (Bank)

#### **(12.6.1.4) Asset class**

*Select from:*

☒ Project finance

#### **(12.6.1.5) Type of product classification**

*Select all that apply*

☒ Products that promote environmental and/or social characteristics

☒ Products that have sustainable investment as their core objective

#### **(12.6.1.6) Taxonomy or methodology used to identify product characteristics**

*Select all that apply*

☒ Internally classified

#### **(12.6.1.7) Type of solution financed, invested in or insured**

*Select all that apply*

☒ Energy efficiency measures

### (12.6.1.8) Description of product/service

*Financing Sustainable Agriculture: Nedbank offers a funding programme designed to address the challenges farmers face due to climate change, such as rising temperatures and decreased rainfall. This programme, available through direct channels or financing cooperatives, provides sustainable farming solutions. These solutions include water conservation and storage, soil health improvements, advanced irrigation techniques, and shading strategies to reduce evaporation. In South Africa, sustainable agriculture is crucial for tackling the interconnected issues of food security and climate change. Poor farming practices can negatively impact both people and nature. Agriculture significantly contributes to biodiversity loss, environmental degradation, and water usage in the country. Farms in strategic water source areas are vital for food production, making soil and biodiversity conservation in these regions essential. Current agricultural practices heavily rely on artificial fertilizers and chemicals, leading to soil erosion, water quality problems, and ecosystem contamination. Smallholder farmers, who are particularly vulnerable to climate change, also suffer from a lack of agricultural extension support. For more details, please refer to page 37 of our 2023 Society Report. This product and service support SDG 12: Ensure sustainable consumption and production patterns*

### (12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

16

### (12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

### (12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

### (12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

*One of the most significant challenges in achieving the SDGs is to balance economic development with environmental sustainability. To address this challenge, shifting from a linear economic approach to a circular approach is necessary. Achieving a circular economy requires intentional and collaborative efforts, which Nedbank is fully dedicated to supporting and enabling. The Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline offers guidance for the business and insights for stakeholders on categorizing sustainable-development financing and investments. These investments aim to create positive societal and environmental outcomes, supporting a just transition, and are thus considered SDF. This criterion takes into account the impacts on environmental factors. Additionally, Nedbank has established an independent social and environmental risk assessment, with criteria aligned to the Equator Principles (EP) and International Finance Corporation (IFC) Performance Standards. All client-facing credit risk reviews and new applications include the screening of high-risk clients and EP-relevant deals through the Social and Environmental Management System (SEMS) process. Climate-related risks are integrated into the existing SEMS process to ensure they are assessed when granting credit. All transactions in high-impact sectors, such as mining, oil and gas, agriculture, waste, property, and water infrastructure, must receive social and environmental approval before the credit committee considers financing. This is in line with the SEMS governance process, industry best*

practices, and environmental, social, and human rights benchmarks. We continue to adopt a partnership approach to all sensitive investments, working closely with our clients and relevant authorities to maximize benefits and minimize negative impacts.

## Row 4

### (12.6.1.1) Environmental issue

Select all that apply

☒ Climate change

☒ Water

### (12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☒ Mitigation

☒ Adaptation

### (12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

### (12.6.1.4) Asset class

Select from:

☒ Project finance

### (12.6.1.5) Type of product classification

Select all that apply

☒ Products that promote environmental and/or social characteristics

☒ Products that have sustainable investment as their core objective

### (12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☒ Internally classified

#### (12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☒ Water resources and ecosystem protection

☒ Water supply and sewer networks infrastructure

☒ Water treatment infrastructure

#### (12.6.1.8) Description of product/service

*Water finance solutions and partnerships: Climate change is exerting significant pressure on water resources, affecting various sectors that rely on water access. Investments in infrastructure can assist companies in adapting to the challenges posed by a hotter and drier climate. Nedbank provides a financing solution for clean water and sanitation. This solution includes term debt financing for capital expenditure projects aimed at expanding public access to safe drinking water and sanitation facilities. Nedbank maintains enduring and strong partnerships with several of SA's most notable and accomplished water entities. We take pride in assisting them in their essential efforts to expand and safeguard our water supply and infrastructure. This is evidenced in the levels of water support business that was achieved in 2023. While we have over R1,1bn of exposure to water projects across the group, we did not have any material deals that paid out this year (2023: R38,6m; 2022: R514m). For further details refer to page 25 of our 2023 Society Report. This product is linked to SDG 6: Ensure availability and sustainable management of water and sanitation for all.*

#### (12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

16

#### (12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

#### (12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

#### (12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Nedbank believes that addressing South Africa's water challenges and mitigating their impact requires a collective commitment to responsible water stewardship. This involves all South Africans—government, businesses, communities, and individuals—taking responsibility for conserving and protecting the country's water resources and reducing the national water demand to sustainable levels. Nedbank is dedicated to leading by example. Aligned with our mission to use financial expertise for societal benefit, we have developed a robust water stewardship strategy based on three sustainability pillars: managing our own impact, leading through collaboration, and promoting sustainability through our products and financial solutions. The Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline provides business guidance and stakeholder insights on categorizing sustainable-development financing and investments. These investments aim to generate positive societal and environmental outcomes, supporting a just transition, and are thus classified as SDF. This criterion considers environmental impacts. Furthermore, Nedbank has implemented an independent social and environmental risk assessment, with criteria aligned with the Equator Principles (EP) and International Finance Corporation (IFC) Performance Standards. All client-facing credit risk reviews and new applications include screening high-risk clients and EP-relevant deals through the Social and Environmental Management System (SEMS) process. Climate-related risks are integrated into the SEMS process to ensure they are assessed when granting credit. All transactions in high-impact sectors, such as mining, oil and gas, agriculture, waste, property, and water infrastructure, must receive social and environmental approval before the credit committee considers financing. This aligns with the SEMS governance process, industry best practices, and environmental, social, and human rights benchmarks. We continue to adopt a partnership approach to all sensitive investments, working closely with our clients and relevant authorities to maximize benefits and minimize negative impacts.

[Add row]

## **(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?**

### **Forests**

#### **(12.7.1) Target set**

Select from:

☒ No, we have not set such targets, but we plan to within the next two years

#### **(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring**

Nedbank has minimal exposure to clients or impacts solely related to forests. It's important to note that South Africa has very few indigenous forests, which are mostly protected areas. Additionally, water and forest-related issues are considered part of broader climate change considerations, which are currently being integrated. Our impact and targets related to forests will be addressed through our commitments outlined in our Nature Position Statement in the 2023 Climate Report

### **Water**

### (12.7.1) Target set

Select from:

☒ Yes, we have set water-secure lending, investing and/or insuring targets

[Fixed row]

**(12.7.1) Provide details of your targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring.**

#### Forests

### (12.7.1.2) Targets set

Select from:

☒ Other, please specify :No Targets Set. Refer to Response in 12.7

### (12.7.1.6) The target has been set with reference to

Select from:

☒ Other, please specify :No Targets set for forests. Refer to response in 12.7

#### Water

### (12.7.1.1) Portfolio

Select from:

☒ Banking (Bank)

### (12.7.1.2) Targets set

Select from:

☒ Targets for water-secure lending

### (12.7.1.3) Date target was set

12/30/2017

### (12.7.1.4) Sectors covered by the target

*Select all that apply*

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Retail       | <input checked="" type="checkbox"/> Manufacturing                |
| <input checked="" type="checkbox"/> Services     | <input checked="" type="checkbox"/> Infrastructure               |
| <input checked="" type="checkbox"/> Materials    | <input checked="" type="checkbox"/> Power generation             |
| <input checked="" type="checkbox"/> Hospitality  | <input checked="" type="checkbox"/> International bodies         |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Food, beverage & agriculture |

### (12.7.1.5) Asset classes covered by the target

*Select all that apply*

- ☒ Loans
- ☒ Project finance

### (12.7.1.6) The target has been set with reference to

*Select from:*

- ☒ Sustainable Development Goals

### (12.7.1.7) % of portfolio covered by the target in relation to total portfolio value

16

### (12.7.1.8) Target metric

*Select from:*

- ☒ % of total lending/investment/ insurance

### (12.7.1.9) Target value



**(12.7.1.10) End date of target**

12/30/2025

**(12.7.1.11) End date of base year**

12/30/2021

**(12.7.1.12) Figure in base year**

108000000000

**(12.7.1.13) Figure in reporting year**

145000000000

**(12.7.1.14) % of target achieved**

-34.26

**(12.7.1.15) Provide details of the target**

*We aim to increase our Sustainable Development Finance (SDF) exposures to approximately 20% of the group's total gross loans and advances, supporting over R150 billion in new SDF aligned with the Sustainable Development Goals (SDGs) from our 2021 base. While we recognize the equal importance of all 17 SDGs, we have prioritized 9 where we believe we can make the most significant impact through innovative banking products, lending, and investment practices. Among these prioritized SDGs, SDG 6 (Clean Water and Sanitation) is a key focus. The figures reported here encompass our entire Sustainable Development Finance portfolio. Although we have over R1.1 billion in exposure to water projects across the group, during the 2023 financial year, Nedbank completed funding transactions worth R38.6 million (2022: R514 million) in the water sector.*

*[Add row]*

### C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

#### Row 1

##### (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

##### (13.1.1.2) Disclosure module and data verified and/or assured

#### Environmental performance – Forests

- ☒ Other data point in module 8, please specify :Number of Equator Principle Deals that had their first draw down within the financial year

### (13.1.1.3) Verification/assurance standard

#### General standards

☒ ASAE 3000

### (13.1.1.4) Further details of the third-party verification/assurance process

*Deloitte carried out our limited assurance engagement following the International Standard on Assurance (ISAE) 3000 (Revised), which covers assurance engagements other than audits or reviews of historical financial information. In a limited assurance engagement, the procedures Deloitte performs differ in nature and timing from those in a reasonable assurance engagement and are less extensive. As a result, the level of assurance obtained is significantly lower than that of a reasonable assurance engagement. For each value driver within the audit scope, Deloitte conducted the following procedures: Engaged with management and process owners to update our understanding of the processes and controls over the collection, collation, and disclosure of indicator information. Confirmed with management the basis of preparation applied for the indicators, ensuring alignment with the basis of preparation. Assessed the suitability of the criteria and the subject matter. Performed analytical reviews of the value drivers' data to understand trends. Conducted substantive audit procedures on the value drivers, assessing them according to the basis of preparation. Disclosed to management any deviations from our initial substantive audit work and any control weaknesses identified during the audit. Performed closing audit procedures. Deloitte's methodology is risk-based, considering the risks of material misstatement.*

### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*Nedbank FY23 Assurance\_Management Report\_Signed.pdf*

## Row 2

### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

☒ Climate change

### (13.1.1.2) Disclosure module and data verified and/or assured

#### Environmental performance – Financial services

☒ Products and services footprint verification

### (13.1.1.3) Verification/assurance standard

#### General standards

☒ ASAE 3000

### (13.1.1.4) Further details of the third-party verification/assurance process

*There was assurance provided over the following KPIs: Thermal Coal Funding Oil and Gas Funding Nonrenewable Power Funding. Renewable Energy Funding:*

### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*Nedbank FY23 Assurance\_Management Report\_Signed.pdf*

## Row 3

### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

☒ Climate change

☒ Forests

☒ Water

☒ Biodiversity

### (13.1.1.2) Disclosure module and data verified and/or assured

#### Identification, assessment, and management of dependencies, impacts, risks, and opportunities

☒ Identification, assessment, and management processes

### (13.1.1.3) Verification/assurance standard

#### General standards

☒ ASAE 3000

#### **(13.1.1.4) Further details of the third-party verification/assurance process**

*Deloitte also assured: 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). This process ensures thorough evaluation and management of potential social and environmental risks associated with thermal coal funding.*

#### **(13.1.1.5) Attach verification/assurance evidence/report (optional)**

*Nedbank FY23 Assurance\_Management Report\_Signed.pdf*  
[Add row]

**(13.2) 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.**

#### **(13.2.1) Additional information**

*Our sustainability information is comprehensively detailed across three key reports: the Integrated Report, the Climate Report, and the Society Report. For any additional or supplementary data, please refer to these reports available on our website [here](#).*

#### **(13.2.2) Attachment (optional)**

*2023 Nedbank Group Integrated Report.pdf*  
[Fixed row]

