

Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

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

Nedbank Group Limited ('Nedbank Group') is a bank holding company, with its principal banking subsidiary being Nedbank Limited. The company's ordinary shares have been listed on JSE Limited since 1969. Nedbank Group is one of South Africa's largest banking group measured by assets, with a strong deposit franchise, a large retail deposit base, a client-centric wholesale and retail franchise and a substantial and growing bancassurance and wealth management offering. The group offers a wide range of wholesale and retail banking services through its different business clusters, namely Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, Nedbank Wealth and Nedbank Group focuses on southern Africa and has a Pan-African banking alliance with Ecobank Transnational Inc. with access to 36 countries. The group is positioned as a bank for all – from both a retail and a wholesale banking perspective. The principal banking services offered by Nedbank Group comprise business, corporate and retail banking, property finance, investment banking, private banking, foreign exchange and securities trading. Nedbank Group also generates income from private equity, credit card issuing and processing services, custodial services, unit trust administration, asset management services and bancassurance. Nedbank Group's headquarters is in Sandton, Johannesburg, with large operational centres in Durban and Cape Town which are complemented by a regional branch network throughout South Africa and facilities in other southern African countries and certain key global financial centres. These meet international banking requirements of the group's SA-based multinational clients.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

C0.3

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

South Africa

C0.4

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

ZAR

C0.5

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

Financial control

C-FS0.7

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

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes		Exposed to all broad market sectors
Investing (Asset manager)	Yes		Exposed to all broad market sectors
Investing (Asset owner)	Yes		Exposed to all broad market sectors
Insurance underwriting (Insurance company)	Yes	General (non-life)	Exposed to all broad market sectors

C0.8

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

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify	NED

Johannesburg Stock Exchange listing code	
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C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board-level committee	<p>The Nedbank Board is responsible for climate-related issues. The Board designates a selection of Board members to drive the climate change concerns. In this case the selected Board members, with additional members and experts, form the Group Transformation, Social and Ethics Committee (GTSEC) and Group Climate Resilience Committee (GCRC).</p> <p>A standalone committee of the board, the Group Climate Resilience Committee (GCRC), was established on 1 October 2020, and focuses purely on climate-related risks and opportunities. The first GCRC meeting was held in March 2021 (this reporting year), chaired by an independent non-executive director. The committee meets every quarter.</p> <p>An example of a company-specific climate-related decision made: During 2021 this committee steered and released Nedbank’s energy policy that states the following: We approved and published an Energy Policy consisting of financing of renewable-energy activities (such as support of the South African Renewable-Energy Independent Power Producer Procurement Programme and financing of embedded-energy projects) as well as our approach to reducing our financing of thermal-coal, upstream-oil, upstream-gas and fossil-fuelled power generation.</p> <p>Our glidepaths will consider our trajectory with regard to fossil fuels and our commitment to exiting fossil fuels by 2045, in line with science-based targets. The development of sectoral glidepaths will inform the timelines or rate of exit from the coal, oil and gas sectors in line with the changing context.</p> <p>Nedbank supports the transformation of the energy system and will continue to play a pivotal role in aligning our business activities and actions with the commitments made by South Africa under the 2015 Paris Agreement. Specific focus will be given</p>

	<p>to achieving a net-zero carbon economy and ensuring energy security while participating in responsible activities.</p> <p>Relating to thermal coal (Including mining, trading and infrastructure) the following measures are put in place:</p> <p>No financing of thermal coal mines outside of South Africa.</p> <p>No project financing for new thermal-coal mines, regardless of jurisdiction, from 1 January 2025.</p> <p>Restricting total financing for coal mining companies, thermal-coal-related infrastructure, and thermal-coal related trade to less than 1% of the group's total advances, reducing it to 0.5% by 2030.</p>
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C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding risk management policies</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our banking activities</p>	<p>Nedbank continuously monitors its carbon footprint, which gets externally audited as part of the annual audit process. The residual carbon footprint remaining after reduction initiatives, is offset so that Nedbank can claim carbon neutral status. Nedbank has been carbon neutral since 2010.</p> <p>Climate-related issues, including the internal carbon neutral initiative and the Sustainable Development Goals, are frequently and consistently discussed. Nedbank regards climate-related phenomena as a significant threat to its own operations if not managed efficiently. For this reason, Nedbank has put in place governance mechanisms to ensure that the board is up to date of and always has overall oversight of climate-related issues.</p> <p>When reviewing its strategy concerning its own operations, Nedbank performs a</p>

		<p>quarterly risk assessment which includes potential climate-related risks and opportunities potentially imposed on its own operations with the objective to both inform internal risk management policies as well as guiding its strategy. Environmentally sustainable objectives have and always will be a factor guiding the bank's strategy, in line with its reputation of being South Africa's green bank. This includes for example Nedbank's objective to be and remain South Africa's first climate neutral financial institution. Recurring agenda items include the bank's annual footprint, including Scope 1, 2 and 3 greenhouse gas emissions. This is important for establishing the budget for offsetting its residual footprint and for the assessment of the performance of internal measures taken to reduce emissions. The GHG performance in terms of reduced Scope 1 emissions is assessed and discussed biannually during two out of four board-meetings scheduled per year.</p> <p>Aligned to international best practices for financial institutions, Nedbank subscribes to the Equator Principles which provides guidance on assessing the impact of its portfolio's projects on climate change. The Equator Principles are only applicable to project finance geared transactions. One of the Equator Principles is the requirement for a climate change impact assessment where projects exceed a certain carbon dioxide equivalent (CO₂e) threshold. Nedbank, in certain instances, will assess a project finance transaction and include a climate change assessment regardless of the CO₂e threshold. This approach was applied previously on project finance deals and was accepted by the client, despite the project not exceeding the Equator Principle threshold. Furthermore, Nedbank applies integrated climate risk processes and the Social Environment</p>
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			Management System (SEMS). This approach is in line with the TCFD requirements.
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C1.1d

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

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>Competency is assessed by:</p> <p>Experience: One board member was a previous CEO of the national electricity supplier and has extensive local and international experience with climate change matters.</p> <p>Internal training: Most/all board members have attended internal training provided by climate and sustainability experts.</p> <p>External training: Most/all board members have attended external training provided by climate and sustainability experts.</p>

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	<p>Risks and opportunities related to our banking</p> <p>Risks and opportunities related to our investing activities</p> <p>Risks and opportunities related</p>	More frequently than quarterly

			to our insurance underwriting activities Risks and opportunities related to our own operations	
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C1.3

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

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

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	Nedbank has annual reduction targets and longer-term reduction targets. If these targets are met then the corporate executive team, and their subordinates, are eligible for monetary rewards as part of their Goal Commitment Contracts that were applicable for the reporting year.

C-FS1.4

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

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated
Row 1	Yes, as the default investment option for all plans offered	Nedbank employment-based retirement schemes frequently invest in equities listed on the Johannesburg Stock Exchange. Certain ESG ratings are considered to be listing requirements. By implication, the employment-based retirements schemes have some ESG ratings built in by default.

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

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

C2.1b

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

A definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks:

Nedbank endorses the objectives of both the United Nations Framework Convention on Climate Change (UNFCCC) and of the Paris Agreement, which aim to prevent dangerous anthropogenic interference with the climate system by limiting the global average surface temperature rise to well below 2 °C compared to the pre-industrial levels.

As discussed in Nedbank's Taskforce on Climate-related Financial Disclosure (TCFD) report, a substantive impact on Nedbank's business could be the International Energy Agency's "2,7°C to 3,2°C > stated-policies scenario. This scenario reflects the impact of existing policy frameworks and the bank's announced energy policy intentions and the resulting detrimental temperature increase is defined as a 'substantive financial' impact including massive 'strategic impact.'

Nedbank's approach to climate change is guided by our Sustainable Development Framework, which is informed by the United Nations Sustainable Development Goals (SDGs). The SDGs define the 'good' in our purpose by providing a powerful lens to identify risks and opportunities for new business innovation and growth. We understand that socioeconomic development imperatives cannot be achieved unless climate change is also addressed. It is not a matter of either/or, but rather of both or neither.

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

As per a climate change resolution tabled by the Nedbank Board in 2020, which was and unanimously and favourably voted for at our recent AGM, Nedbank will report on the bank's approach to measuring, disclosing and assessing its financial exposure to climate-related risks. This will inform shareholders of the group's journey in assessing its lending activities, investment practices and own operations in relation to climate related risks and opportunities over time as standards, guidelines and principles on climate risk mature. In particular, Nedbank is committed to maturing the group's alignment to global best practices including, inter alia, the Taskforce on Climate-related Financial Disclosure (TCFD).

Nedbank is committed to tracking and managing our own operational, lending and investment impact. Impact will be measured in financial term and Nedbank aims to have zero exposure to all fossil-fuel-related activities addressed in accordance with our Energy Policy by 2045. We will continue to fund the transition to renewable and embedded energy solutions (ie renewable energy, embedded energy and other technologies as they develop over time).

The lending book impact will be measured as disclosed in the TCFD report stating that Nedbank committed R37,2bn limits at 31 December 2020 and has appetite to increase this to R50bn for the South African renewable energy independent power producer programme. Nedbank will further its embedded generation financing to accelerate the transition and accordingly aims to achieve R2bn in financing by 2022.

C2.2

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

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Description of the process used to determine which risks and/or opportunities could have a substantive financial or strategic impact AND description is consistent with the dropdown options selected:

Climate risk is systematic and climate-related risk management requires close collaboration between business, risk functions, and other support functions across the organisation. Nedbank integrates climate-related risk management across various functions, including existing governance forums. Hence, the climate change risk management process is integrated into the bank's multi-disciplinary company-wide risk management processes.

The operationalization of climate-related risk management is guided by the Climate-related Risk Management Framework (CRMF). Climate-related risk assessment is the process used to identify and understand risks relating to climate change for Nedbank. The risk assessment consists of the identification, assessment, measurement, and analysis of potential threats and vulnerabilities. We maintain an ongoing climate-related risk assessment process.

The Nedbank climate-related risk management process :

The CRMF is supported by the climate-related risk management process that provides details of activities and processes that form the foundation of climate-related risks. The climate-related risk management process enables Nedbank to effectively minimize downside risks and optimize upside risks. The climate-related risk management process consists of five interlinking steps that form a holistic basis for climate-related risk

management. These five steps are:

Step 1: Climate-related risk drivers: Identify and assess external and internal climate-related risk drivers that impact the environment in which we operate.

Step 2: Climate-related risk governance components: The process includes the following components to identify, manage, monitor and measure the group's approach to managing climate related risks:

- Nedbank's CRMF is aligned with and able to be mapped to the group's strategic goals and SDGs to support the business goals.
- The CRMF guides the execution of climate resilience in alignment with the group's risk appetite (ie size and scope).

Step 3: Data and information: The climate-related data will be acquired, created, stored, used, maintained and retired in accordance with Nedbank data management governance standards, policies and frameworks.

Step 4: Climate-related risk cyclical process: The climate-related risk management process is cyclical in nature and subject to continuous improvement, in keeping with the evolution of climate-related risk management, new capabilities, and vulnerabilities. Nedbank remains agile in the transition to a net-zero carbon economy.

Step 5: Climate-related risk standards: Climate-related risk standards guide the basic aspects that must be in place across all the facets of the operations across the enterprise.

A case study of how the described process is applied to Physical risks and/or opportunities:

South Africa is a semi-arid country and chronic water shortages are common in certain parts of the country. Nedbank has a large retail banking branch footprint within South Africa. Adverse weather events in the past have led to a lack of running water at the branch facilities. The result was that ablution facilities could not operate properly and the physical risk (severe drought and lack of rain) had a direct physical impact on how the branch network had to be operated. The result was an increase in onsite water storage where practical and the sequential phasing in of lower water consuming ablution equipment. The process followed had to include the identifying, quantifying and assessment of the physical risk, following the steps set out above. Afterwards the capital had to be applied for and measures were put in place to reduce the risk of future events. One example of a water use reducing technology that was employed from 2020 onwards is the 'propelair' (low water use toilets) installed at Nedbank facilities.

A case study of how the described process is applied to Transitional risks and/or opportunities:

Changes in policy and regulation are seen as major transition risks that could entail increased pricing of GHG emissions and enhanced emissions-reporting obligations. Nedbank has responded to this pre-emptively as Nedbank has been operationally carbon neutral since 2010. The result is that the necessary operational carbon

accounting processes were in place when the domestic carbon tax came into effect in 2019. Furthermore, Nedbank voluntarily published a TCFD report to report in 2020 and now in 2021. This step was taken in advance of any mandatory requirements, such as requirements imposed by regulations related to before the further or enhanced emissions-reporting is becoming a regulatory requirement.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b:</p> <p>Current regulation is included in Nedbank’s risk assessment since several regulations, directly aimed at climate-related issues, are in place in South Africa and were promulgated during the reporting year. It is essential that this risk type is assessed in detail as part of the ERM process as to quantify the climate-related risk.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>Company specific examples of this risk type, considered in the assessment: One example is the current South African Vehicle Carbon Emission Tax, which results in a greenhouse gas tax on the purchase price of new vehicles. The impact of this regulation risk is that it can increase costs involved with renting cars. It can also increase costs along the supply-chain and as such impact projects in Nedbank’s funding-portfolio. This current regulation is assessed, and the risk is quantified as part of the ERM process. Another example is the recent promulgation of a number of regulations, including the National Greenhouse Gas Emission Reporting Regulations and addendums. These regulations could imply compliance risk in terms of Nedbank’s reporting requirements as well as compliance risks along the value-chain impacting on projects within Nedbank’s portfolio.</p>

Emerging regulation	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b:</p> <p>Emerging regulation is included in Nedbank’s risk assessment since regulations, directly aimed at climate-related issues, are emerging in South Africa and will potentially impact Nedbank’s balance sheet. It is essential that this risk type is assessed in detail as part of the ERM process as to quantify the climate-related risk.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>A company specific example of this risk type considered in the assessment is the evolving South African Domestic Carbon Tax, which will result in a potentially increased tax liability for Nedbank and its clients. The increased tax liability lies in the fact that this emerging regulation imposes a fee on each tCO2e emitted by a tax liable entity. As part of Nedbank’s ERM process, developments around this emerging regulation are assessed regularly including ongoing quantification of the associated risk upon the entering into force in 2019 with numerous addendums and clarification in 2021.</p>
Technology	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b:</p> <p>Technology is included in Nedbank’s risk assessment as a result of climate-related issues including regulations, physical events such as flooding, etc. Technology innovation is required to help the economy adjust to a low carbon emission system and overcome these climate related issues and obstacles. Technological innovative developments can contribute in lowering a business’ carbon footprint and hence reduce regulation-related risks. Technology can also reduce risk of discontinued operations through delivery of innovative solutions including improved infrastructure and accessibility of sites during extreme weather events, etc. In addition, technology can help curb reputational risk as a result of negative publicity caused by e.g. non-compliance, etc. Because of how technology can indirectly reduce other perceived risks it is essential to include this risk type to be assessed in detail as part of the ERM process as to quantify the climate-related risk. Another feature of technology developments,</p>

		<p>including in the area of climate-related issues, is that companies will apply for funding for realising their technological solutions to climate-related problems and/or business-interruptions.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>A company specific example of this risk type, considered in the assessment constitutes the potential of carbon capture and sequestration (CCS) as part of South Africa’s greenhouse gas mitigation plans. Nedbank could be asked to fund a CCS initiative. It is therefore crucial for Nedbank to keep abreast of technological developments and to ensure that the risk of these technologies are included and assessed correctly as part of the ERM process.</p>
Legal	Relevant, always included	<p>Company –specific response relating to Nedbank: How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b: It is essential that all legal matters such as potential climate-related litigation claims are assessed in detail as part of the ERM process used to quantify the climate-related risk. The potential risk for Nedbank with regard to this risk type is illustrated by the following company-specific example: Historically Nedbank funded coal mines, coal fired power stations. Nedbank has progressively started to fund renewable energy projects to a greater extent than fossil fuel projects. It is crucial for Nedbank to continuously assess, as per this example, the legal risks associated with funding of coal mines and the use of thermal coal regarding any potential climate-related litigation claims.</p>
Market	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b: “Market” has been identified as a climate-related risk type and is included in Nedbank’s risk assessment. This is important because Nedbank recognises that the transition to a low carbon economy is</p>

		<p>impacting the dynamics of supply and demand for certain commodities, products and services and has therefore potential to have an impact on the services and products provided by Nedbank. Hence it is essential that all market shifts in supply and demand for certain commodities, products, and services be assessed in detail as part of the ERM process as to quantify the climate-related risk for Nedbank.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>A company specific example of this risk type being considered in the assessment: With the global transition towards a low carbon society, demand for commodities with large carbon footprints could be decreasing. For example, the demand for steel produced in South Africa could reduce or face environmental pressure because South African steel comes with a high carbon footprint per tonne steel produced due to the South African thermal coal-based electricity grid. Globally customers are increasingly aware of the environmental footprints of products and this forces suppliers to reduce the carbon footprint along the value-chain. Nedbank being a full suite bank and offering products from the retail banking side to capital and investment banking, will feel this change inherently as a significant part of its historic project portfolio is established by high polluting operations.</p>
<p>Reputation</p>	<p>Relevant, always included</p>	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b:</p> <p>Nedbank is the first carbon neutral bank in Africa. It is essential that reputational risk, defined as all risks tied to changing customer or community perceptions of an organization’s contribution to or detractor from the transition to a lower-carbon economy be taken into account so that Nedbank can maintain its market position.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p>

		<p>Company specific example of a risk considered in the assessment: Nedbank is the first carbon neutral bank in Africa. It achieved this milestone in 2010 and has been able to maintain its carbon neutral status since then. Carbon neutral status is achieved by calculating the carbon footprint of the bank, reducing it as much as possible and offsetting the remainder of the carbon footprint with offset credits. The carbon neutral status is also externally audited as part of the financial audit.</p> <p>Nedbank’s reputation within the ‘green’ or sustainability field is well known. Hence it is crucial to manage all reputational risks as to ensure the “green” credibility of the bank including its carbon neutral status. All risks tied to changing customer or community perceptions of Nedbank’s contribution to or detracting from the transition to a lower-carbon economy are carefully monitored as indicated with the carbon neutrality initiative.</p>
Acute physical	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b:</p> <p>Nedbank is primarily based in South Africa, which is defined as a semi-arid country. The predominant acute physical risk is an extended drought period followed by flooding.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>Company specific example of a risk considered in the assessment: In the recent past, the Southern Cape experienced an acute drought, which implied that the ablution facilities within a Nedbank branch could only be used periodically. This illustrated the vulnerability and risk that Nedbank faces due to acute weather events and the result is that these types of acute events, like droughts, are considered as part of the ERM process within Nedbank. Moreover, along its value chain, projects funded by Nedbank could be forced to pause or cease operation as a result of the lack of this important resource (water). In turn this could potentially impact Nedbank’s balance sheet directly. It is for these potentially substantive risks that Nedbank has to include this type of risk in its risk assessment processes both at asset and at company-wide level.</p>

Chronic physical	Relevant, always included	<p>Company –specific response relating to Nedbank: Decision on the relevance and inclusion of this risk type in the risk assessment, in line with organisational process(es) described in C2.2b: Nedbank is primarily based in South Africa, which is defined as a semi-arid country. Most long-term climate models are in agreement that the western half of the country will progressively become dryer whereas the eastern seaboard could experience more extreme flooding. These longer-term shifts in the climate are not ignored by Nedbank. Another threat specific to South Africa and companies operating on its market is that the effective local rise in temperature is 2 to 3 times the global average. This implies drastic changes in South Africa’s agricultural activities if not coming to a halt.</p> <p>How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group’s risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.</p> <p>Company specific example of how these risks are considered in the assessment: The Western Cape province is experiencing a severe drought and, as indicated above, the consensus from longer-term climate models is that this part of the country will receive less rain as the impacts of climate change become more visible. Nedbank continuously evaluates the risks associated with this chronic physical change, which impacts lending decisions and shifts business focus. One example of a shift will be funding potential seawater desalination projects on the west coast of South Africa. Another company specific example, tying in with the effective temperature rise in South Africa that comes with global warming, is that prior to lending moneys to help funding agricultural activities, the projects in question will be heavily scrutinized to assess the resilience of their operations against future sustained higher temperatures.</p>
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C-FS2.2b

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

	We assess the portfolio's exposure
Banking (Bank)	Yes
Investing (Asset manager)	Yes
Investing (Asset owner)	Yes

Insurance underwriting (Insurance company)	Yes
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C-FS2.2c

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

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100		Short-term Medium-term Long-term		Nedbank follows an enterprise wide risk management framework and throughout 2021 a lot of work and progress was made to implement processes to manage, mitigate and report on climate related risk.
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100		Short-term Medium-term Long-term		Nedbank follows an enterprise wide risk management framework and throughout 2021 a lot of work and progress was made to implement processes to manage, mitigate and report on

						climate related risk.
Investing (Asset owner)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term		The exposure to climate-related risks and opportunities are evaluated before Nedbank invests in assets, like its own building portfolio. The carbon footprint, energy and water use are assessed as part of the investigation into purchasing the asset.
Insurance underwriting (Insurance company)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term		Nedbank uses South African specific location data to identify high risk areas, for storms in particular, and prices the additional risks into the premium basis. The risk of a single event with multiple exposures is further reduced through a reinsurance program.

C-FS2.2d

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

	We consider climate-related information
Banking (Bank)	Yes

Investing (Asset manager)	Yes
Investing (Asset owner)	Yes
Insurance underwriting (Insurance company)	Yes

C-FS2.2e

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

Portfolio

Banking (Bank)

Type of climate-related information considered

Emissions data

Process through which information is obtained

Directly from the client/investee

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

Energy

State how this climate-related information influences your decision-making

Emissions data feeds into the Energy Policy and in the Energy Policy, Nedbank has undertaken not to provide financing to any new coal-fired or power stations or utility-scale or embedded oil-fired power generation, regardless of technology or jurisdiction. We have further undertaken not to provide financing for new utility-scale or embedded gas-fired power generation from 1 January 2030. On this basis, we track total financing in aggregate for non-renewable power- generation exposure to ensure that we continue to adhere to these commitments.

Accordingly, in 2021 we adopted our Energy Policy, which serves to guide the transition away from fossil fuels, while accelerating efforts to finance non-fossil energy solutions needed to support socioeconomic development and build resilience to climate change, including renewable energy, energy efficiency, energy storage, electrification of high-emitting sectors (eg surface transport and heat) and other emerging technologies such as hydrogen if, when and where appropriate. The Energy Policy aligns and gives expression to the Nedbank Climate Change Position Statement, which outlines the commitment of the bank, over time, to aligning its business strategy, policies, mandates and incentives with the Paris Agreement. This Energy Policy integrates and supersedes the financing policy on activities related to thermal coal

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

The implemented domestic carbon tax will have a definitive financial impact on Nedbank's direct operations. The domestic carbon tax is seen as a carbon pricing mechanism and transitional risk resulting in an increased operational cost. As example, the liquid fuel used in Nedbank's standby electricity generators could be taxed, which will result in an increased operational expenditure.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

47,561

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In its simplest form the proposed domestic carbon tax could potentially tax fossil fuel based liquid fuel at R12/tCO₂e. Audited and published data indicates that the liquid fuel used in equipment (generators) owned or controlled by Nedbank resulted in 943.67 tCO₂e. At a proposed tax rate of 40% of the R126/tCO₂e, if applied to liquid fuel and potential rebates, this could result in an increased operational expenditure of (R126 x 943.67 tCO₂e x 0.4 =) R47,561. The impact will be an increased operational expenditure. This is an indicative estimate of a potential impact.

Cost of response to risk

0

Description of response and explanation of cost calculation

Nedbank has implemented two actions to manage the risk associated with the domestic carbon act. The first action constitutes actively reviewing of the content and participating in the development of the domestic carbon tax act and amendments. The involvement includes Nedbank participating in various industry bodies, including the Banking Association of South Africa, in order to be informed about the implemented domestic carbon tax and any future amendments. Through this action Nedbank stays on top of the current and proposed content of the act which provides for clear understanding and capacity to anticipate to the associated risks in the most cost-effective way.

The second action that is being implemented is to actively reduce fossil fuel consumption. This action involves energy efficiency measures including intensification of the maintenance regime of equipment such as generators. The cost involved with this action is calculated to be zero since maintenance staff was already part of the facilities teams. Moreover, improved efficiency of generators reduces the demand for fuel which in turn drives down costs involved with procurement of fossil fuels.

Comment

Please see information above.

This is an indicative estimate of a potential impact.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Reputation
Shifts in consumer preferences

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Nedbank has positioned itself as a 'green' or sustainable bank by means of various long-term initiatives, including obtaining carbon neutral status in 2010 and maintaining this status year-on-year since then. As a result, Nedbank attracts a client-segment that is conscious in terms of the environment and sustainability. With this comes the direct risk that Nedbank could lose this client-segment should a disconnect be perceived between Nedbank's market position and real action. Consequently this could result in decreased demand for Nedbank's services.

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,055,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Based on Nedbank's operating income for 2020, being approximately R41.1 billion. A severe negative reputational impact could significantly impact the revenue side of Nedbank without decreasing the expense side at all. The result is that severe negative backlash from the customer base could result, in accordance with estimates, as much as a 5% loss of operating income or as much as R2,055,000,000. This is an indicative estimate of a potential impact.

Cost of response to risk

10,000,000

Description of response and explanation of cost calculation

Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.

Nedbank's method to manage this risk is by taking a proactive stance to fund initiatives that will enhance the resilience of the Western Cape to changing weather-patterns including increased frequency of drought-periods. An example is Nedbank's allocation of funding to desalination plants and other water freeing initiatives.

Costs involved with the management of this risk are based on an estimation of the hours involved by Nedbank's entities that are tasked with identification of projects that enhance resilience among its clients to the increased frequency of water shortages. The estimated number of hours spend is translated into a financial cost amounting approximately R10,000,000.

Comment

Please see information above.

This is an indicative estimate of a potential impact.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Funding risk

Company-specific description

Most current climate change models are in agreement that the western part of South Africa will progressively get dryer. Receiving progressively less rain and precipitation is a physical chronic risk that adversely impacts agricultural businesses/endeavours. Nedbank is a credit provider to agricultural endeavours in the drought stricken Western Cape of South Africa and hence this is an indirect risk to Nedbank, but a direct risk to Nedbank's customers.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

182,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

It was stated in the media (timeslive.co.za, 25 January 2019) that the 2018 aggregate loss in turnover in the agriculture sector in South Africa was R7,000,000,000. The assumptions related to the potential financial impact of this risk are based on these reported figures. This is due to the lower output as a result of the drought. Nedbank has about 20% of the market and if it did not obtain an estimated 13% return on this market segment then the loss to the bank could amount to R182,000,000. This is an indicative estimate of a potential impact.

Cost of response to risk

10,000,000

Description of response and explanation of cost calculation

Nedbank Group follows a policy of enterprise wide risk management (ERM), which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units so as to provide a company level assessment.

Nedbank is taking a proactive stance to fund initiatives that will enhance the resilience of the Western Cape and the rest of South Africa to weather droughts. These droughts are a growing physical climate change risk that could result in the loss of revenue for Nedbank and its clients. One example of how Nedbank is rising to the challenge is the increased effort that the funding of desalination plants and other water freeing initiatives are receiving.

Costs involved with the management of this risk are based on an estimation of the hours involved by Nedbank's entities that are tasked with identification of projects that enhance resilience among its clients to the increased frequency of water shortages. The

estimated number of hours spend is translated into a financial cost amounting approximately R10,000,000.

Comment

Please see information above.

This is an indicative estimate of a potential impact.

C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Nedbank-specific description:

Further context on the opportunity driver, including more detail on the exact nature, location, and/or regulation of the effect concerned, as well as any notable geographic/regional examples:

It is expected that the demand for lower emissions products and services will increase as a result of the implemented domestic carbon tax. Through the carbon tax legislation, carbon emissions will come at a cost to a business. The opportunity exists for Nedbank to develop new products and services that enable companies to reduce their tax burden. By playing an active role through interacting with government representatives as well as taking part as a member of various industry bodies, including the Banking Association of South Africa, in the carbon tax debate, Nedbank keeps up to date with the financial implications of the draft carbon tax bill on its clients' bottom-line. Through this

knowledge, Nedbank is in an excellent position to develop lower emissions products and services. These services will inherently align with the UN's Sustainable Development Goals (SDGs) to get 'money working for the future we want'. The domestic carbon tax will be nationally applicable to South Africa.

Nedbank-specific detail, such as references to activities, programs, products, services, methodologies, or operating locations specific to the company's business or operations: As a bank, Nedbank will be uniquely positioned to offer advanced products and services related to the domestic carbon tax. This could include advisory services and trading in offset mechanisms. Initially these products and services will be focussed on the South African market. Nedbank has actively been informing its clients and communicating its view point with regards to the development of the carbon tax with the aim of being a thought leader and preferred service provider for products and services relating to the domestic carbon tax. Through its ratification of the Paris Agreement in November 2016, South Africa has committed to limiting its national greenhouse gas emissions to a range of between 398-614 MtCO₂e over the period 2025-2030. Nedbank's decision to align its strategy with the UN Sustainable Development Goals lines up perfectly with this national target that South Africa has set as its share in the global effort to combatting climate change.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The national electricity supplier in South Africa is responsible for emitting approximately 225 MtCO₂e per annum. Should these emissions be taxed in accordance with the carbon tax legislation and other streams, this then could amount to a tax liability of approximately R36 billion due to electricity generation only. If Nedbank only sees 5% of this flowing through the bank and 10% profit is made on this, it will result in an R180 million profit. The scale and direction of the opportunity will increase as the certainty

surrounding the proposed carbon tax increases. This is an indicative estimate of a potential opportunity.

Cost to realize opportunity

150,000

Strategy to realize opportunity and explanation of cost calculation

All risks and opportunities are managed through an integrated process within Nedbank. The specific opportunities relating to playing an active role in developing the carbon tax regulatory field and the subsequent client product offerings will be mainly focused in the Sustainability and Strategy departments of Nedbank. The methods to manage these opportunities include internal and external research as well as pilot studies within the Nedbank facilities and the related to actively understand the potential impacts of a carbon tax. Nedbank has engaged with various government departments to assist with the implemented carbon tax regulatory framework and any future developments. From a client base perspective, Nedbank frequently interacts with the high electricity consumption sector of the client base (the Energy Intensive User Group). Nedbank has aligned its long-term goals with the UN Sustainable Development Goals (SDGs) to differentiate its business products and services by shaping a thriving macro environment for the better and maximise opportunities presented by a proposed carbon tax. An example of current and future SDG alignment in action is Nedbank's renewable-energy financing solutions that helps farmers and their agribusinesses to avoid escalating electricity costs and potential carbon tax implications while at the same time achieving the long-term goals of stabilising atmospheric greenhouse gases, providing affordable access to modern energy services, and improving food security.

The risk management and subsequent development of opportunities occurs within integrated structures. Subsequent standalone studies are however conducted on an ad hoc basis by expert specialists. Work started as early as 2017 and continued throughout 2020 with the costs remaining the same as stated in as approximately R150 000. The outcomes of these endeavours are being implemented.

This is an indicative estimate of a potential opportunity.

Comment

The risk management and subsequent development of opportunities occurs within integrated structures. Subsequent standalone studies are however conducted on an ad hoc basis by expert specialists. Work started as early as 2017 and continued throughout 2021 with the costs remaining the same as stated in as approximately R150 000. The outcomes of these endeavours are being implemented.

This is an indicative estimate of a potential opportunity.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

Further context on the opportunity driver, including more detail on the exact nature, location, and/or regulation of the effect concerned, as well as any notable geographic/regional examples:

Nedbank believes that a clear reputational and brand equity opportunity exists by addressing climate change issues proactively. Proactive climate change action will translate into increased shareholder value as proactive climate action will enable effective management of climate-related risks. Demonstrated and effective risk management is a well-established criterion that investors require before investing. The description below deals with monetary savings associated with moving to more energy efficient buildings.

Specific to Nedbank: Nedbank has realised the reputation of being a thought leader in the climate change and sustainability space. This reputation is widespread among businesses within South Africa's geographic boundaries and through its cross-border products and service offerings expanding to all geographical locations where Nedbank has a presence. Furthermore, being in more energy efficient buildings will have a clear cost saving from reduced energy consumption.

Nedbank-specific detail, such as references to activities, programs, products, services, methodologies, or operating locations specific to the company's business or operations: An example of this is the fact that Nedbank was the first carbon neutral bank in Africa. If less energy and less greenhouse gas intensive energy is used then the resulting carbon offsets will be reduced. Both the carbon offsets and the energy intensive energy cost can be reduced if managed well.

Another example is Nedbank's alignment with the UN Sustainable Development Goals (SDGs) to differentiate its business products and services by shaping a thriving macro environment that enables "money to work for the future we want". Nedbank has made a strategic decision to lead in addressing climate change and hence Nedbank's reputation in this regard is of utmost importance and a great opportunity for market and associated product dominance. The primary geographical focus will be South Africa where after programmes will be expanded to all geographical locations where Nedbank has a presence.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Nedbank has obtained carbon neutral status in 2010 and has maintained it. Maintaining and communicating its carbon neutral status is a key marketing and branding tool to increasingly attract more clients. Nedbank is reducing its carbon footprint by progressively moving into energy efficient facilities. This means that the financial impact of maintaining its carbon neutral status is reduced as less emissions need to be offset through the purchase of carbon credits. Through this, Nedbank is saving costs associated with its direct operations, as a result of resource efficient actions to move into energy efficient office space and reducing office space. Furthermore it is also nurturing the opportunity to keep on bringing across an increasingly strong branding message of being a sustainable bank.

Year on year about 51,500 tCO₂e was reduced. The result was a saving in carbon offsets of about R2,300,000. The opportunity exists to increase this saving as Nedbank occupies more energy efficient facilities in the future. The savings of R2,300,000 was calculated using an average carbon offset cost of R45/tCO₂e multiplied by the 51,000 tCO₂e. This is an indicative estimate of a potential opportunity.

Cost to realize opportunity

150,000

Strategy to realize opportunity and explanation of cost calculation

Nedbank follows an integrated enterprise –wide risk management approach. A number of different units are tasked with managing the opportunities associated with reducing operating costs linked to climate change, including the dedicated Sustainability team and the Group Communication unit. The Group Climate Resilience Committee (GCRC), that are also Nedbank Board members, remains ultimately responsible for the oversight of the management of all sustainability related risks and opportunities.

The strategy entails assessing the energy use of all potential future facilities that Nedbank could occupy as part of the risk assessment before Nedbank decides to buy or lease a facility. The cost of potential energy use and the carbon footprint of a facility forms part of the estimated operating cost.

The assessment and development of models to ascertain the potential carbon footprint and electricity consumption mainly falls within existing business structures, so most of the costs are absorbed already. Subsequent standalone studies are however conducted on an ad hoc basis by expert specialists. The work started in 2017 continued into 2020 and these costs were approximately R150 000. These opportunities are being implemented.

This is an indicative estimate of a potential opportunity.

Comment

The assessment and development of models to ascertain the potential carbon footprint and electricity consumption mainly falls within existing business structures, so most of the costs are absorbed already. Subsequent standalone studies are however conducted on an ad hoc basis by expert specialists. The work started in 2017 continued into 2021 and these costs were approximately R150 000. These opportunities are being implemented.

This is an indicative estimate of a potential opportunity.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Resilience

Primary climate-related opportunity driver

New products and services related to ensuring resiliency

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Further context on the opportunity driver, including more detail on the exact nature, location, and/or regulation of the effect concerned, as well as any notable geographic/regional examples.

The changing precipitation patterns in South Africa is concerning for the agricultural sector, but it also affords new opportunities. Adapting to changing mean precipitation patterns could lead to financing opportunities that did not exist previously.

Nedbank-specific detail, such as references to activities, programs, products, services, methodologies, or operating locations specific to the company's business or operations: A significant segment of Nedbank's client-base deals with agricultural activities. Although changing weather patterns and reduced precipitation levels in the Western Cape are a great risk to the sector, for Nedbank the opportunity lies in facilitating its clients to research and develop new crops that are resilient to periods of drought. At the

same time Nedbank can facilitate established food-producers such as vineyards to explore new locations where the conditions for growing of produce e.g. grapes is more favourable.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

42,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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

Cost to realize opportunity

320,000

Strategy to realize opportunity and explanation of cost calculation

Opportunities are managed through an integrated sustainability management approach. Specific opportunities relating to the development of new products and services, driven by potential changes in physical climate parameters, are coordinated by a dedicated Sustainability Team. This team is tasked with cascading the policies, procedures and sustainability considerations into all areas and activities of the group. The members of this Sustainability Team sit on many other Nedbank committees, which ensures that sustainability issues are considered and integrated in the decisions these committees make. The sustainability team is being overseen by the Group Executive Committee and is supported by the Strategy and Sustainability departments. The responsibility for development of the products and services lies with the relevant business cluster and

progress against such is monitored by way of performance scorecard measures. An example of maximising a potential opportunity is that changing weather-patterns may affect the grape growers in the Western Cape and in the rest of South Africa. This will in turn affect the wine industry, as grapes are the primary input. It is possible that different vintages could be grown in the future, resulting in exciting new wine offerings for the domestic and international market. Nedbank's agricultural business department can then potentially benefit from financing nonconventional endeavours in this space. The development of opportunities based on changes in weather-patterns mainly falls within existing business structures so most of the costs are absorbed already. It is estimated that these costs were approximately R320 000 for 2021. These opportunities are being implemented.

This is an indicative estimate of a potential opportunity.

Comment

The development of opportunities based on changes in weather-patterns mainly falls within existing business structures so most of the costs are absorbed already. It is estimated that these costs were approximately R320 000 for 2020. These opportunities are being implemented.

This is an indicative estimate of a potential opportunity.

C3. Business Strategy

C3.1

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

Row 1

Transition plan

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

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

Our transition plan is voted on at Annual General Meetings (AGMs)

Attach any relevant documents which detail your transition plan (optional)

Nedbank is committed to achieving the goals of the Paris Agreement, keeping global warming well below 2 degC above preindustrial levels by 2050 and to pursue efforts to limit the temperature increase to 1,5 degC. Please review the attached TCFD report for more guidance and information.

 2021 Nedbank Group TCFD Report (A).pdf

C3.2

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

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

C3.2a

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

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios Customized publicly available physical scenario	Portfolio	1.5°C	2021 South African Reserve Bank common scenario stress test As part of the 2021 common scenario stress test conducted by the South African Reserve Bank (SARB), Nedbank performed a climate stress test that assessed the impact of an acute physical risk event (a drought scenario) on its agricultural portfolio. The results from the climate stress test reflected deteriorating credit quality in the agricultural portfolio. This trend in the credit quality, denoted by the probability of default (PD), loss-given default (LGD) and proportion of nonperforming loans (NPLs), was determined per province over a three-year stress horizon. In line with the rainfall forecasts provided by the SARB, the average PDs for the Northern Cape, Free State, Limpopo and North West were the highest due to the elevated vulnerability of counterparties in these provinces to drought conditions. While a deterioration in credit quality of the agricultural portfolio was observed, the impact on the overall risk and capital position of Nedbank was minimal.

C3.2b

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

Row 1

Focal questions

As part of the 2021 common scenario stress test conducted by the South African Reserve Bank (SARB), Nedbank performed a climate stress test that assessed the impact of an acute physical risk event (a drought scenario) on its agricultural portfolio, which was the focal question.

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

The results from the climate stress test reflected deteriorating credit quality in the agricultural portfolio. This trend in the credit quality, denoted by the probability of default (PD), loss-given default (LGD) and proportion of nonperforming loans (NPLs), was determined per province over a three-year stress horizon. In line with the rainfall forecasts provided by the SARB, the average PDs for the Northern Cape, Free State, Limpopo and North West were the highest due to the elevated vulnerability of counterparties in these provinces to drought conditions. While a deterioration in credit quality of the agricultural portfolio was observed, the impact on the overall risk and capital position of Nedbank was minimal.

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Regarding Disclosure: Please refer to text answer below.</p> <p>Regarding Awareness: Clear rationale relating to Nedbank: Nedbank has a climate impact through its products and services. The strategic focus is set out in various disclosures. Climate-related risks and opportunities have directly influenced the bank’s strategy and one example is the expansion of sustainability related products and serves that will be discussed below.</p> <p>Regarding Management: A description of how strategy in this area has been influenced by climate-related risks and opportunities AND the time horizon(s) it covers: As per Nedbank Group’s Climate Change Position Statement, Nedbank remains committed to, over time,</p>

		<p>aligning strategy, policies and mandates with national obligations under the Paris Agreement, ensuring energy security alongside responsible credit granting.</p> <p>As part of Nedbank’s ongoing commitment, the FINANCING POLICY ON THERMAL-COAL-RELATED ACTIVITIES has been adopted. This policy states that the total financing in aggregate for coal mining companies, thermal coal-related infrastructure, and thermal coal-related trade should be less than 1% of its Group Total Advances, reducing to 0,5% by 2030.</p> <p>A case study of the most substantial strategic decision made in this area to date that have been influenced by the climate-related risks and opportunities:</p> <p>The FINANCING POLICY ON THERMAL-COAL-RELATED ACTIVITIES and the exiting of this market segment is the most relevant and strategic case study.</p> <p>Expanding on above mentioned, the policy states that Nedbank undertakes to:</p> <p>Not provide financing to any new coal-fired power stations regardless of technology or jurisdiction</p> <p>Not provide financing to thermal coal mines outside of South Africa</p> <p>Thermal coal mining company relates to mining companies that derive more than 40% of their revenue from thermal coal mining;</p> <p>Thermal coal related trade relates to commodity traders that derive more than 40% of their revenue from thermal coal trading, or thermal coal trade approved facilities for any commodity traders;</p> <p>Thermal coal related infrastructure means fixed infrastructure which is related to the dedicated handling of thermal coal.</p> <p>The above restrictions exclude:</p> <p>Financing support for Eskom, as an integral provider of electricity to South Africa.</p> <p>The provision of environmental guarantees to thermal coal mining companies.</p>
Supply chain and/or value chain	Yes	<p>Regarding Disclosure: Please refer to text answer below.</p> <p>Regarding Awareness:</p>

		<p>Clear rationale relating to Nedbank: Nedbank has a climate impact through the products and services that it uses. The operational impact, also of the supply chain, is discussed in various disclosures. Climate-related risks and opportunities related to the supply chain have directly influenced the bank’s strategy and one example is the procurement of less pollutant rental car vehicle and serves that will be discussed below.</p> <p>Regarding Management: A description of how strategy in this area has been influenced by climate-related risks and opportunities AND the time horizon(s) it covers:</p> <p>As per Nedbank Group’s Climate Change Position Statement, Nedbank remains committed to, over time, aligning strategy, policies and mandates with national obligations under the Paris Agreement, ensuring energy security alongside responsible credit granting.</p> <p>As part of Nedbank’s ongoing commitment, sequentially less pollutant services (like rental cars) and products (like paper) are being sourced by procurement.</p> <p>The time horizons for these initiatives differ between supply chain sectors, but some initiatives date back to 2020 and will be closed out by 2030. Another example of sequential project timelines is the inclusion of climate change criteria in the vendor selection process of rental car suppliers that occurs every 3 to 5 years.</p> <p>A case study of the most substantial strategic decision made in this area to date that have been influenced by the climate-related risks and opportunities:</p> <p>The strategic decision to source and use less greenhouse gas pollutant products and services has resulted in: A decrease in greenhouse gas emissions from rental cars by 84% when comparing 2013 with 2020. A decrease in greenhouse gas emissions related to the use of paper by 74% when comparing 2013 with 2020.</p>
Investment in R&D	Yes	<p>Regarding Disclosure: Please refer to text answer below.</p> <p>Regarding Awareness:</p>

		<p>Clear rationale relating to Nedbank: Nedbank’s investments in research and development relating to climate-related risks and opportunities occur in various parts of the bank. The three main areas of research can be summarized as follows:</p> <ol style="list-style-type: none"> 1. Reducing the impact of the bank’s operations. 2. Research into regulatory and policy developments, like the domestic carbon tax. 3. Research into new products and services to clients. <p>Regarding Management: A description of how strategy in this area has been influenced by climate-related risks and opportunities AND the time horizon(s) it covers:</p> <p>As per Nedbank Group’s Climate Change Position Statement, Nedbank remains committed to, over time, aligning strategy, policies and mandates with national obligations under the Paris Agreement, ensuring energy security alongside responsible credit granting.</p> <p>As part of Nedbank’s ongoing commitment, research is continuously done in the three main areas identified above. This is a strategic initiative to reduce climate related risks and to benefit from the opportunities that are arising.</p> <p>The research specifically relating to the domestic carbon tax started in approximately 2010 and the first phase of the research will conclude in 2022 when the first stage of the tax comes to an end.</p> <p>A case study of the most substantial strategic decision(s) made in this area to date that have been influenced by the climate-related risks and opportunities:</p> <p>The strategic decision to develop more climate-related products came to fruition in 2019 when Nedbank became the first South African bank to issue a Renewable Energy Bond. The Renewable Energy Bonds have been placed on the Johannesburg Stock Exchange. This endeavour provides tangible support to the United Nation’s Sustainable and Development Goals.</p>
Operations	Yes	Regarding Disclosure: Please refer to text answer below.

		<p>Regarding Awareness: Clear rationale relating to Nedbank: Nedbank has a climate impact through its operations. The operational impact is discussed in various disclosures. Climate-related risks and opportunities related to the direct operations have directly influenced the bank’s strategy and one example is the pressure to progressively reduce the greenhouse gas pollution per square meter occupied which will be discussed below.</p> <p>Regarding Management: A description of how strategy in this area has been influenced by climate-related risks and opportunities AND the time horizon(s) it covers:</p> <p>As per Nedbank Group’s Climate Change Position Statement, Nedbank remains committed to, over time, aligning strategy, policies and mandates with national obligations under the Paris Agreement, ensuring energy security alongside responsible credit granting.</p> <p>As part of Nedbank’s ongoing commitment, the operational impacts of the business are sequentially reduced before the rest of the carbon footprint is offset as to obtain carbon neutral status.</p> <p>Nedbank has been operationally carbon neutral since 2010 and operational impact targets have mostly been consolidated with a 2025 goal set for each aspect.</p> <p>A case study of the most substantial strategic decision(s) made in this area to date that have been influenced by the climate-related risks and opportunities:</p> <p>The strategic decision to reduce the carbon footprint through initiatives, like increased energy efficiency endeavours and increased photovoltaic generation, has been successful. Due to these strategic initiatives the pollution decreased from 0.33 tCO₂e/m² to 0.22 tCO₂e/m² when comparing 2013 to 2020.</p>
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C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs	<p>Description of influence: The South African national grid primarily generates electricity by coal combustion. This results in a climate-related risk due to the coal combustion activity, and the implementation of a domestic carbon tax. This has also led to opportunities to expand the own generation and use of renewable energy generation, like photovoltaic systems.</p> <p>A Nedbank case study of how climate-related risks and opportunities have influenced the financial planning in the direct cost element: Nedbank’s own electricity generation in 2021 was 681 MWh. During 2021 there was a continued drive to expand the photovoltaic generation of electricity for own use as the financial planning (payback period, capital to invest, etc.) is becoming more favourable. This combined with the increase in the cost of the electricity sourced from the national grid will continue to drive the increase in own renewable energy electricity generation. Currently the national grid cost per unit electricity can increase in excess of 10% year on year.</p> <p>Specify the time horizon covered by the financial planning of the increase renewable energy for own use initiative: The first photovoltaic installation for own use was installed approximately 8 years ago. The capital cost of these initiatives has decreased and the typical payback period now hovers in the 5 to 7 year range. More installations are planned between the 2021 to 2030 period.</p>

C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s transition to a 1.5°C world.

Financial Metric

Other, please specify

Gross Loans and Advances (GLAA)

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

1

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

0.75

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

0.5

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

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

C-FS3.6

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

Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks

C-FS3.6b

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

Portfolio

Banking (Bank)

Type of exclusion policy

All fossil fuels

Year of exclusion implementation

2,021

Timeframe for complete phase-out

Other, please explain

By 2045

Application

Other, please specify

Zero exposure to all activities related to fossil fuels 2045. Fossil fuels considered in this instance includes thermal coal, oil and gas.

Country/Region the exclusion policy applies to

South Africa

Description

By 2045 Nedbank wants to have zero exposure to all fossil-fuel related activities. Zero exposure to all activities related to fossil fuels 2045. Fossil fuels considered in this instance includes thermal coal, oil and gas. Please refer to the TCFD report for more detail/

C-FS3.6c

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

The following guidance can be found in the TCFD report:

Thermal coal:

Nedbank tracks total financing in aggregate for coal-mining companies, thermal-coal-related infrastructure, and thermal-coal-related trade to ensure this remains less than 1% of group total advances, reducing it to 0,5% by 2030. At 31 December 2021 the thermal-coal ratio was at 0.3%, which means that the target set for 2030 has already been reached. We will continue to maintain our progress against this key target.

Non-renewable-power-generation exposure:

In its Energy Policy, Nedbank has undertaken not to provide financing to any new coal-fired or power stations or utility-scale or embedded oil-fired power generation, regardless of technology or jurisdiction. We have further undertaken not to provide financing for new utility-scale or embedded gas-fired power generation from 1 January 2030. On this basis, we track total financing in aggregate for non-renewable power-generation exposure to ensure that we continue to adhere to these commitments.

During 2022 work started to request and expand on the climate-related data requirements for clients/investees, and/or exclusion policies.

C-FS3.7

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

Climate-related requirements included in selection process and engagement with external asset managers	
Row 1	Yes

C-FS3.7a

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

Coverage

Majority of assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection

Review investment manager's climate-related policies

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy

Nedbank factors ESG compliance certificates in all appointments of our Service Providers, be it Investment Managers, Retirement Funds Administrators and Investment Consultants.

C-FS3.8

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

Climate-related covenants in financing agreements	
Row 1	Yes

C-FS3.8a

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

Types of covenants used	Asset class/product types	Please explain
Purpose or use of proceeds clause refers to sustainable project	Corporate loans	Nedbank, anchored by the IFC, issued a green bond of R1.09bn listed on the JSE's Sustainability Segment to fund Green Residential Developments in South Africa.

C4. Targets and performance

C4.1

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

Absolute target

Intensity target

C4.1a

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

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 6: Business travel

Category 7: Employee commuting

Base year

2019

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

1,465.86

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

137,102.83

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

49,874.76

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

188,443.45

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

100

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

100

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

100

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

100

Target year

2025

Targeted reduction from base year (%)

30

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

131,910.415

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

1,535.04

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

110,526.79

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

20,785.22

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

132,847.05

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

98.3432076484

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

The previous reduction target was achieved ahead of schedule and a new target was set at a 30% decrease, based on end-of-2019 values, by the end of 2025. This new

target amounts to 4.52 tCO₂e per full time employee (FTE). It is important to note that some targets and achievements are disclosed in the Nedbank TCFD report as normalized figures, but Nedbank uses absolute figures and targets. Furthermore, the bank'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 Science Based Target Initiative (SBTI) model is still being investigated. Nedbank is also operationally carbon neutral. The internal actions and carbon neutrality is considered to be over and above what is necessary for a science based target. The coverage of the carbon footprint and carbon neutral endeavour is 100% of the operational carbon footprint.

Plan for achieving target, and progress made to the end of the reporting year

Nedbank is well on track to reach the set target with the primary focus being increased electricity diversification and building optimization.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

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

Target reference number

Int 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 6: Business travel

Category 7: Employee commuting

Intensity metric

Metric tons CO₂e per unit FTE employee

Base year

2019

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

0.047

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

4.43

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

1.61

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

6.09

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

100

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

100

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

100

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

100

Target year

2025

Targeted reduction from base year (%)

35

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

3.9585

% change anticipated in absolute Scope 1+2 emissions

35

% change anticipated in absolute Scope 3 emissions

35

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

0.054

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

3.92

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

0.054

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

4.71

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

64.7431386348

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

The reduction target was at a 35% decrease, based on end-of-2019 values, by the end of 2025. This new target amounts to 4.25 tCO₂e per FTE. It is important to note that some targets and achievements are disclosed in the Nedbank Sustainability Review as normalized figures, but Nedbank uses absolute figures and targets. Furthermore, the bank'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 modelis still being investigated.

Plan for achieving target, and progress made to the end of the reporting year

Nedbank is well on track to reach the set target with the primary focus being increased electricity diversification and building optimization.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

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

Other climate-related target(s)

C4.2b

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

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

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

Waste management
metric tons of waste generated

Target denominator (intensity targets only)

unit FTE employee

Base year

2019

Figure or percentage in base year

0.00959

Target year

2025

Figure or percentage in target year

0.00575

Figure or percentage in reporting year

0.00363

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

155.2083333333

Target status in reporting year

Achieved

Is this target part of an emissions target?

Solid waste sent to landfill target was achieved early.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

This is not part of Nedbank's emissions target because the reduction of waste sent to landfill does not reduce the bank's Scope 1 and Scope 2 emissions. The target is a company-wide initiative to reduce environmental impact. In absolute terms the waste sent to landfill decreased from 116 tonnes in 2020 to 95 tonnes in 2021. This means that 3,63 kg per fulltime employee (FTE) was sent to the landfill.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

Building consolidation and reduced office occupancy contributed the most.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	0
To be implemented*	1	300
Implementation commenced*	0	0
Implemented*	1	10,070
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption
Solid biofuels

Estimated annual CO2e savings (metric tonnes CO2e)

10,070

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

400,000

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

400,000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

This relates to the purchase of renewable energy certificates.

C4.3c

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

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

C-FS4.5

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

Yes

C-FS4.5a

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

Product type/Asset class/Line of business

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

To help improve access to certified green homes in South Africa, Nedbank (in partnership with the IFC) has announced the issuance of a green residential development bond under Nedbank's domestic medium-term note program, with IFC as the anchor investor. This is the first green bond by a commercial bank in Africa focused on green residential housing developments.

The green bond will contribute to South Africa's reduced emissions targets and enable Nedbank to expand its portfolio of green buildings certified under IFC's Excellence in Design for Greater Efficiencies (EDGE) program, which makes it easy to design and certify resource-efficient and zero carbon buildings.

The bond, which raised a total of 1.09 billion rand, aligns with the International Capital Market Association Green Bond Principles and is listed on the JSE in the Sustainability Segment, a platform for companies to raise debt for green, social, and sustainable initiatives.

Green buildings help address climate change and resource scarcity in South Africa and support the country's economic recovery from COVID-19. Although the number of green buildings in South Africa is growing, the market is still nascent. An IFC study estimates that the green building investment needs in South Africa, in both the commercial and residential segments, amount to US\$7 billion between 2016 to 2030.

This latest green bond issued by Nedbank will increase the availability of financing to boost South Africa's green building market. Scaling up green building financing, particularly in the residential sector, is critical to supporting the decarbonization of South Africa's energy sector while contributing to economic recovery and addressing the large housing deficit in the country.

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

Adaptation

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

1,090,000,000

% of total portfolio value

100

Type of activity financed/insured or provided

Green buildings and equipment

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

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

Row 1

Has there been a structural change?

No

C5.1b

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

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

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

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

1,465.86

Comment

This can be found in the TCFD report.

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

137,102.83

Comment

Supply of electricity and electricity tariffs are primarily determined by the state in South Africa. The only alternative to purchasing electricity from the state-owned utility is to place electricity generation installations such as rooftop-solar PV on your buildings. Nedbank is doing this, but the electricity demand exceeds the supply through own generation capacity. Therefore, Nedbank does not have a choice in terms of alternative sources for electricity, other than electricity supplied by Eskom, South Africa's only utility. The associated emission factor is an average, taking into account the energy generation sources, including independent power producers with which the utility has an offtake agreement. Besides its own energy generation from renewable energy sources, Nedbank does not have operations where it is possible to access electricity supplier emission factors or residual emissions. For this reason, the location-based result has been used as a proxy since a market-based figure cannot be calculated. It is foreseen that third party sourcing of electricity will be possible in the near future.

Scope 2 (market-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Supply of electricity and electricity tariffs are primarily determined by the state in South Africa. The only alternative to purchasing electricity from the state-owned utility is to place electricity generation installations such as rooftop-solar PV on your buildings. Nedbank is doing this, but the electricity demand exceeds the supply through own generation capacity. Therefore, Nedbank does not have a choice in terms of alternative sources for electricity, other than electricity supplied by Eskom, South Africa's only utility. The associated emission factor is an average, taking into account the energy generation sources, including independent power producers with which the utility has an

offtake agreement. Besides its own energy generation from renewable energy sources, Nedbank does not have operations where it is possible to access electricity supplier emission factors or residual emissions. For this reason, the location-based result has been used as a proxy since a market-based figure cannot be calculated. It is foreseen that third party sourcing of electricity will be possible in the near future.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

1,396.65

Comment

This relates to the paper consumption.

Scope 3 category 2: Capital goods

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank does not have pollution in this reported segment.

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

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank does not have pollution in this reported segment.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Nedbank does not have pollution in this reported segment.

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Nedbank does not have pollution in this reported segment.

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

9,497.25

Comment

This can be found in the TCFD report.

Scope 3 category 7: Employee commuting

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

38,980.86

Comment

This can be found in the TCFD report.

Scope 3 category 8: Upstream leased assets

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

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

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3 category 14: Franchises

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank does not follow a franchise model.

Scope 3 category 15: Investments

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

This was not included or calculated for 2019.

Scope 3: Other (upstream)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

Scope 3: Other (downstream)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

0

Comment

Nedbank has no emissions to disclose here.

C5.3

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

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

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

1,535.04

Comment

As disclosed in the TCFD report.

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

Nedbank owns some of its larger facilities, but the majority of the facilities, like retail bank branches, are not owned by Nedbank. The retail spaces, most regional offices and some other facilities are leased spaces. The result is that the landlord supplies the electricity and Nedbank pays the associated fee. In other cases, Nedbank pays the local council or municipality directly for electricity.

The national electricity supplier calculates and publishes its grid emission factor, associated with its electricity generation activities, on an annual basis. This grid emission factor is an average of all its electricity generating facilities country-wide. Therefore, it does not represent the specific emission factor applicable to a region or given municipality in South Africa and hence the emission factor of electricity purchased from e.g. a municipality or local council remains unknown.

South Africa has a single national grid supplier which publishes an emission factor however this factor is highly debated. Nedbank is unable to follow a market-based approach because the market consists of a single supplier and the end user buys from various intermediaries.

C6.3

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

Reporting year

Scope 2, location-based

110,526.79

Comment

As discussed above, only Location based electricity disclosure is possible. The data can be found in the TCFD report.

Nedbank owns some of its larger facilities, but the majority of the facilities, like retail bank branches, are not owned by Nedbank. The retail spaces, most regional offices and some other facilities are leased spaces. The result is that the landlord supplies the electricity and Nedbank pays the associated fee. In other cases, Nedbank pays the local council or municipality directly for electricity. The national electricity supplier calculates and publishes its grid emission factor, associated with its electricity generation

activities, on an annual basis. This grid emission factor is an average of all its electricity generating facilities country-wide. Therefore, it does not represent the specific emission factor applicable to a region or given municipality in South Africa and hence the emission factor of electricity purchased from e.g. a municipality or local council remains unknown. South Africa has a single national grid supplier which publishes an emission factor however this factor is highly debated. Nedbank is unable to follow a market-based approach because the market consists of a single supplier and the end user buys from various intermediaries.

C6.4

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

Yes

C6.4a

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

Source

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

Relevance of Scope 1 emissions from this source

No emissions excluded

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

Emissions associated with the operation and servicing of ATMs, self-service terminals (SSTs) and point-of-sale (POS) devices located away from a branch or office premises, and other remote devices are deemed as not relevant as: 1. These emissions can form part of the person using the device in the same sense that the carbon footprint of the electricity used by a computer bought from a supplier forms part of the carbon footprint of the end user and not part of the carbon footprint of the supplier. 2. The electricity use will be less than 1% of total usage and including this will be irrelevant compared to the bigger users.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

2

Explain how you estimated the percentage of emissions this excluded source represents

Previous estimates have calculated the ATM's to use about 1.5% of the electricity that Nedbank uses. SSTs and POS devices use even less electricity as the POS are small handheld devices. The overall estimate took the amount of devices in the market into account and rounded up to 2%.

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

202.43

Emissions calculation methodology

Average data method

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

100

Please explain

This includes the consumption of office paper in accordance with the GHG Protocol as guidance.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

The GHG Protocol Corporate Accounting and Reporting Standard is used for guidance. Nedbank is not a major purchaser of capital goods or emission intensive goods, like steel. Nedbank also progressively is reducing its fleet of vehicles and opts to include rental used trucks under 'rental cars' as opposed to having any emissions from capital goods purchased.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,054.36

Emissions calculation methodology

Average data method

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

100

Please explain

This includes business travel in employee-owned cars, which leads to staff expense claims.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

This could possibly include emissions associated with the transport of paper. Data from suppliers are not available, but Nedbank overestimates the carbon footprint of the purchased goods, like paper, so that no leakage, like transport, can occur. It is hence not relevant to include transport of goods again.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

All greenhouse gas generated waste is already included in other sections. Other waste generated is sent to landfill and does not generate any greenhouse gases. No organic material from the major managed, owned or operated sites is sent to landfill.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

236.81

Emissions calculation methodology

Average data method

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

100

Please explain

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

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

18,291.59

Emissions calculation methodology

Average data method

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

100

Please explain

All data is supplied by the employees as part of a survey and incorporated in the GHG Protocol Corporate Accounting and Reporting Standard approach in combination with the applicable emission factors. In 2020 and 2021 an extrapolation of historic and current data was used, as approved by the external auditors, due to decreased office occupancy.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

All emissions from leased spaces, like electricity, are already accounted for as part of the carbon footprint.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Nedbank, as bank, provides services (and not products), which implies that there is no product that leaves the bank (barring cash and paperwork) that requires transport. For this reason, this set of emissions are not relevant except TCFD specific questions as introduced in the CDP.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Nedbank does lease assets, but the associate carbon footprint of the use of the product is allocated to the end-user as opposed to Nedbank. As example, Nedbank might lease or finance a vehicle for a client, but the petrol use (and associated pollution) is associated with the client and not with Nedbank. Part of the reason for this is that Nedbank has no control (refer to control principle) regarding the amount of use of the car.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

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

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

No further emissions are taken into account.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

No further emissions are taken into account.

C6.10

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

Intensity figure

0.000002164

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

112,061.83

Metric denominator

unit total revenue

Metric denominator: Unit total

51,779,000,000

Scope 2 figure used

Location-based

% change from previous year

25.46

Direction of change

Decreased

Reason for change

Scope 1 and 2 pollution decreased while the revenue increased. The result is a massive change in the pollution per unit revenue and the decrease in pollution per unit revenue showed increase pollution efficiency.

C7. Emissions breakdowns

C7.9

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

Decreased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	13.91	Increased	0.19	These was a slight increase in renewable energy generation.
Other emissions reduction activities	7,245.73	Decreased	6.28	This is the difference between Scope 1 and 2 emissions from 2021 and 2020. The decrease was mostly due to the decrease in the use of fossil fuel based electricity.

Divestment	0	No change	0	The change was not due to divestment.
Acquisitions	0	No change		The change was not due to acquisitions.
Mergers	0	No change		The change was not due to mergers.
Change in output	0	No change		There was no change in output.
Change in methodology	0	No change		There was no change in methodology.
Change in boundary	0	No change		There was no change in boundary.
Change in physical operating conditions	0	No change		There was no change in operating conditions.
Unidentified	0	No change		All changes were identified.
Other	0	No change		No other factors existed.

C7.9b

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

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes

Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	4,951	4,951
Consumption of purchased or acquired electricity		9,500	104,271	113,771
Consumption of purchased or acquired heat		0	0	0
Consumption of self-generated non-fuel renewable energy		681		681
Total energy consumption		10,181	109,222	119,403

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

South Africa

Consumption of electricity (MWh)

681

Consumption of heat, steam, and cooling (MWh)

0

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

681

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

95

Metric numerator

Tonnes sent to landfill

Metric denominator (intensity metric only)

Full time employees

% change from previous year

17.5

Direction of change

Decreased

Please explain

In absolute terms the waste sent to landfill decreased from 116 tonnes in 2020 to 95 tonnes in 2021, which is a 17,5% reduction. This means that 4,25 kg per full time employee (FTE) was sent to landfill.

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place

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

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Y

 2021 Nedbank Group Integrated Report (1A).pdf

Page/ section reference

Refer to the page numbered 103 to page 104 entitled Independent Assurance Providers' Limited Assurance Report.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Y

 2021 Nedbank Group Integrated Report (1A).pdf

Page/ section reference

Refer to the page numbered 103 to page 104 entitled Independent Assurance Providers' Limited Assurance Report.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Y

 2021 Nedbank Group Integrated Report (1A).pdf

Page/section reference

Refer to the page numbered 103 to page 104 entitled Independent Assurance Providers' Limited Assurance Report.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Y

 2021 Nedbank Group Integrated Report (1A).pdf

Page/section reference

Refer to the page numbered 103 to page 104 entitled Independent Assurance Providers' Limited Assurance Report.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Y

 2021 Nedbank Group Integrated Report (1A).pdf

Page/section reference

Refer to the page numbered 103 to page 104 entitled Independent Assurance Providers' Limited Assurance Report.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.2

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

Yes

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	Alignment with AA1000APS (2008) principles	Any and all claims of emission reductions between different years are audited as part of the annual external audit.

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

The Makira forest protected area in Madagascar
(Verra Registry)

Through carbon credit sales from avoided deforestation, the Makira Forest Protected Area REDD+ Project finances the long-term conservation of one of Madagascar's most pristine remaining rainforest systems containing rare and threatened biodiversity, improving community land stewardship and governance, and supporting sustainable livelihood practices for local people. In 2001, the Government of Madagascar, in collaboration with the Wildlife Conservation Society (WCS), created the 372 470 ha Makira Forest Protected Area. In 2012, the Makira Forest became Makira Natural Park: Madagascar's newest and largest park, and an IUCN category II protected area. The Makira Forest Protected Area Project will prevent more than 33 million tonnes of CO₂ emissions over the course of 30 years.

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO₂e)

30,000

Number of credits (metric tonnes CO₂e): Risk adjusted volume

30,000

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Navigate GHG regulations
- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment

GHG Scope

Scope 1

Scope 2

Scope 3

Application

Nedbank is operationally carbon neutral. This implies that the carbon footprint of the group is calculated, managed downwards and the remainder of the carbon footprint is offset to achieve carbon neutral status. The internal carbon price (price of offsetting) includes Scope 1, 2 and 3 emissions and is applied (application) to the entire Nedbank group's operational carbon footprint. This implies that the carbon price influences all operational matters.

Actual price(s) used (Currency /metric ton)

55

Variance of price(s) used

Uniform pricing: A uniform price is applied all throughout Nedbank.

Evolutionary pricing: The price is changed annually based on the average price of purchased offsets for the carbon neutral program.

Type of internal carbon price

Implicit price

Offsets

Impact & implication

A Nedbank-specific description of how the organization uses internal price on carbon: Nedbank is operationally carbon neutral. This is achieved by calculating Nedbank's carbon footprint on various timescales and auditing it annually. The total carbon footprint is reduced by various projects and activities, including energy savings measures, etc. The remaining emissions in the inventory are offset through the purchase of offset credits. These are the emissions that cannot be avoided through the various emissions reducing initiatives. The internal carbon price is informed by the price of these project-based carbon credits, however other aspects including the costs of reducing carbon emissions through e.g. energy savings interventions is also taken into account when determining Nedbank's internal carbon price. Therefore, we categorize our internal carbon price as an implicit price. The internal carbon price includes Scope 1, 2 and 3 emissions and is applied (application) to the entire Nedbank group's operational carbon footprint.

Disclose how/if the internal carbon price has impacted Nedbank's business (i.e. has it revealed material risk or impacted business decisions?):

Unavoidable emissions, i.e. the remainder of the carbon footprint after measures such as energy savings intervention have been taken, are multiplied with Nedbank's internal carbon price per tCO₂e. The result is that the cost of these emissions are internalized and become an expense to Nedbank. It makes business-sense to keep expenses as low as possible and therefore the cost of purchasing carbon credits must be kept as low as possible.

The result is that all of the impact on greenhouse gas emissions of all Nedbank's

expansions and retrofits of existing facilities are carefully calculated as to model whether the carbon footprint (and the offsetting cost) will be increased or decreased.

The carbon footprint initiative then fulfils its original intent by ensuring that the climate change impact of all Nedbank's operations are taken into consideration.

One example of a tangible impact is the impact that the carbon neutral program had on lighting initiatives, which resulted in Nedbank adopting more efficient lighting faster than otherwise anticipated.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

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

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

20

% total procurement spend (direct and indirect)

80

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

80

Rationale for the coverage of your engagement

How and why this group of suppliers was chosen for the engagement selected: The most important reason for Nedbank to continuously engage with its suppliers is to keep abreast of any climate-related issues that its suppliers face and which may have an impact on the continuous supply of goods and services. Nedbank aims to engage with all its key suppliers both during the initial process of supplier selection and during subsequent interactions, in order to continuously gather climate change related information that affects the suppliers. The majority of the key suppliers, based on percentage of total procurement spend (direct and indirect), are frequently interacted

with. During these interactions any non-conformity to the service level agreements, including climate related issues, are addressed.

Impact of engagement, including measures of success

Impact of engagement, including measures of success: Discussing the impact of this engagement and how Nedbank measures its success: Specific to Nedbank, its' engagement activities typically include a number of meetings, telephone calls and emails. The result of these forms of engagements is a service level agreement between Nedbank and the supplier that is in line with Nedbank's agenda of moving towards a low carbon future. In other words, through engagement activities Nedbank enters into a service level agreement with the majority of its suppliers, including all the key-suppliers. These service level agreements stipulate the low carbon conditions to which the supplied goods and services must adhere. An example of a positive outcome achieved: An example is Nedbank's engagement with its rental car suppliers where Nedbank has negotiated the condition that the vehicles that Nedbank rents are typically vehicles with a lower pollution rate per kilometre driven. One of the successful results of this engagement is the increased awareness among Nedbank's rental car suppliers that customers, like Nedbank, prefer less polluting vehicles over higher polluting vehicles and that it therefore makes business-sense to invest in a less polluting fleet of vehicles. At the same time, Nedbank has been able to set and achieve a more ambitious rental car emissions reductions target.

Comment

Please see above.

C-FS12.1b

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

Type of clients

Customers/clients of Banks

Type of engagement

Education/information sharing

Details of engagement

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

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

100

Portfolio coverage (total or outstanding)

50

Rationale for the coverage of your engagement

Engagement targeted at clients with increased climate-related risks

Impact of engagement, including measures of success

Explain the rationale for selecting this group of customers and scope of engagement: Nedbank's climate-related engagement strategy with its customers follows a multipronged approach. This engagement strategy primarily relies on publishing multiple publications on an annual basis.. Arguably the two most downloaded publications will be the Task Force on Climate-related Financial Disclosures (TCFD) Report and the Nedbank Carbon Footprinting Guide. Another key form of engagement with its customers, occurs when customers enter a Nedbank branch. 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. When engaging with its customers on climate-related issues, Nedbank distinguishes different customer-segments among its audience in order to reach different customers as comprehensive as possible. This segmentation is done in order to reduce the difficulty for customers to engage with climate-related information and to provide feedback related to climate related issues. The result is an open and transparent communication and engagement process between Nedbank and its clients. As example, one segment of clients may be approached using infographics while another segment is communicated through live-blogs, video-clips and/or publications.

Impact of engagement, including measures of success

Impact of engagement, including measures of success: The aim (impact) of Nedbank's efforts to engage with its customers on climate-related issues is to raise awareness and understanding about the topic among the widest possible audience through the distribution of information on this topic. An example is the publication of the Carbon Footprinting Guide as well as the regular updating of this document. To reach as many customers as possible, this document is downloadable for free from Nedbank's website. The number of downloads were tracked in order to measure the success of distributing the Guide and information by this means. Regular tracking and the use of the updated versions of the Guide have indicated that the document is used at various universities as a text book and that it has been downloaded more than 53 000 times. Moreover, its reach has grown over the years due to Nedbank's continued support. This is a clear indication that awareness and understanding of climate-related issues is growing among Nedbank's customer-base.

C-FS12.2

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

Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
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Row 1	No, but we plan to in the next two years	Important but not an immediate priority	This is being phased in and the primary focus was to embed climate change considerations broadly into the business during the reporting period.
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C12.3

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

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

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

Yes

Attach commitment or position statement(s)

Please refer to p2, 9, 11, 13-14, 18, 20, 22-29 of the attached TCFD report.

 2021 Nedbank Group TCFD Report (A).pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Dedicated, informed and mandate Nedbank representatives engage directly or through trade associations with policy makers. Part of the role of the authorized Nedbank employees are to ensure that a consistent message and position is presented.

C12.3b

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

Trade association

Other, please specify

The South African National Business Initiative (NBI)

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

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Trade association

The National Business Initiative (NBI) The NBI is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action, thereby demonstrating business action for sustainable growth. Since its inception in 1995, the NBI has made a distinct impact in, amongst others, the spheres of housing delivery, crime prevention, local economic development, public sector capacity building, further education and training, schooling, public private partnerships, energy efficiency and climate change. The NBI is a global network partner of the World Business Council for Sustainable Development (WBCSD), the focal point of the United Nations Global Compact (UNGC) Local Network in South Africa and an implementation partner of the CEO Water Mandate, We Mean Business and the CDP.

Please explain the trade association's position

Neither Nedbank nor the NBI questions the existence of climate change, as established by science, and advocate for swift action. The NBI is domestically a strong advocate for mitigation and adaption as it relates to climate change. Both Nedbank and the NBI use science as the basis for a call to climate change action and heavily rely on the UNFCCC's 5th Assessment Report and comparable reputable publications. The NBI's position on climate change does not differ from that of Nedbank.

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

300,000

Describe the aim of your organization's funding

This is an estimated amount for annual membership fees.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

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

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

Y

 2021 Nedbank Group TCFD Report (A).pdf

Page/Section reference

P1-68 of the attached TCFD report.

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

Please refer to attached.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Equator Principles Positive Impact Initiative	As a leading provider of project finance in South Africa we carefully consider all prospective project finance transactions, project-related corporate loans, project finance advisory and specific bridge loans against clearly defined, globally accepted, environmental and social sustainability standards. Key to this approach is compliance with the Equator Principles (EP), an international voluntary framework aimed at ensuring a consistent approach to managing environmental and social risks in project and corporate financing. We have aligned our processes with EP3 and have actively participated in the revision of the Equator Principles and the development of EP4. Nedbank is a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and also 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 Sustainable Development Goals (SDGs).
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C14. Portfolio Impact

C-FS14.0

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

Lending to all carbon-related assets

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Lending to coal

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

Yes

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

2,800,000,000

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

0

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

0.3

Lending to oil and gas

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

Yes

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

13,968,000,000

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

0

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

1.7

Investing in all carbon-related assets (Asset manager)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Investing in coal (Asset manager)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Investing in oil and gas (Asset manager)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Investing all carbon-related assets (Asset owner)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Investing in coal (Asset owner)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Investing in oil and gas (Asset owner)

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Insuring all carbon-related assets

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Insuring coal

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

Insuring oil and gas

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

No, but we plan to assess our portfolio's exposure in the next two years

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

Other, please specify

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

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

Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	Initial investigation has begun during the reporting year.
Investing (Asset manager)	No, but we plan to do so in the next two years	Initial investigation has begun during the reporting year.
Investing (Asset owner)	No, but we plan to do so in the next two years	Initial investigation has begun during the reporting year.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Initial investigation has begun during the reporting year.

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	
Investing (Asset manager)	No, but we plan to in the next two years	Initial investigation was expanded on during the reporting year.
Investing (Asset owner)	No, but we plan to in the next two years	Initial investigation was expanded on during the reporting year.
Insurance underwriting (Insurance company)	No, but we plan to in the next two years	Initial investigation was expanded on during the reporting year.

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	Initial investigation has begun during the reporting year and key sub-sections, like thermal coal exposure, was focussed on.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management

		Education & awareness Other, please specify Setting up of internal structures.
--	--	--

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	State and benefit indicators

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity	Please refer to p22, 28, 49, 58.  1

 12021 Nedbank Group Integrated Report (1A).pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please refer to the attached TCFD report for further data.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive	Chief Executive Officer (CEO)

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

Board-level oversight of this issue area	
Forests	Yes
Water	Yes

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s)	Please explain
Forests Water	Board-level committee	The Group Climate Resilience Committee, a sub-committee of board, has experience with various fields, including climate change. Water and forest related issues is seen as a subset of climate change considerations.

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)

Water

Frequency with which the issue area(s) is a scheduled agenda item

Scheduled - all meetings

Governance mechanisms into which this issue area(s) is integrated

- Reviewing and guiding strategy
- Reviewing and guiding major plans of action
- Reviewing and guiding risk management policies
- Setting performance objectives
- Monitoring implementation and performance of objectives
- Monitoring and overseeing progress against goals and targets for addressing forests- and/or water-related issues

Scope of board-level oversight

Risks and opportunities to our banking activities

The impact of our banking activities on forests and/or water security

Please explain

The Group Climate Resilience Committee, a sub-committee of board, has experience with various fields, including climate change. Water and forest related issues is seen as a subset of climate change considerations.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

Competency is assessed as:

Experience in relevant fields like climate change and sustainability as well as attending internal and external training relevant to the field.

Water

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

Competency is assessed as:

Experience in relevant fields like climate change and sustainability as well as attending internal and external training relevant to the field.

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Name of the position(s) and/or committee(s)

Chief Risks Officer (CRO)

Reporting line

Reports to the Board directly

Issue area(s)

Forests

Water

Responsibility

Both assessing and managing risks and opportunities

Coverage of responsibility

- Risks and opportunities related to our banking portfolio
- Risks and opportunities related to our investing (asset management) activities
- Risks and opportunities related to our investing (asset ownership) activities
- Risks and opportunities related to our insurance underwriting activities

Frequency of reporting to the board on forests- and/or water-related issues

Quarterly

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

Insurance underwriting – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and

		climate change considerations are currently being embedded.
Insurance underwriting – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Risks exist, but none with the potential to have a substantive financial or strategic impact on business	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	Yes		

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk1

Portfolio where risk driver occurs

Investing (Asset owner) portfolio

Issue area risk relates to

Water

Risk type & Primary risk driver

Acute physical

Drought

Primary potential financial impact

Increased capital expenditures

Risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Nedbank has a dispersed retail banking footprint and some of the premises are owned, forming part of the bank's assets. The Western and Eastern Cape experiences periodic droughts, which has resulted in additional capital expenditure as to ensure that potable water and ablution facilities remain functional during times of drought.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

300,000

Potential financial impact figure - maximum (currency)

1,500,000

Explanation of financial impact figure

This is the typical cost or loss that could be experienced from estimating loss of service to retail clients, decreased staff productivity and increased security measures.

Cost of response to risk

1,200,000

Description of response and explanation of cost calculation

This is the typical cost of upgrading water infrastructure and deploying low water use ablution facilities.

Comment

Please refer to the TCFD report for more detail.

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Opportunities exist, but none with the potential to have a substantive financial or strategic impact on business	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No	Evaluation in process	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization’s strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments

For Management:

A description of how the organization's strategy has been influenced by forests-related risks and opportunities:

Nedbank strategic focus was to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular

forests, wetlands, mountains and drylands, in line with obligations under international agreements as committed from 2020.

The time horizon(s) covered by the strategy:
Starting in 2020 onwards.

A description of how forests-related risks and opportunities have influenced the organization's financial planning in at least one of the financial planning elements selected:

Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

For Leadership:

An example of a strategic decision that has been influenced by forests-related risks and opportunities:

Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

Details of forests-related public commitments that have been made by the company (e.g. to ensure portfolios are free from commodity-driven deforestation):

The following was stated in the publicly available TCFD report:

Nedbank strategic focus was to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements as committed from 2020.

An example of a financial decision that has been influenced by forests-related risks and opportunities:

Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

Financial planning elements that have been influenced

Revenues

Assets

Liabilities

Description of influence on financial planning

Please refer to comments above and TCFD report.

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

For Management:

A description of how the organization's strategy has been influenced by forests-related risks and opportunities:

Nedbank aims to direct a growing proportion of its funding to help transform the economy at a rate that is commensurate with UN Framework Convention on Climate Change (UNFCCC) objectives. Since the African continent is extremely vulnerable to the negative impacts of climate change, our response is to include both mitigation and adaptation components. These include provision of modern energy services, clean water and sanitation.

Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.

The time horizon(s) covered by the strategy:

Starting in 2021 onwards.

A description of how water-related risks and opportunities have influenced the organization's financial planning in at least one of the financial planning elements selected:

Nedbank offers financial solutions to the public sector as well as participants in the mining, commercial, industrial, and agricultural sectors. These solutions enable clients and society to access safe and affordable potable water and adequate sanitation, and to enhance water use efficiency through water recycling, treatment, harvesting and reuse.

Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.

For Leadership:

An example of a strategic decision that has been influenced by forests-related risks and opportunities:

Align with the SDG target to improve water quality by 2030 by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Details of water-related public commitments that have been made by the company:

The following was stated in the publicly available TCFD report:

Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.

Please refer to the TCFD report stating that Nedbank aligns with the SDG target to improve water quality by 2030 by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, etc.

An example of a financial decision that has been influenced by forests-related risks and opportunities:

Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report

Financial planning elements that have been influenced

Revenues

Description of influence on financial planning

Please refer to comments above and TCFD report.

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests-and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Nedbank conducted a scenario analysis focusing on an operational-risk-focused scenario. The scenario considered the likelihood of a natural disaster event in which the bank might, in part or in total, experience the loss of its property portfolio (ie its buildings, including contents) as a result. 'Building contents' includes furniture, office equipment, IT equipment, fixtures, etc, owned by Nedbank). Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

Water

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Nedbank conducted a scenario analysis focusing on an operational-risk-focused scenario. The scenario considered the likelihood of a natural disaster event in which the bank might, in part or in total, experience the loss of its property portfolio (ie its buildings, including contents) as a result. 'Building contents' includes furniture, office equipment, IT equipment, fixtures, etc, owned by Nedbank). Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.3

(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	Yes	

FW-FS3.3a

(FW-FS3.3a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type

Corporate loans

Taxonomy or methodology used to classify product(s)

Internally classified

Description of product(s)

During the 2021 financial year funding transactions to the value of R800m were completed. The majority of these transactions saw Nedbank funding utilised by a range of municipalities to optimise water and sanitation delivery to their citizens as well as to the agricultural sector, where recipients used the money to replace ageing and inefficient irrigation systems with improved technology.

Product enables clients to mitigate

Water insecurity

Type of activity financed, invested in or insured

Sustainable agriculture
 Water supply and sewer networks infrastructure
 Water treatment infrastructure
 Wastewater treatment infrastructure
 Water resources and ecosystem protection

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

800,000,000

% of total portfolio value

0.1

FW-FS3.4

(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, but we plan to include this issue area within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan to include this issue area within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.5

(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, but we plan within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Clients – Water	Yes	
Investees – Forests	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investees – Water	Yes	

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients

Clients of Banks

Issue area this engagement relates to

Water

Type of engagement

Education/information sharing

Details of engagement

Engage with clients on measuring exposure to water-related risk

Portfolio coverage of engagement

100

Rationale for the coverage of your engagement

Other, please specify

The provided Nedbank information, like information on how to calculate a water footprint, is available to all clients.

Impact of engagement, including measures of success

The distribution of the information and the response to the available information is frequently used as measure of success.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to

Water

Type of engagement

Education/information sharing

Details of engagement

Engage with investees on measuring exposure to water-related risk

Investing (asset manager) portfolio coverage of engagement

100

Investing (asset owner) portfolio coverage of engagement

100

Rationale for the coverage of your engagement

Other, please specify

Target all clients.

Impact of engagement, including measures of success

The distribution of the information and the response to the available information is frequently used as measure of success.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is

	seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
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FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity
Row 1	Yes	Sugar Maize

FW-FS4.3a

(FW-FS4.3a) Describe how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity.

Sugar

Financial service provided

Banking

Smallholder financing/insurance approach

Other, please specify

The retail division of Nedbank offers a variety of products, like banking.

Other smallholder engagement approaches

Disseminating technical materials

Number of smallholders supported

200

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

During the 2021 financial year funding transactions to the value of R800m were completed. The majority of these transactions saw Nedbank funding utilised by a range of municipalities to optimise water and sanitation delivery to their citizens as well as to the agricultural sector, where recipients used the money to replace ageing and inefficient irrigation systems with improved technology.

Maize

Financial service provided

Banking

Smallholder financing/insurance approach

Other, please specify

The retail division of Nedbank offers a variety of products, like banking.

Other smallholder engagement approaches

Disseminating technical materials

Number of smallholders supported

200

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

During the 2021 financial year funding transactions to the value of R800m were completed. The majority of these transactions saw Nedbank funding utilised by a range of municipalities to optimise water and sanitation delivery to their citizens as well as to the agricultural sector, where recipients used the money to replace ageing and inefficient irrigation systems with improved technology.

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage directly with policy makers Yes, we engage indirectly through trade associations
Water	Yes, we engage directly with policy makers Yes, we engage indirectly through trade associations

FW-FS4.4a

(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?

Issue area(s)

Forests

Focus of policy, law or regulation that may impact this issue area

- Forests stewardship practices and standards
- Food security
- Mandatory reporting
- Sustainable finance
- Taxes on products

Specify the policy, law or regulation on which your organization is engaging with policymaker

Nedbank engages broadly on numerous policies, laws and regulations. The domestic carbon tax and national environmental management act are but two of the laws, with regulation, that are closely interacted on.

Policy, law or regulation coverage

National

Country/region the policy, law or regulation applies to

South Africa

Your organization’s position on the policy, law or regulation

Support with minor exceptions

Description of engagement with policymakers

Feedback is frequently provided when policy makers and government require interaction or feedback.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

Not relevant.

Have you evaluated whether your organization’s engagement is aligned with the Sustainable Development Goals?

Yes, we have evaluated, and it is aligned

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Impact on Water	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change

			considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Impact on Forests	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Impact on Water	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Impact on Forests	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Impact on Water	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Impact on Forests	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Impact on Water	No, but we plan to in the next two years	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change

			considerations are currently being embedded.
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FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change

			considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

Investing (asset manager) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the	Yes	No, but we plan to assess our portfolio's exposure to this	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a

timber products supply chain		commodity in the next two years	subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

Investing (asset owner) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the	Yes	No, but we plan to assess our portfolio's exposure to this	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a

rubber supply chain		commodity in the next two years	subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

See attached TCFD report

 2021 Nedbank Group TCFD Report (A).pdf

Page/Section reference

Please refer to p4, 6, 24-28, 31, 37-38, 41, 45 and more

Content elements

Strategy

Risks and opportunities

Other, please specify

Own operations

Comment

Please refer to the attached TCFD report.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
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