



▶ Stakeholder Engagement

Stakeholder engagement

Our relationships with our stakeholders and their support are key, not only to our success and the sustainability of our business, but also to our contributing to the sustainability of the societies in which we operate. Our mission is to position Nedbank as a purpose-led organisation that uses its financial expertise to do good for stakeholders in pursuit of a common objective of creating shared value.

In line with Principle 16 of the King IV Code on Corporate Governance, the Nedbank governing body has adopted a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interest of the organisation over time when executing its governance role and responsibilities.

The following information is disclosed in this report, in line with the recommendation of Part 5.5 of Principle 16 of King IV:

- i Governance and management of stakeholder relationships (overview)
- ii Stakeholder engagement coordination
- iii Our Stakeholder Engagement Policy
- iv Key focus areas during the period 2023
- v Mapping of material stakeholder groupings
- vi Measurement of quality of stakeholder relationships
- vii Areas of focus in 2024

i Governance and management of stakeholder relationships (overview)

The Group Transformation, Social and Ethics Committee (GTSEC) of the board oversees stakeholder engagement at Nedbank. The status of any material engagements with stakeholders is reported to the board annually through the Stakeholder Engagement Report, extracts of which form part of the Governance Report (previously part of the Society Report) as part of the Integrated Report.

The Group Stakeholder Relations and Public Affairs Team compiles an annual report to GTSEC, incorporating input from the Nedbank Stakeholder Relations Forum (NSRF) and the Group Executive Committee (Group Exco).

ii Stakeholder engagement coordination

The process of engaging with our stakeholders is decentralised and forms part of the operations of our various clusters and business areas. Interactions with stakeholders, both formal and informal, are conducted by these business areas directly.

All Nedbank client-facing business units and corporate functions in South Africa and Nedbank Africa Regions (NAR), which include Lesotho, Mozambique, Eswatini, Namibia and Zimbabwe, report regularly on their stakeholder engagement activities to the NSRF, which has clear terms of reference that guide its existence and functioning, and predominantly focuses on fulfilling the Stakeholder Engagement Policy.

iii Stakeholder engagement policy

To ensure that our business areas engage with our key stakeholders in a consistent and coordinated manner, cluster-based stakeholder engagement is governed by a comprehensive

Stakeholder Engagement Policy, which is available at www.nedbank.co.za. The Stakeholder Engagement Policy is reviewed and approved annually by GTSEC, following input from NSRF and Group Exco.

iv Key focus areas during 2023

As committed to in the 2022 Stakeholder Engagement Report, we focused on the following 6 key performance indicators (KPIs) for stakeholder management:

- 1 Improve stakeholder relations operations excellence.
- 2 Conduct internal stakeholder needs analysis.
- 3 Establish and maintain strategic relationships and partnerships with key external stakeholders in SA and NAR.
- 4 Position Nedbank as a thought leader on issues of global, regional, and national importance.
- 5 Scan the sociopolitical environment, with an assessment of key issues that might impact the Nedbank Group.
- 6 Communicate key Nedbank activities, products, and capabilities to a wider stakeholder audience.

We are pleased with the outcomes we have achieved, despite the challenges of 2023. A few highlights are reflected in the subsequent pages.



At the 51st Nedbank & Old Mutual Budget Speech Competition Gala Dinner in Cape Town on Wednesday, 22 February 2023, where the Finance Minister Enoch Godongwana (front centre) underscored the pragmatic aspects of formulating the national budget.

Stakeholder engagement focus areas in 2023

Focus area	KPI/Achievements
Operational excellence	<ul style="list-style-type: none"> Ensured optimal configuration and functioning of the Stakeholder Relations Forum. Improved coordination of stakeholder engagement activities across the group, including NAR, with more meaningful impact through the optimal configuration and functioning of the Nedbank Stakeholder Relations Forum. Facilitated helpful Protocol and Etiquette training provided by the Department of International Relations and Cooperation (DIRCO) to 60 Nedbank Stakeholder Relations Forum members, including NAR colleagues.
Internal stakeholder needs analysis	<ul style="list-style-type: none"> Conducted an internal analysis of stakeholder needs, involving input from the Board Chairperson. The insights gathered informed the enhancement of our Stakeholder Relations and Public Affairs strategy, which subsequently received approval from Group Exco and GTSEC.
External stakeholder relationship building	<p>Build strategic relationships with external stakeholders – The execution of our group Stakeholder Relations and Public Affairs strategy resulted in the establishment of flagship strategic partnerships and strengthened the existing relationships.. Some of the highlights include the following:</p> <ul style="list-style-type: none"> The National School of Government (NSG) – We consolidated our formal partnership with the NSG to help build state capacity in line with our purpose of using our financial expertise to do good for our stakeholders. National Treasury: Budget Speech competition dinner – The year 2023 marked the 51st anniversary of the Nedbank–Old Mutual Budget Speech Competition Awards, which has over the years contributed to the development of young and bright economic students across the country who have gone on to occupy senior strategic positions in their respective careers. The event was attended by key stakeholders, including government ministers, deputy ministers, and National Treasury leadership. Nedbank Golf Challenge (NGC) – Hosted key stakeholders, including clients from across our businesses and national, provincial and local government stakeholders. Gauteng government – Established a relationship with the Gauteng premier and his Members of the Executive (MECs). DIRCO/Diplomatic Mission– Established a relationship with the Department of International Relations and Cooperation (DIRCO) at the Director-General level and the Public Diplomacy Directorate. UNICEF – Actively participated in UNICEF’s Global Breastfeeding Week with the national Department of Health and CEOs Forum to address Sustainable Development Goals. Traditional Healers Outreach programme - Spearheaded the Traditional Healers Outreach programme and provided them with financial literacy support. COGTA – Worked with senior stakeholders from the Department of Cooperative Governance and Traditional Affairs (COGTA) for the business to better understand the District Development Model. GOOD Governance Academy – Actively participated in the GOOD Governance Academy that focusses on improving corporate reporting and good governance.

Stakeholder engagement focus areas in 2023 continued

Focus area	KPI/Achievements
Thought leadership	<p>Thought leadership on issues of global, regional and national importance</p> <ul style="list-style-type: none"> • Energy dialogue session – Hosted an impactful energy dialogue session with the Minister of Electricity, Dr Ramokgopa – over 100 C-suite clients/stakeholders attended. • JSE dialogue session with the Deputy President – Co-organised the successful JSE dialogue session between business leaders and the Deputy President, Paul Mashatile. • Wits Business School – Facilitated Nedbank’s subject matter experts (economic and sociopolitical) participation as guest lecturers at the Wits Business School of Governance and at the Sustainability Institute. • Youth development – Hosted 50+ young entrepreneurs for a dialogue about the green economy at the Nedbank campus, attended by the Minister of Human Settlements, Mmamoloko Kubay. Other monthly sessions were organised successfully, which were attended by senior government officials from the Department of Public Works, Gauteng government, Transnet and senior Nedbank executives. • TELCO dialogue session – Facilitated a TELCO dialogue session at which former board director, Mteto Nyati, and the Deputy Minister of Communications, Philly Mapulane, were keynote speakers, alongside Nedbank’s private sector clients. • Youth job creation – Nedbank hosted a successful youth entrepreneurship awards ceremony on 12 December 2023. The ceremony was the culmination of the ‘STEP UP 2 A GREEN START-UP’ programme – an initiative championed by PrimeStars, which is a youth agency that seeks to raise young entrepreneurs for a changing climate by helping them identify opportunities in the green economy. Nedbank presented financial literacy training to the entrepreneurs who were shortlisted for the final awards. Over 200 stakeholders attended the ceremony held at the Nedbank Boardman Auditorium. Attendees included luminaries and stakeholders, including the former Deputy President of South Africa, Phumzile Mlambo Ngcuka, the Minister of Small Business Development, Stella Ndabeni Abraham, industry stakeholders such as Naspers CEO, Phuti Mahanyele-Dabengwa, key Nedbank clients and more. • Water dialogue session – Facilitated a successful water dialogue session attended by the director-general of the Department of Water and Sanitation and Nedbank clients. • Facilitated a successful post BRICS dialogue session attended by senior DIRCO and DTIC officials, as well as Nedbank representatives. • Top empowerment – Nedbank executive team members provided thought leadership on transformation and being a purpose-led organisation at the Top Empowerment Conference. • Township economy – Engaged with township entrepreneurs across 12 townships to discuss topics relevant to their businesses and run pitch competitions. • Proud of my Town programme – Engaged different communities to understand their needs and find ways to support and help (eg raising funds for early-childhood development centres, providing education for SASSA recipients, and building business programmes).
Sociopolitical analysis	<p>Proactively scan and analyse the sociopolitical environment and flag issues that might impact Nedbank’s business</p> <ul style="list-style-type: none"> • Internal Nedbank Leadership and Risk Business School – Engagements on sociopolitical analysis. • The Weekly Sparks newsletter – Relevant global and local analyses of Nedbank’s leadership. • Indlulamithi scenarios – Indlulamithi scenarios discussion and engagement between GTSEC and Prof Somadoda Fikeni. • Exco briefings – Regular Group Exco briefings on sociopolitical analysis of key issues.
Effective communication	<p>Effective communication of key stakeholder engagement activities</p> <ul style="list-style-type: none"> • We kept our internal stakeholder community updated on major sociopolitical developments globally, regionally, and nationally through our regular internal newsletter, The Weekly Sparks, which ensured shared understanding and involvement of relevant Nedbank representatives in the various stakeholder engagement activities happening across the group. • Stakeholder activities were published on social media platforms, particularly LinkedIn.

v Mapping of material stakeholder groupings

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In line with Part 5.5 of Principle 16 of King IV, we determine our material stakeholder groupings based on the extent to which they affect or are affected by Nedbank's activities, outputs, and outcomes. These stakeholder groupings have not changed over the years.

Our stakeholder relationships matrix

Stakeholder	Why we engage with stakeholders	Why they engage with us
Employees	<ul style="list-style-type: none"> To ensure we address employee matters that will contribute to Nedbank becoming an employer of choice. To understand and respond to the needs and concerns of our employees and how they contribute to Nedbank's achievements. To provide all employees with strategic direction and pertinent information about group activities. 	<ul style="list-style-type: none"> To give us feedback and input that can help us improve our working environment and business performance.
Unions	<ul style="list-style-type: none"> To promote fair and equitable employee relation practices, good governance and a sound working relationship. To ensure that all matters impacting the primary conditions of employment are addressed adequately through collective bargaining. 	<ul style="list-style-type: none"> To represent their members on issues of mutual interest. To serve the interests of their members. To consult on salary negotiations and engage on any changes impacting employees in the bargaining unit through a consultative forum and collective bargaining forum.
Shareholders	<ul style="list-style-type: none"> To provide current and future shareholders with relevant and timeous information to ensure that Nedbank shares are valued appropriately. To manage shareholder expectations. To maintain strong relationships, keep abreast of market developments and inform our Shareholder Targeting strategy. To ensure good governance and deepen the trust placed in us and our brand. To get feedback that informs our strategy, business operations and how we govern. 	<ul style="list-style-type: none"> To derive value through share price appreciation and an attractive and sustainable dividend stream. To receive relevant and timeous information on our strategy, competitive position, and financial and non-financial performance so that they can assess our performance and prospects. To assess and gain insight into our practices and quality of leadership.
Clients	<ul style="list-style-type: none"> To ensure financial inclusion and accessibility to our products and services. We give particular attention to identifying client vulnerabilities and specific needs so that we can tailor our financial products and services in a manner that is sensitive and accommodating. We believe that the fair treatment of our clients through quality service delivery is the cornerstone of our business. To understand client needs and requirements. To become their financial services provider of choice. 	<ul style="list-style-type: none"> To receive sound financial advice and financial education. To access world-class innovative solutions and services. To grow and protect their investments and wealth. To enjoy convenient access to financial services, with less complexity and improved flexibility. To protect their assets through secure information technology (IT) systems and infrastructure. To get value for financial service offerings that are priced competitively and transparently.

v Mapping of material stakeholder groupings continued

Our stakeholder relationships matrix continued

Stakeholder	Why we engage with stakeholders	Why they engage with us
Suppliers	<ul style="list-style-type: none"> To manage and mitigate risk across our supply chain. To assist with obtaining products or services required for conducting our business. 	<ul style="list-style-type: none"> To provide products and services. To negotiate pricing and contracts. To promote new products and service offerings. To respond to tenders and requests for proposals. To seek input and guidance on their sustainability journeys.
Society	<ul style="list-style-type: none"> To create partnerships that serve to facilitate our integrated sustainability activities. To obtain input from environmental experts, communities, and non-government organisations about key focus areas. To create awareness of our integrated sustainability commitment and initiatives. To remain relevant in the communities in which we operate. 	<ul style="list-style-type: none"> To get advice and guidance on achieving desired outcomes for themselves, their families, businesses, and communities. To partner on common social and environmental matters. To collaborate in a way that furthers social, environmental, and other common agendas for the greater good.
Governments	<ul style="list-style-type: none"> To seek alignment on the implementation of the National Development Plan 2030 and all associated national campaigns aimed at socioeconomic development and sustainable communities. To support the productive capacity of the economy. To facilitate economic growth through effective public and private partnerships. To help preserve the fiscus. 	<ul style="list-style-type: none"> To ensure regulatory oversight over the financial community at large. To partner on national campaigns aimed at socioeconomic development and the development of sustainable communities. To seek out a financial partner and banker.
Regulators	<ul style="list-style-type: none"> To maintain open, professional, honest, and transparent relationships. To ensure compliance with all legal and regulatory requirements. To maintain our operating licenses. To solicit views on some of the bank's contemplated innovative products and services. To provide comments to regulators regarding regulatory developments and requirements. 	<ul style="list-style-type: none"> To ensure regulatory compliance. To promote the soundness and stability of the domestic banking and financial system, which in turn contributes to its financial stability. To respond to applications or provide feedback on contemplated innovative products or services. To engage on feedback in respect of regulatory developments and requirements.
Industry bodies	<ul style="list-style-type: none"> To continue learning through interaction. To promote our viewpoints and collaborate on key industry issues, regulatory developments, and requirements. To collectively engage on regulatory developments and requirements. To promote effective engagements with regulators as a collective body with common goals. 	<ul style="list-style-type: none"> To deliver mutually useful learnings. To influence or promote common key issues. To assist in presenting commentary on regulatory developments to parliamentary portfolio committees. To gain insights and understanding on various specialised areas of expertise.
Media	<ul style="list-style-type: none"> To communicate our business and corporate citizenship story. To share information about our products and services. To promote, protect and manage our corporate reputation. 	<ul style="list-style-type: none"> To share and inform their audiences on developments in the financial services sector in general and specific to Nedbank. To enquire about our contribution to the South African economy and our products and services.

vi Measurement of quality of stakeholder relationships

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In line with Part 5.5 clause 4 (e) of Principle 16 of King IV regarding stakeholder relationship measurement and results, 2023 was the 3rd year that Nedbank commissioned a 3rd-party service provider to conduct an independent stakeholder relationship quality assessment survey. The data gathered is used to continue improving the quality of stakeholder relationships and to enhance the stakeholder engagement plan.

The stakeholder relationship quality measurement framework has 6 pillars: Context; Materiality; The Parties; Engagement; Atmosphere; and Value Creation. Each pillar has 4 drivers. In total, it has 24 drivers, which are then translated into a questionnaire.

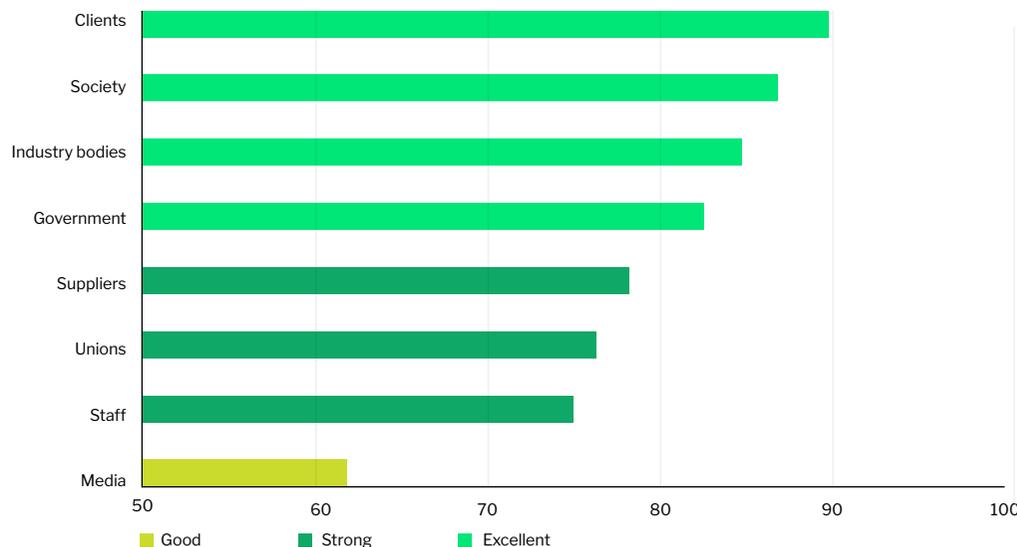
Inherent and sacrosanct in the framework is the principle that both parties to the relationship must participate in the measurement. Internal stakeholders (our employees) and the external stakeholder for each category of stakeholder were interviewed. A total sample of 32 stakeholders from 8 stakeholder categories were surveyed.

The assessment was a cross-sectional study that reflected the state of the relationships only at a particular point in time, and was conducted from November 2023 to February 2024. It was not a longitudinal study, which typically tracks phenomenon over a long period of time. Therefore, the assessment should be understood and equated to a balance sheet, which is a snapshot at a particular point in time.

Overall, the stakeholder relationship survey, as shown in figure 1, revealed a very positive picture. All relationships lie in the 'good or better' range, ie 60 and above. Half the categories emerged in the 'excellent' range (+80%).

Overall ranking of the quality of stakeholder relationships

(score out of 100)



vii Areas of focus in 2024

In 2024 we will focus on the following 4 KPIs for stakeholder management.

1 Chief Executive transition stakeholder engagement

We will continue with the implementation of our Stakeholder Engagement strategy, which aims to nurture existing relationships and forge new ones with key stakeholders that impact the group. These will specifically include engagements as part of the transition to our new Chief Executive.

2 Sociopolitical analysis

This year marks an important milestone in the history of South Africa as we will be celebrating 30 years of democracy, and pivotal national and provincial elections will be held on 29 May 2024. We will continue to provide sociopolitical analysis and flag matters that might impact our business and stakeholders.

3 Thought leadership

We will work with like-minded stakeholders to create opportunities for engagement and thought leadership on matters of global, regional, and national importance.

4 Measurement of quality of stakeholder relationships

We will continue to conduct an annual independent stakeholder survey to measure the quality of our stakeholder relationships.



Nedbank CE, Mike Brown, with the Minister of Electricity, Kgosientsho Ramokgopa, at the Nedbank-Nepad Business Foundation (NBF) Business networking dialogue.

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