



Social and Environmental Policy

1. Why we need this policy

This policy introduces Social and Environmental Standards with which Nedbank Group ('we', 'us' or 'our') must comply when formulating business strategies while operating from various facilities, in line with South African and other regulations and legislation, so that we and our employees can always abide by these laws and avoid penalties, lawsuits, exclusion from public contracts and reputational risk.

With these standards we will be able to protect our assets, shareholders, stakeholders and clients, as well as promote sustainable development.

2. What informs this policy

The formalisation of an environmental policy confirms our commitment to developing a Precautionary Approach in both its own operating environment and with all the parties with which it has a business association, including but not limited to clients, suppliers and contractors.

We therefore recognise social and environmental management as an important area of corporate performance and accepts that responsible business management is a crucial part of Sustainable Development.

The policy is aligned with the philosophy of conducting business in a responsible, fair and honest manner and in keeping with government's endeavours at protecting the Environment and communities. The purpose of this document is to formalise social and environmental management in the group and to provide guidelines for the introduction, development, maintenance and exercising of proactive Social and Environmental Management System (SEMS)

Guiding principles.

We:

- recognise the importance of being sensitive to the Environment and society in our business operations;
- must address possible risk areas and operational resource efficiencies related to our activities from facilities occupied by it;
- realises the responsibilities it has that relate to the sensitive and protected areas, the national estate and world heritage sites where some of our facilities are located;
- must address the social and environmental impacts our its lending and financing activities in a responsible manner;
- are committed to complying with all legislation and regulations applicable to our operations, as well as incorporating best practice, where appropriate;
- support the Precautionary Approach to environmental management that strives to anticipate and prevent potential environmental degradation and harm to communities;
- Recognise that social and environmental management must place people and their needs at the forefront of our concern, as well as serve their physical, psychological, developmental, cultural and social interests equitably; and
- recognise that, as a financial services institution, our most significant Social and Environmental Risks may arise indirectly from the social and environmental impact of third parties such as its clients, investments and business partners and, although we cannot prescribe social and environmental management policies to our clients, it will encourage sound social and environmental management and compliance with legislation and regulations.



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3. Definitions

The following definitions apply:

Term	Meaning
Environment(al)	means or relates to the surroundings within which humans exist and includes: <ul style="list-style-type: none"> the land, water and atmosphere of the earth; microorganisms and plant and animal life; any part or combination of the above and the interrelationships among and between them; and the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and wellbeing.
Society	means a group of individuals involved in persistent social interaction, or a large social group sharing the same geographical or social territory and typically the same political authority and dominant cultural expectations.
Environmental Risk	means a measure of the potential threats to the environment that activities may hold. It combines the probability of events causing or leading to the degradation of the environment and the magnitude of the degradation.
Social Risk	means a measure of potential threats to society that activities may hold, including labour and working conditions; occupational health and safety; community health, safety and security; land acquisition and resettlement; and cultural heritage.
Environmental Standard	means any requirement, norm or standard prescribed in any legislation or international convention signed by the Republic of South Africa and any prescribed level of compliance or conduct required in respect of environmental matters, as defined in legislation or international conventions adopted by South Africa.

Term	Meaning
Sustainable Development	means any development that meets the needs of the present without compromising the ability of future generations to meet their needs, encompassing the economic, social and environmental dimensions of development.
Social and Environmental Management System (SEMS)	means the group strategy to achieve minimum impact on society and the environment with its business activities.
Precautionary Approach	means the application of preventative measures in situations of scientific uncertainty where a course of action may cause harm to the environment. This principle recognises that harm to the environment may be irreversible, and that it is therefore better to avoid any possible harm rather than to take remedial action later.
National Environmental Management Act	means the National Environmental Management Act, 107 of 1998.
Policy	means our Social and Environmental Policy.
Non-compliance	means any identified violation of this policy or statutory or regulatory duty to be reported to Group Compliance, which will take appropriate action.
Social and Environmental Standard	means minimum standards to avoid any negative impact and to promote a positive impact on the environment and communities.



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4. Objectives

The objective of this policy is to introduce Social and Environmental Standards with which we have to comply when formulating business decisions and implementing our business strategies while operating from various facilities.

In doing so we will be able to protect our assets, shareholders, stakeholders, and clients, as well as support and promote sustainable development.

5. Where this policy applies

This policy:

- sets out the high-level principles of the Nedbank Limited Board (the board) for social and environmental management across the group;
- forms part of our operating philosophy, policies, standards and values;
- applies to all our divisions, departments, branches and business units of the group, regarding all their activities and interactions with stakeholders; and
- is monitored for compliance by the Group Chief Compliance Officer, who will report on it to the Group Operational Committee (Opcom) to ensure alignment with our other policies and its continued relevance to our operations.

SEMS

This policy incorporates our SEMS, which may be customised by business clusters, on condition that:

- the cluster SEMS will support business activities that contribute to a sustainable development;
- the cluster SEMS will comply with the national, provincial and local legislative framework; and
- the cluster will harness resources essential for the implementation and control of the cluster SEMS.

We are committed to improving our SEMS continually, recognising the need for conducting internal environmental reviews and reporting on progress made in achieving our targets in respect of the integration of environmental considerations into its business practices.

6. Who does what

Nedbank Group Limited Board (board)

The board is ultimately responsible for ensuring that an appropriate structure and process are in place to manage social and Environmental Risk effectively. A member of the board should be appointed to oversee group social and Environmental Risk and sustainability issues.

Group Transformation, Social and Ethics Committee (GTSEC)

The GTSEC is responsible for reviewing the accuracy and effectiveness of our system of internal controls, including those for social and environmental management, and the means through which exposures are managed.

Group Strategy: Sustainability

The Sustainability function is responsible for:

- Coordinating reporting of environmental performance information.
- Providing support to the business units regarding decisions involving potential environmental or social risk.
- Ensuring the continued existence of an annual review of the Social and Environmental Policy.
- Monitoring legislative changes and developments and ensuring these are integrated into the policy.
- Monitoring compliance with the policy and



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- reviewing our performance against set targets.
- ensuring employees are made aware of their roles and responsibilities in environmental matters through business communications and appropriate training.

Internal Audit

Internal Audit must conduct periodic reviews to provide independent assurance to the audit committee and executive management that the principles of this policy and regional policies are being followed and that environmental management is being appropriately assessed and undertaken around the group.

Divisional heads

Divisional heads' responsibilities in respect of the Social and Environmental Policy are:

- ensuring that the divisional activities are aligned with the Social and Environmental Policy, SEMS, Sector Policy and the Framework for Recycling.
- Ensuring that activities impacting the environment within a division comply with applicable legislation.
- Providing resources for the divisional implementation of the SEMS.
- Feeding information through to central management structures as required for reporting and assessment purposes.