



NEDBANK
GROUP

Society Report

for the year ended 31 December 2023

see money differently



Our reporting universe

nedbankgroup.co.za

Integrated Report



The 2023 Nedbank Group Integrated Report, produced in line with the Integrated Reporting Framework, provides a holistic, yet concise read of how the group creates and protects value while minimising the risk of value erosion over the short, medium and long term. It primarily addresses the information requirements of long-term investors (our equity shareholders, bondholders, debt providers and prospective investors).

This report is also relevant to other stakeholders as it incorporates material issues relating to value creation for them, supplemented by more granular reporting in our various online publications that include financial, risk management, sustainability and environmental, social and governance (ESG) disclosures. These reports are available on our website at nedbankgroup.co.za.



What is disclosed in these reports:

Key regulatory and reporting frameworks:

<div>Financial and risk management reporting</div> <div></div>	<p>Our financial and risk management reporting provides information relating to the group's financial position and performance. They are primarily of interest to Nedbank's equity and debt investors, credit rating agencies, depositors, regulators, and various other stakeholders. The disclosed information can be used to assess the group's financial performance, strength, and prospects, and includes important risk and regulatory disclosures.</p>	<div><div>• 2023 Results Booklet and presentation</div><div>• 2023 Nedbank Group Annual Financial Statements</div><div>• 2023 Pillar 3 Risk and Capital Management Report</div></div>	<div><div>• International Financial Reporting Standards (IFRS)</div><div>• Companies Act</div><div>• Banks Act</div><div>• South African Reserve Bank (SARB) Regulations</div><div>• Basel Committee on Banking Supervision (BCBS) Guidance</div><div>• JSE Listings Requirements</div></div>	<div></div>
<div>Climate reporting</div> <div><div> ESG</div><div></div></div>	<p>Our climate reporting includes information relating to the group's climate-related activities, governance, strategy, policies, risk management, carbon footprint and emissions, as well as targets. It is primarily of interest to investors, non-governmental organisations (NGOs), ESG ratings agencies, as well as key stakeholders such as clients and invested members of society who associate with value-aligned and purpose-driven companies. The disclosed information can be used to assess Nedbank's progress in managing its positive and negative impacts in addressing climate change.</p>	<div><div>• 2023 Climate Report</div><div>• Nedbank Energy Policy*</div><div>• Nedbank Climate Change Position Statement*</div><div>• Nedbank Nature Position Statement (new)*</div></div>	<div><div>• Task Force on Climate-related Financial Disclosures (TCFD)***</div><div>• Basel Committee on Banking Supervision</div><div>• Global Reporting Initiative Standards</div><div>• JSE Sustainability and Environmental Disclosures</div></div>	<div></div>
<div>Societal reporting</div> <div><div> ESG</div><div></div></div>	<p>Our societal reporting includes information relating to how the group uses its financial expertise to do good by creating positive economic, societal and environmental impacts, including those aligned to the United Nations (UN) Sustainable Development Goals (SDGs). They are primarily of interest to investors, existing and prospective employees, regulators, NGOs, existing and prospective clients, ESG ratings agencies, and engaged members of society. The disclosed information demonstrates progress in how Nedbank is fulfilling its purpose.</p>	<div><div>• Sustainable development finance</div><div>• Human capital, diversity and inclusion</div><div>• Social impact</div><div>• Supplier relationships and procurement</div><div>• Client responsibility</div></div> <div><div>• Financial inclusion</div><div>• Transformation</div><div>• Broad-based Black Economic Empowerment (BBBEE) Certificate*</div><div>• Global Reporting Initiative Standards Disclosures*</div><div>• Sustainable Development Finance Inclusion Criteria*</div></div>	<div><div>• Global Reporting Initiative Standards</div><div>• King IV Report on Corporate Governance for South Africa (King IV)**</div><div>• United Nations Global Compact</div><div>• Amended Financial Sector Code (FSC) and the BBBEE Act</div></div> <div><i>The JSE Sustainability and Environmental Disclosure Guidance as well as the International Sustainability Standards Board Sustainability-related Financial Disclosures were also considered.</i></div>	<div></div>
<div>Governance reporting</div> <div><div> ESG</div><div></div></div>	<p>Our governance disclosures include information relating to board matters, ethics, financial crime, tax and remuneration. They are primarily of interest to investors, ESG rating agencies, clients, employees, regulators, suppliers and members of society. The information disclosed demonstrates how Nedbank does business according to sound governance practices, and the highest standards of ethics, integrity, transparency and accountability.</p>	<div><div>• Governance</div><div>• Ethics</div><div>• Financial crime (including AML and cybercrime)</div><div>• Remuneration Policy and Implementation Report</div><div>• Tax disclosures</div></div> <div><div>• Stakeholder engagement</div><div>• Key policies*</div><div>• Leadership CVs and profiles*</div></div>	<div><div>• King IV</div><div>• Companies Act</div><div>• Banks Act</div><div>• SARB Directives and Circulars</div><div>• JSE Listings Requirements</div><div>• JSE Debt Listings Requirements</div><div>• JSE Sustainability Disclosure Guidance</div><div>• Other applicable laws, regulations, and best-practice principles</div><div>• GRI Standards</div></div>	<div></div>
<div>Shareholder information</div> <div></div>	<p>The notice of the annual general meeting (AGM) and form of proxy provide valuable information to shareholders who want to participate in the Nedbank Group 57th AGM.</p>	<div><div>• Notice of 57th annual general meeting (AGM)</div><div>• Form of proxy</div><div>• Shareholding profile*</div></div>		

* Available separately at nedbankgroup.co.za.

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*** Reporting of TCFD has been incorporated into the International Sustainability Standards Board (ISSB) Standards. The incorporation of the TCFD recommendations into the ISSB Standards further simplifies the so-called 'alphabet soup' of disclosure initiatives for companies and investors. The Financial Stability Board has also asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD.



Navigating our value creation journey

2 > About our 2023 Society Report

This 2023 Nedbank Society Report is a supplement to the 2023 Nedbank Group Integrated Report. It provides information regarding the ways in which our group creates and preserves systemic value for our stakeholders, including our employees, clients, shareholders, regulators and society.

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The integrated nature of environmental, social and governance (ESG) matters demand a systems view from our governance bodies that considers short-, medium- and long-term implications. This ensures that our impact, both positive and negative, is managed optimally.

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10 > Strategy

Nedbank is a purpose-driven organisation that leverages its financial expertise to do good, and this purpose guides its business strategy, behaviours, and short- and long-term actions.

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- 94 Supplier relationships and procurement

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Using our financial expertise to do good for individuals, families, businesses and societies is our long-standing mission, and in 2023 we continued to integrate purpose into our activities across the group.

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About our 2023 Society Report

This 2023 Nedbank Society Report is a supplement to the 2023 Nedbank Group Integrated Report. It provides information regarding the ways in which our group creates and preserves systemic value for our stakeholders, including our employees, clients, shareholders, regulators and society.

This report focuses on Nedbank's approach to fulfilling on its purpose to use its financial expertise to do good, thereby creating value for society. To this end, it includes information on the purpose-led investments we have made to support sustainable development and deliver positive societal and environmental outcomes aligned to the UN SDGs.

The report also outlines our contributions to building an inclusive and transformed economy, with a particular focus on financial inclusion, supporting human rights, maximising the impact of corporate social investment and meeting Financial Sector Charter requirements. In addition, it details our actions to enhance the well-being of our employees.

Reporting period

The 2023 Nedbank integrated reporting suite, including this Society Report, covers Nedbank's financial year from 1 January to 31 December 2023. It may, however, include details of material events that occurred after this period until board approval of these reports on 17 April 2024.

The reporting frameworks to which we adhere

The Global Reporting Initiative (GRI) Standards, the King Code of Governance Principles for South Africa (King IV), and the Amended Financial Sector Code (FSC) guide the content of the report. We also adhere to the main (and in some cases leadership) requirements of the Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance and the draft International Sustainability Standards Board Sustainability-related Financial Information.

Assurance

Nedbank's joint external auditors, Ernst & Young Inc (EY) and Deloitte & Touche (Deloitte), assured the annual financial statements for the 2023 financial year. Deloitte provided limited assurance on selected sustainability information, while **Mosela Rating Agency** provided limited assurance on the **application of the Amended FSC and the group's BBBEE status**.

Forward-looking statements

This report includes forward-looking statements about Nedbank Group's financial position, results, strategy, operations, and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that may occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, the group's joint auditors have not reviewed or reported on these forward-looking statements.

Forward-looking statements made on 5 March 2024, when the group released its 2023 results, were informed by the group's business plans and economic forecasts in 2023.

Embracing digital and ESG reporting

Nedbank is a market leader in digital innovation, and in this report you can read about the progress we have made as well as about the benefits to our clients, employees, and other stakeholders. The 2023 Society Report has similarly been designed for an enhanced digital experience and ease of use, as our stakeholders increasingly engage with information in a more digital manner. This is the 2nd year we have embraced this format, and stakeholders' feedback on the 2022 report has been very positive. The layout supports readability on computer screens and tablets, while the digital navigation capability helps readers navigate easily between different sections or topics. This can be done using the navigation icons at the top of the page or pop-ups wherever you hover with your cursor. We also included links to videos that provide additional insight and bring our Society Report to life.

Digital navigation icons



Video



Read more



Web

ESG data



This icon refers to our 2023 ESG data sheet available at [Nedbankgroup.co.za](https://nedbankgroup.co.za) where Nedbank-specific terminology is aligned with similar terminologies used by various disclosure frameworks we ascribe to.





About our 2023 Society Report continued

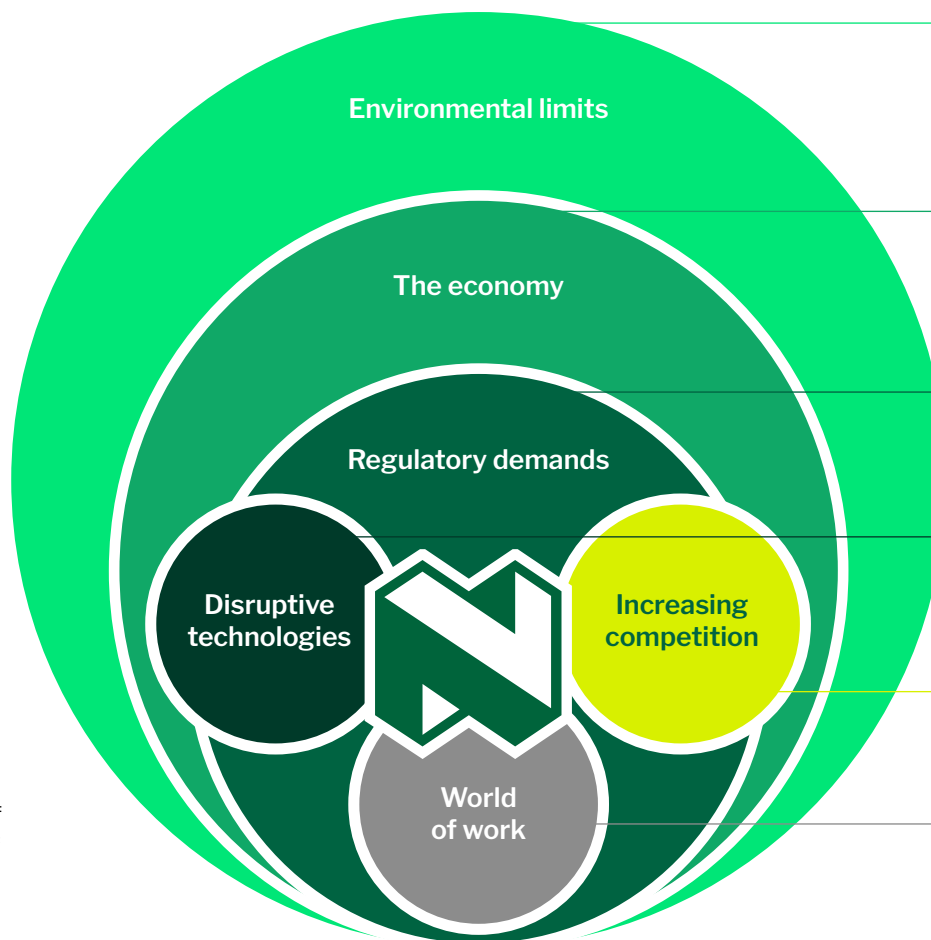
Environmental overview

The environment for Nedbank and its stakeholders remains volatile, uncertain, complex, and ambiguous, reinforcing the need to create a more equitable and prosperous future for all, while operating within planetary boundaries. In this context we have identified and updated our material matters reflecting the issues that have the greatest likelihood of affecting our ability to create sustained value for our stakeholders, both internal and external. While these matters do change over time as our stakeholders' needs evolve and new trends and developments shape the macro environment, the broad themes remain consistent.

Overview

Our approach to the material matters follows the principle of materiality. This principle is essential in assessing the information that influences the group's strategy and our integrated thinking as we make decisions about the 6 capitals (natural, social and relationship, financial, manufactured, intellectual, and human capital), as well as informing the evolution of our business model and the development of our short-, medium- and long-term targets.

Our material matters



Environmental limits: The increasing impact of climate change, evident in droughts, extreme weather events and biodiversity impacts, the need for a Just Transition given SA's and the African continent's unique social and environmental positioning, and the risk of investing in stranded assets.

The economy: Global and local economic dynamics, rising geopolitical risks, as well as social and political developments impacting on SA and the African continent, including slow economic growth, high interest rates, high but moderating inflation, weak consumer and business confidence, and opportunities (such as renewable energy) and threats (such as electricity shortages or economic shocks).

Regulatory demands: Growing regulatory scrutiny and demands placed on financial services companies, including those relating to technology and cyber risk, payments, ESG, consumer protection, financial crime, data and data privacy, and financial and banking regulation.

Disruptive technologies: The impact and adoption of new emerging technologies such as generative AI, as well as increased levels of digital adoption, behavioural changes of clients and employees, and rising threats and levels of cybercrime.

Increasing competition: Competition from incumbents and new entrants, with a focus on retail transactional and related deposits, the small and medium enterprise (SME) market, and renewable energy.

World of work: The influences by macroeconomic, social and political developments, digital transformation and fast-paced technological change, heightened demand for scarce skills and the war for talent, as well as the requirements of employment equity legislation on the world of work.



Please refer to the 2023 Nedbank Integrated Report for detailed information on our material matters.



Our materiality assessment process

We apply the principle of materiality to assess the information that should be included in our integrated reports, focusing on the matters, opportunities and risks that impact our 6 capitals and our ability to be a sustainable business that consistently creates and protects value and minimises value erosion for all stakeholders over the medium to long term.

Identifying our material matters is a groupwide responsibility and requires input from our businesses, an assessment of the impacts, risks and opportunities in our operating environment through a double materiality lens, as well as input and feedback from key stakeholder groupings.

Our material matters, as described on [page 3](#), influence our group strategy and risk management processes and inform the evolution of our business model, including our targets over the short (1 year), medium (2 to 3 years) and long (5 years or longer) term.

Group Exco and the Nedbank Group Board continuously deliberate on these material matters during their meetings and the group strategy process before approving them as part of the annual business planning process.

We follow a 4-step iterative process to determine our material matters using a double materiality lens to ensure that both our impact on society and its impact on us is well considered in the process and engagement with stakeholders.

► Step 1: Identify

We identify material matters in collaboration with key stakeholder groupings through diverse engagements, including face-to-face engagements with clients and regulators, employee surveys, investor roadshows, and educational thought leadership sessions with industry bodies and special-interest groupings. These engagements are part of a formalised stakeholder engagement process highlighted in our Governance Report.

► Step 2: Prioritise

As a bank we cannot focus on all material matters that our stakeholders raise. If there are too many matters, the ones most critical to the organisation may be overshadowed. That is why we set a threshold for material and non-material impacts, risks, and opportunities. We then engage in thoughtful discussions with stakeholders, senior management, and specialists to pinpoint and prioritise the matters with the greatest relevance to the long-term success of our business, balanced with our ability to create long-term value and positive impact for stakeholders.

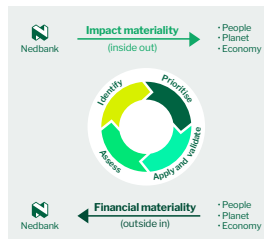
► Step 3: Apply and validate

Once we have concluded the prioritisation step, we assess the effects of material matters on our strategy, metrics and targets and pivot accordingly, ensuring the correct allocation of investment and resources to deliver. We also ensure that the relevant risks are integrated into our Risk Management Framework and that they are managed through our integrated risk management processes.

► Step 4: Assess

We then regularly assess to ensure that we address the most material matters as part of our strategy and business planning, including risk management processes.

We continuously review and assess our material matters, and where current issues arise, we ensure that we are abreast and dynamic in managing them. To ensure that the majority of stakeholders' issues are addressed, matters raised that are not on the priority list are managed at divisional level in various working groups and forums.



► Case study

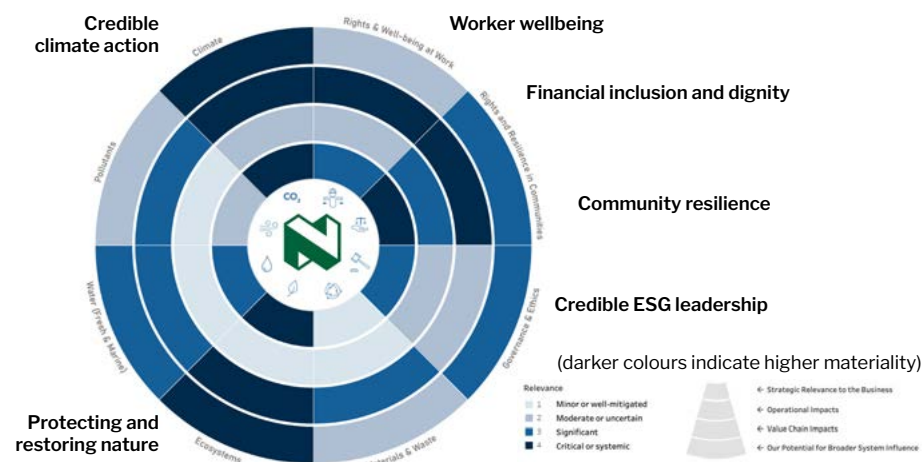
Deepening our ESG materiality approach

While there is increasing focus on ESG-related matters from a range of stakeholder groups, we acknowledge that, as a commercial bank, not everything that is important to stakeholders can be prioritised.

In 2023 we sought to engage with stakeholders more meaningfully on ESG priorities that are currently captured in our material matter Environmental limits. Using the strategic prioritisation radar process (a systematic methodology involving internal and external stakeholders) of the Embedding Project, we identified the most significant ESG impacts, risks, and opportunities through a double materiality lens, considering impacts on our stakeholders, the broader society, and long-term impacts and business value for Nedbank.

Priority areas identified for strategic inclusion and action include credible climate action, protecting and restoring nature, credible ESG leadership, community resilience, employee well-being, as well as financial inclusion and dignity. They represent Nedbank's focus on driving positive impact while managing risks and positioning its business for the future. Supporting the Just Transition, for example, enables Nedbank to help address climate change through the pursuit of climate-aligned investment opportunities that also look to create jobs and alleviate poverty.

The prioritisation radar process is reviewed and updated regularly with input from investors, clients, regulators, non-governmental organisations, and other critical parties through our engagement processes. Tracking indicators over time, such as our exposures to climate-sensitive sectors or growth in climate-friendly investments, enable us to monitor performance on priority ESG matters.





Foreword by the Chairperson of the Nedbank Group Board



As we charted a sustainable future in an interconnected world in 2023, the boundaries between environmental, social, and economic systems became increasingly blurred, highlighting not only the need for institutions like Nedbank to acknowledge that they are an integral part of this nested and highly interdependent system, but also the need to develop strategies that consciously address the broader context in which we operate.

The recent World Economic Forum and the 2024 Global Risks Report highlight the need to address carbon emissions at a global scale, with the next decade predicted to be a period of significant change that will stretch our adaptive capacity to the limit. At COP28 the global community took decisive steps towards a more sustainable future. The UAE Consensus, which emerged from the summit, calls for a global transition away from fossil fuels towards cleaner energy sources. This transition must be equitable and just, recognising the varying circumstances and unique challenges of each country. As a signatory to these outcomes, South Africa (SA) is not only in support of but also an active participant in this vital journey towards net

zero by 2050. This ambitious path is marked by a near-term pivot away from fossil fuels, aligning with the global mandate to triple renewable energy capacity and double energy efficiency by 2030. It will be important to ensure that all government, private sector and civil society actions are aligned in support of the Just Transition, underpinned by policy certainty and consistency to avoid unnecessary confusion and delayed progress towards achieving net-zero commitments and Just Transition pathways.

In SA our reliance on fossil fuels presents a significant challenge as well as a profound opportunity. Our country's commitments, in the broader African context, require both bespoke solutions and dedicated, collaborative efforts. Recognising that the shift away from fossil fuels must take into account the socioeconomic fabric of our society, we are committed to doing our part in a Just Transition. This encompasses not only environmental imperatives and decarbonisation but also socioeconomic dimensions, including job creation, health, and meaningful financial inclusion and access that work to lift people out of poverty and instil hope. It is a transition that must be inclusive, striving to leave no member of our society behind. Of course, this transition is a complex process that involves rethinking and reshaping entire industries, livelihoods, and communities.

In this era of transition, banks have a renewed mandate to be the effective engines of

inclusive economic growth and stability. As a bank that operates at the heart of Africa's economy, Nedbank is cognisant of the role it must play. For us this means that our role must evolve beyond traditional banking and leverage our financial acumen and influence to drive sustainable development. To this end we are committed to being a force for good in our own right by working with our clients – many of whom are among SA's largest organisations – towards more sustainable practices. This commitment is reinforced by our Energy Policy, which delineates our approach to financing energy projects, and by our recent Nature Position Statement, which underlines our pledge to safeguard biodiversity and nature.

Our dedication to sustainable development is reflected in our ambition to, by 2025, allocate at least 20% of our gross loans and advances towards supporting sustainable development finance that is aligned with the United Nations Sustainable Development Goals. We achieved 16% at the end of 2023 and are confident that we will meet our 2025 commitment. I look forward to working with the Nedbank Board and Executive Team to then reset this ambition to reflect the courage and pioneering spirit that is needed to truly support a Just Transition, illustrating that financial institutions can, and must, be at the forefront of environmental and societal transformation.

Daniel Mminele
Nedbank Group Board Chairperson

Governance

The integrated nature of environmental, social and governance (ESG) matters demand a systems view from our governance bodies that considers short-, medium- and long-term implications. This ensures that our impact, both positive and negative, is managed optimally.

We are one of Africa's largest banks, differentiated by our commitment to fulfilling our purpose of using our financial expertise to do good.



Governance

Supporting effective decision-making through an integrated approach

The Nedbank Board assumes ultimate responsibility for how the group fulfils its purpose, which includes navigating sustainability and ESG matters. The board recognises the integrated nature of ESG and, therefore, the importance of taking a systems view that considers short-, medium- and longer-term implications. This ensures that our impact, both positive and negative, is managed optimally. The mandates of the various governance bodies that support the board in addressing sustainability matters reflect this interconnection. As illustrated in our ESG structures, the board is supported by a range of board subcommittees, senior management, Group Executive Committee (Group Exco) subcommittees, and a number of cross-functional strategic and operational teams and risk frameworks in executing and evolving Nedbank's commitments to address climate change and biodiversity. These bodies also support the board in its oversight of the group's sustainable development efforts, including sustainable development finance (SDF), access to financing, and ensuring the well-being of our employees and clients. These committees draw on expertise across the enterprise to enable Nedbank to respond to related risks and opportunities in a balanced and structured way. The mandates and objectives of these committees are discussed fully in the 2023 Nedbank Group Governance Report. Authorised by the board in terms of section 72(1) (b) of the Companies Act, 71 of 2008, the Group Transformation, Social and Ethics Committee (GTSEC), Directors' Affairs Committee (DAC), Group Climate Resilience Committee (GCRC), Purpose Steering Committee (PSC) and Climate Risk Committee meet quarterly, and additional ad hoc meetings are scheduled as and when required. The Purpose Working Group and Climate Task Team meet at least twice a month, and reporting to the various governance committees occurs in line with approved frequencies.

Nedbank ESG structures

Board-level governance

Group Climate Resilience Committee (GCRC)

- Focuses on sustainability, climate-related risks, and risk-related opportunities, ie climate resilience (monitoring progress against goals and targets).

Group Transformation, Social and Ethics Committee (GTSEC)

- Oversees governance and monitors Nedbank's activities in relation to social, and economic development; financial inclusion; ethics; transformation; human rights; corporate citizenship; employee health and well-being; public safety; stakeholder and supplier relationships; as well as labour and employment matters.

Directors' Affairs Committee (DAC)

- Enables the board to fulfil its responsibilities in relation to compliance and corporate governance as required in terms of the Companies Act and King IV.

Group Credit Committee (GCC)

- Approves Nedbank's credit philosophy and policies; sets credit limits and guidelines, considering risk appetite and concentration risk limits; approves the adequacy of interim and year-end impairment provisions; and monitors credit risk and disclosure.

Group Risk and Capital Management Committee (GRCMC)

- Enables the board to fulfil its responsibilities in relation to the group's identification, assessment, control, management, reporting and remediation of relevant risks, including social, environmental and climate risk.

Group Remuneration Committee (Group Remco)

- Oversees and approves the Remuneration Policy and reward arrangements.
- Monitors any explicit links between remuneration and ESG targets through the consideration of non-financial performance in short-term incentives and progress against specific outcomes in the group's long-term incentive schemes.

Executive-level governance

Group Reputational Risk Committee (GRRC)

Under the chairpersonship of the Chief Risk Officer in 2023, and since 2024 the Group Chief Compliance Officer, the GRRC oversees any matter that could have an adverse impact on the group's reputation.

Key issues discussed and decisions made by our governing bodies in relation to sustainability and ESG matters include the following:

- Oversaw deep dives into the possible impact of a blackout scenario (electricity outages) on the economy, the impact of elevated interest rates on the credit portfolio, and the impact of infrastructure decay on Nedbank's portfolio.
- Ensured that developments relating to climate risk were well considered and incorporated into applicable Group Credit Policy annexures.
- Approved our updated Human Rights Statement and related codes of ethics and conduct.
- Monitored remuneration practices as reviewed by Group Remo to ensure fair and ethical outcomes.
- Steered the development of the bank's fossil fuel (upstream coal, oil and gas) and power generation glidepaths.
- Provided guidance to ensure that the Energy Policy targets remained appropriate for the group.
- Added a prohibition of lending to activities that may negatively impact biodiversity resources in protected areas or critical habitat or conservation areas supporting the commitments made in the Nature Position Statement.
- Considered the 2023 Indlulamithi Scenarios Barometer and our contribution to society. The barometer considers what a socially cohesive country could look like and the extent to which it is attainable by 2035.
- Oversaw the fair treatment of clients by tracking market conduct compliance levels.

Governance continued

Group Transformation, Social and Ethics Committee oversight and responsibilities

On behalf of the board, GTSEC oversees matters set out in Regulation 43(5) of the Companies Act.

In 2023 GTSEC took responsibility for the group’s sustainable development activities that are focused on the non-financial impact of the bank and how it uses its core business of lending and investing to address pressing social and environmental issues, thereby fulfilling its purpose. This includes monitoring progress in terms of the transformation agenda for the group, developing the group’s human capital, and enhancing the culture of ethics and ethical leadership in the group (including ethical remuneration), human rights in business, stakeholder engagement according to King IV, and climate resilience as listed and defined in the group’s Enterprisewide Risk Management Framework and Corporate Social Investment Policy. From 2024, this responsibility is overseen by GCRC.

ESG roadshow update

In 2023 we celebrated our 10th annual ESG shareholder roadshow. The meetings were led by Mpho Makwana (Chairperson) and supported by Hubert Brody (Lead Independent Director and Chairperson of Group Remco and the DAC), Stanley Subramoney [Independent Director and Chairperson of the Group Audit Committee (GAC)] and Daniel Mminele (Chairperson-designate at the time). From a societal and environmental perspective key topics included the role that banks play in moving towards a net-zero economy (Nedbank is seen as the leading bank in this area and investors are looking forward to the disclosure of our fossil fuel glidepaths in 2024), progress in terms of diversity, equity and inclusion, and addressing reputational issues. In recognition, the Nedbank Board was once again voted #1 among financial services companies in the 2023 Institutional Investor Emerging Europe, Middle East and Africa (EMEA) survey.

During 2023 GTSEC members received training on the state of the labour market and how to mitigate the rise of people risk, including strategies being employed by local and international organisations to mitigate people risk, sustain competitive employee edge and well-being, and gain insights on African low-middle-management dynamics in the South African financial sector. They also underwent training on the latest view of the Indlulamithi scenarios.

Members of GTSEC elected from the Nedbank Board

Linda Makalima	Phumzile Langeni	Mike Brown	Stanley Subramoney
Chairperson of GTSEC, with expertise in investment banking, other financial services, mining, energy, resources and infrastructure, human resources, marketing, business strategy and strategic planning. Linda also has experience in large corporates, innovation and digital. She is the founder of Lima Business Solutions Proprietary Limited and was previously a director and Head of Investment Banking Coverage (South Africa) at Standard Bank.	Experience in other financial services, large corporates, mining, energy, resources and infrastructure, macroeconomic and public policy, as well as corporate governance and stakeholder management. She is a cofounder and Executive Chairperson of Afropulse Group Proprietary Limited, an unlisted investment and corporate advisory house. Phumzile is also the Vice Chairperson of Imperial Logistics Group (previously Imperial Logistics Limited) and Chairperson of Metrofile Holdings Limited and Delta Property Fund.	Expertise in accounting, auditing, large corporates, retail and investment banking, other financial services, human resources, marketing, business strategy and strategic planning, corporate governance and stakeholder management, and doing business in emerging economies.	Expertise in accounting, auditing, corporate governance and stakeholder management, and doing business in emerging economies. Stanley also has experience in macroeconomic and public policy as well as large corporates. During his 27 years in the audit profession as audit and advisory partner, and later as member of the PwC Executive Committee, he led large and complex assignments, attended audit committee meetings of key clients, was the technical partner, trained board and audit committee members on the roles and responsibilities of the board and governance, and gained valuable experience across various sectors.

Performance and executive remuneration regarding ESG aspects

We recognise the increasing importance of ESG factors in ensuring that we create value for our stakeholders. Therefore, remuneration decisions regarding our group executives include assessments of their contribution towards the achievement of Nedbank’s purpose and related ESG objectives (including sustainable development). Group Remco oversees and approves the Remuneration Policy and reward arrangements. Social performance is included in executive managers’ remuneration and goal commitment contracts, as well as the group’s long-term incentive scheme through the following key performance indicators (KPIs): improving client and employee metrics on Net Promoter Score (NPS); maintaining a competitive BBBEE status, including diversity, equity and inclusion for the group; and delivering on the group’s purpose-led business SDF ambition. Environmental performance and related remuneration are discussed in more detail in the 2023 Climate Report [aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)].



Governance continued

Organisational ethics

As a purpose-led and values-driven organisation, we are committed to doing business responsibly and ethically, which includes upholding human rights through our own activities and the activities of those with whom we do business.

The Nedbank Board sets the tone at the top and leads the group ethically, effectively, and responsibly within acceptable risk parameters. We have implemented comprehensive governance structures that, among others, give effect to the responsibilities of the board in relation to ethics and human rights. This responsibility is delegated to executive management, which uses various tools and processes to embed a culture that drives ethics and human rights across the organisation. These include the annual board ethics

statement; ad hoc declarations; various ethics and human rights codes, policies, statements and frameworks; 'personal integrity management' checks during recruitment; biannual declarations by group, cluster and subsidiary executives on corporate governance and internal processes; ongoing client and supplier due diligence; employee and supplier training and awareness-raising activities; various internal and external (anonymous) channels for reporting unethical behaviour; and mechanisms to review and manage client and supplier relationships when necessary.

Focus areas for 2023 were training and awareness, greater integration of human rights commitments into our internal strategies, policies and processes, enhancements of both client and supplier due diligence processes and enhancements of our monitoring of and reporting on human rights.

Key actions and initiatives undertaken in 2023 included the following:

- Enhancing and continuing with the implementation of our ethics management plan, which was developed by considering the outcomes of ethics risk assessments, employee Pulse survey results, key ethics indicators and global trends.
- Implementing the new procedure for the reporting, management and resolution of harassment complaints.
- Further enhancing our Employee Conduct Tool, which is an in-house system developed for all employee outside-business-interest, conflict-of-interest and gift declarations, enabling enhanced risk management as well as tracking and reporting capabilities.
- Providing ethics and human rights training to 7 581 employees (2022: 5 786).
- Providing ethics, human rights, and governance-related training to 43 suppliers. This will continue in 2024.
- Continuing with the risk-based implementation of the outcomes of our 2nd Human Rights Assessment performed in 2022 to assist in identifying adverse human rights impacts as well as human-rights-related risks and opportunities across the group.





Strategy

Nedbank is a purpose-driven organisation that leverages its financial expertise to do good, and this purpose guides its business strategy, behaviours, and short- and long-term actions.

We are committed to reducing systemic risks to the environment and society while delivering significant and long-term societal value.

Driving purpose-led value creation

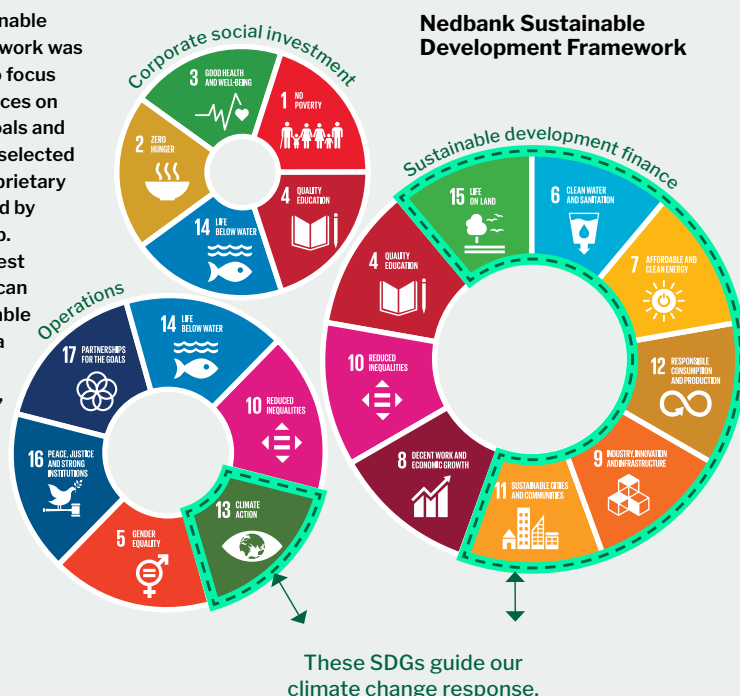
Nedbank Sustainable Development Framework

Nedbank is a purpose-driven organisation that leverages its financial expertise to do good, and this purpose guides its business strategy, behaviours, and short- and long-term actions. We are committed to reducing systemic risks to the environment and society, while delivering significant and long-term societal value.

We use the Nedbank Sustainable Development Framework to focus our sustainable development efforts and to identify business opportunities, risks, and cost savings. These opportunities and savings are potentially enormous, estimated to have a global value of trillions of dollars every year.

We prioritise 9 of the 17 Sustainable Development Goals (SDGs) where we can deliver meaningful impact through innovation in our banking products, lending, and investment practices. Our sustainable development finance (SDF) commitment is realised through the 3 pillars of sustainable finance, financing the transition, and financial inclusion. These pillars, combined with our approach to human capital, transformation, human rights, corporate social investment (CSI), and market conduct, inform and enable our business strategy and guide our focus on creating positive impact. This report covers each of these areas in detail.

The Nedbank Sustainable Development Framework was conceived in 2017 to focus attention and resources on the most material goals and targets, which were selected using a rigorous proprietary methodology created by Earth Security Group. Given that the greatest contribution a bank can make to the sustainable development agenda is through its commercial offering, we give primacy to the products and services lever – sustainable development finance.



Our approach to sustainable development financing

While environmental, social and governance (ESG) has become a particular area of focus in regions like Europe and parts of Asia and Africa, it remains controversial in other regions, like the USA, where a deliberate negative backlash has led to the acronym being replaced by less specific terms, like 'sustainability'.

This trend has become increasingly evident in several global gatherings, including the 2024 World Economic Forum in Davos. However, the unmistakable drive to allocate substantial capital towards sectors and businesses dedicated to renewable energy, low-carbon technologies, social infrastructure, and fresh innovations in responsible food and water production, is a testament to the world's growing commitment to sustainability and ESG.

According to the Organisation for Economic Co-operation and Development (OECD) *Africa's Development Dynamics* report, Africa faces a substantial sustainable financing gap, estimated at US\$1,6tn through 2030. To reach the SDGs by 2030, the continent requires an extra US\$194bn per year. This gap represents 7% of Africa's GDP and 34% of its total investments in 2021 – a sum that is less than 0,2% of global financial assets and 10,5% of African-held financial assets.

To maximise its contribution, the financial sector must align its capital allocation with the urgency and scale of sustainable development needs. In this context, the potential benefits for SA and other African countries from transitioning to a low-carbon economy are significant. For instance, during 2023 Nedbank has boosted its contribution to SDF by 17,9% yoy to R145bn, representing good progress towards our 2025 goal of SDF exposures amounting to around 20% of our total gross loans and advances (currently at 16%). The achievement of this goal will be supported by over R150bn that we intend to invest

in new SDF projects, aligned with the SDGs, by 2025 (starting from our 2021 baseline).

Our SDF commitments serve as an example of what is required from financial institutions to address global ESG challenges. The SDGs, as proactive strategic tools, and ESG criteria, as retrospective evaluations of financing activities, are instrumental in guiding us in the delivery of our purpose.

We do, however, acknowledge that there are various approaches to, and sometimes contradictory definitions of, SDF and its subcategories. For reporting purposes and in line with Nedbank's Sustainable Development Finance Inclusion Criteria (SDFIC), we use a broad definition to report on our investment and lending activities that yield positive social and environmental outcomes, supporting both the Just Transition and SDGs. As reporting guidelines evolve, we are prepared to adapt our disclosures accordingly.

To grow the impact of our Sustainable Development Strategy, we are strengthening our institutional capabilities concerning sustainability issues such as climate and nature. One of the key ways we are approaching this is through our Purpose Programme of Work, which includes enhancing ESG data tracking and integration into decision-making and credit processes. Our values also play a crucial role in shaping interactions with our employees and clients to generate a positive societal impact.

Our strategy to fulfil our purpose is built on 3 interconnected pillars that we believe underpin the creation of sustainable value. These pillars, with their specific medium- and long-term targets, aim to enhance sustainable development financing, facilitate a net-zero carbon economy, and broaden access to financial services and literacy. Our efforts in these areas are bolstered by commitments to corporate social responsibility, community support, client responsibility, and human rights.



Our approach to sustainable development finance

Extensive and integrated distribution touchpoints that maximise access, with a particular focus on rural and underserved communities.

	Sustainable finance	Financing the transition	Financial inclusion
Strategic consideration and alignment	<ul style="list-style-type: none"> • Create positive impact through our clients by financing business activities with positive social and environmental impacts. • Increase the positive impact of our core business activities. <p>Positive impact categories include the following:</p> <ul style="list-style-type: none"> • Environmental categories <ul style="list-style-type: none"> » Circular-economy activities; green buildings; clean technology; energy efficiency; renewable energy; sustainable land use and agriculture; and water quality and conservation. • Social categories <ul style="list-style-type: none"> » Access to water and sanitation, energy, finance, infrastructure, education, and land; small-business development; and affordable housing. <p>These categories align with the KPMG SDG Alignment Matrix and the South African green taxonomy criteria, which is used widely for disclosures in the financial sector.</p> <p>Lending in the above categories is mapped to and aligned with the SDGs for disclosure purposes. The SDG targets and our SDFIC (available at nedbank.co.za) guide us in terms of what is included in these categories.</p>	<ul style="list-style-type: none"> • Ensure that we contribute to the decarbonisation of the real economy in line with the Paris Agreement over time in support of Africa's Just Transition. • Work with clients in climate-sensitive sectors to decarbonise their businesses. • Support our own transition to net zero by 2050. <p>Climate-sensitive sectors include the following:</p> <ul style="list-style-type: none"> • Agriculture • Aluminium • Cement • Coal • Commercial and residential real estate • Iron and steel • Mining • Oil and gas • Power generation • Transport <p>These climate-sensitive sectors, except mining, are aligned with Net-Zero Banking Alliance categorisations. We have added mining, given its impact and materiality to the African continent.</p> <p>Also, given the materiality of the energy sector to the continent, climate change and our business, we began our transition plan with a focus on energy.</p>	<p>Promote financial inclusion and wellness; provide inclusive financial services to underserved and unserved individuals, SMMEs, and communities; and maximise ease of access through our multiple and integrated distribution touchpoints.</p> <p>These solutions have been devised to cater to clients to enable easy transacting that remains safe; promote daily saving for a wide range of scenarios; improve borrowing by designing for nuances needs within segments; promote good financial planning with subsequent tracking; protect livelihoods against unfortunate circumstances through insurance; and going above and beyond banking to elevate the lives of clients so that they can leverage financial services to fully participate and contribute to society and the country.</p>
Guided by, tracked through, and managed by:	<p>Nedbank Group Strategy</p> <p>Nedbank cluster business plans</p>	<p>Nedbank Climate Risk Framework</p> <p>Nedbank ESG Risk Framework</p> <p>Nedbank Group Strategy</p> <p>Nedbank cluster business plans</p>	<p>Nedbank cluster business plans</p>

Our approach to sustainable development finance continued

	Sustainable finance	Financing the transition	Financial inclusion
Key highlights and activities in 2023	<p>On 31 December 2023 we had R145bn supporting SDF, or 16% of the group's total gross loans and advances (GLAA), up from R123bn in 2022.</p> <ul style="list-style-type: none"> We continued to use our ESG advisory capability for Corporate and Investment Banking (CIB) clients to assist with their transition to a low-carbon economy using sustainable finance solutions for both adaptation and mitigation efforts. We partnered with clients to drive climate impact objectives through sustainability-linked finance solutions, including: <ul style="list-style-type: none"> » providing over R3,5bn in private power generation funding (2022 R1,6bn); » remaining a leading funder of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in SA, with funding of 4 GW across 50 projects; and » We joined Principles for Responsible Investment in 2022 and submitted our 1st report in 2023 with positive feedback received on our asset management activities. 	<ul style="list-style-type: none"> Published financed emissions disclosures in our 2023 report which included MFC, home loans and power generation. Published our fossil fuel and energy generation glidepaths. Engaged with over 120 climate-sensitive clients about their climate and emissions and transition plans. 	<ul style="list-style-type: none"> We offer SDG-aligned term debt funding for commercial and agricultural clients across water, energy (including solar solutions) and waste management, and provide advisory services on the green economy to our clients. We maximise access to financial services through our multiple and integrated distribution touchpoints, including a mix of staffed points of presence, self-service devices, a 24/7 free contact centre, world-class digital platforms and mobile bankers operating in and outside physical branches, helping people in communities where they need accessible banking services. Financial inclusivity: Individuals – We provide innovative and inclusive financial products and services to underserved and unserved individuals, including a comprehensive range of cost-effective transactional, savings, credit, and insurance solutions. Financial inclusivity: Businesses – We offer secure banking solutions that lower the barriers to entry to affordable banking for SMMEs, comprising transactional, savings, lending and insurance solutions as well as innovative tech-enabled payment solutions tailored specifically to the SMME market.
Next steps for 2024	<ul style="list-style-type: none"> Continue to use the Nedbank Sustainable Development Framework as an opportunity lens. Increase SDF exposures to around 20% of the group's total GLAA by the end of 2025. Continue to mature our climate capabilities to enable the development of a net-zero transition plan. Continue to enhance our responsible investment practices in alignment with the PRI. Expand our climate and sustainability training initiatives with key employee groupings. 	<ul style="list-style-type: none"> Continue with the groupwide ESG data and systems project to enable Nedbank to better manage climate-related risk and identify climate-related opportunities. Disclose financed emissions baselines and glidepaths for additional climate-sensitive sectors and continue to improve financed emissions baseline disclosure quality of previously disclosed sectors. Engage with 300 clients in climate-sensitive sectors regarding their transition plans. 	<ul style="list-style-type: none"> Drive educational initiatives that help people manage their money better, including financial education and product-specific financial fitness education. Promote solutions, including tech-enabled solutions, that support SMEs and entrepreneurs, work in the retail and fuel industries, and business incubation. Boost offerings that cater to underserved communities and individuals, ranging from short-term lending products to affordable-housing loans. Focus on providing extensive and integrated distribution touchpoints that maximise access, with an emphasis on rural and underserved communities.

Our approach to sustainable development finance continued

Nedbank targets and commitments

At 31 December 2023 we had a purpose-led business baseline of R145bn in SDF that is aligned with SDGs 4, 6, 7, 8, 9, 10, 11, 12 and 15. This builds on the R108bn that we had in place in 2021 and the R123bn in 2022. We also strive to increase SDF exposures to more than 20% of the group's total GLAA by the end of 2025 (currently at 17%). This will be achieved through the support of more than R150bn in new SDF that is aligned with the SDGs by the end of 2025 (from our starting base in 2021). We will continue to expand on our ambitions in this regard in a manner commensurate with the needs of our clients, the size of the strategic opportunities offered, and our desire to continue leveraging our competitive advantage in this area. Environmental and social commitments were included for the 1st time in the group's long-term incentive scheme, including delivery on our Energy Policy and SDF. Remuneration amendments in 2023 include more granular targets relating to our Energy Policy, the disclosure of fossil-fuel-related glidepaths in 2023 reporting, our 2025 SDF ambition and other specific social commitments.

2020

Climate change resolutions passed with 100% votes of approval at our 53rd AGM.

2021

Adopted and disclosed our market-leading **Energy Policy** and inaugural **TCFD Report**.

2024

Disclose a net-zero-aligned glidepath for upstream fossil fuels and power generation in our 2023 Climate Report.

2025

- No provision of project financing for new thermal-coal mines.
- Reduce Nedbank's own operations' carbon emission by > 40% (from 2019 levels).
- Generate > 30% of Nedbank's own energy needs from renewable sources.

2030

Thermal-coal funding to be < 0,5% of GLAA.

2035

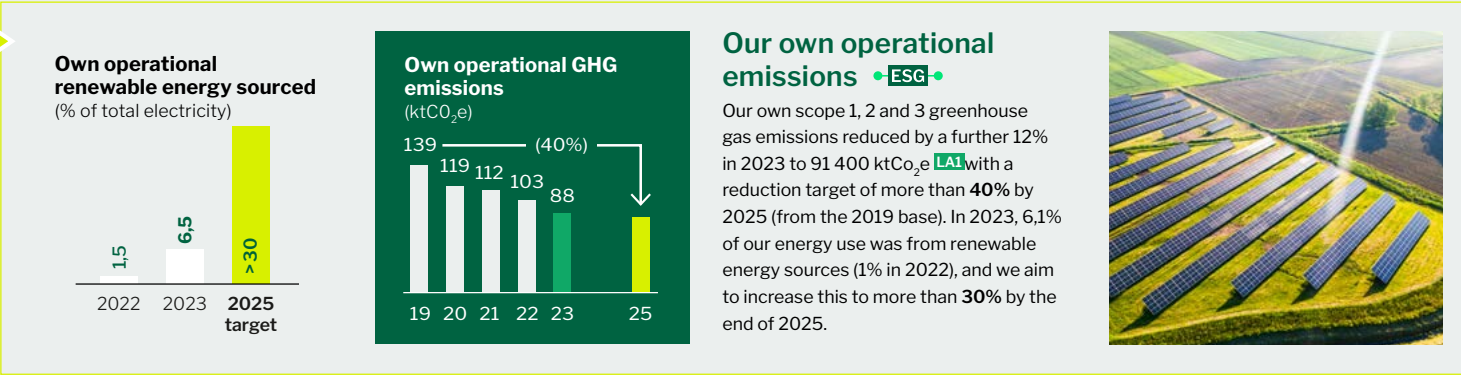
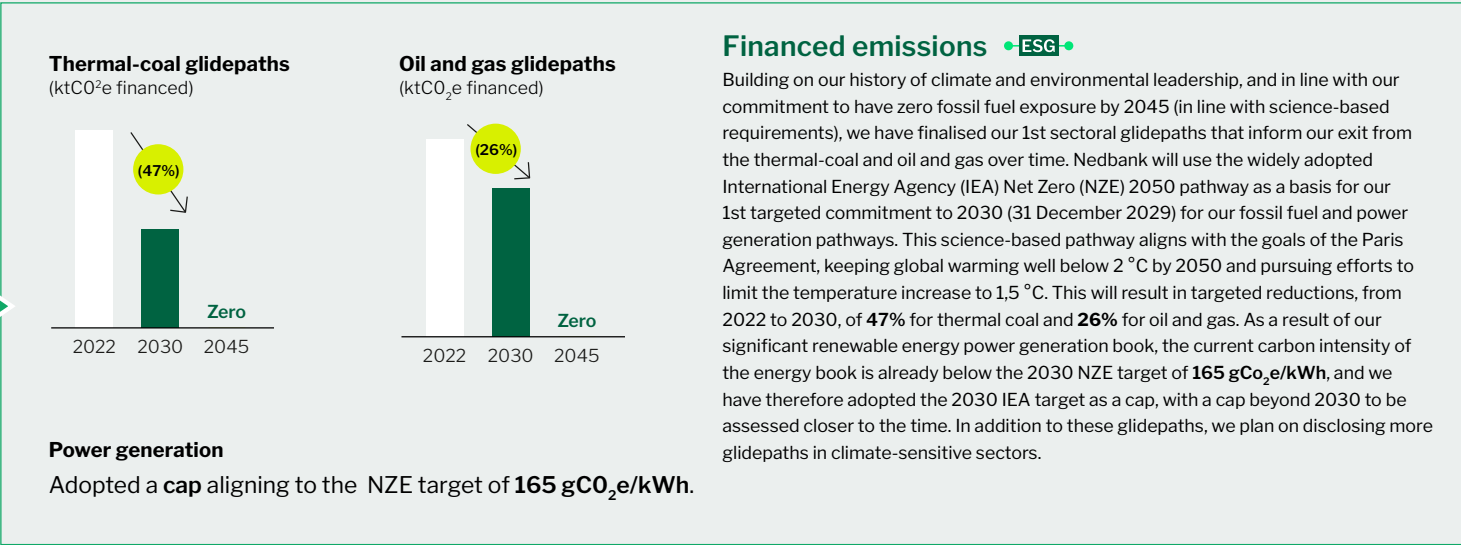
No new finance for oil production.

2045

Zero exposure to fossil-fuel-related activities.

2050

100% of lending and investing supporting a net-zero carbon economy.



LA1 External limited assurance on selected sustainability information – refer to pages 176 and 177 for the independent assurance practitioners' Limited Assurance Report on selected key performance indicators.

More detailed disclosures are available in our 2023 Climate Report at nedbankgroup.co.za.

Our approach to human capital

Our Human Capital Strategy is a key enabler of the group’s strategy, embracing our employees as our most important asset and our culture as a key differentiator. Our focus remains on achieving 4 strategic outcomes.

A fit-for-purpose Target Operating Model, organisational design and workforce composition	Human-centred leadership and a culture that unlocks value for our clients	A transformed and skilled workforce	A high-performing and healthy workforce
Digital transformation that is supported by a changed operating model, organisational design and workforce composition, with the aim to drive efficiency, agility and competitiveness.	A culture shift that enables the evolving Nedbank operating model, leveraging human-centred leadership and inspiring our workforce.	A highly skilled, diverse and transformed workforce, representative of society, is key to remaining competitive. We continue to focus on reskilling our workforce for a new reality and creating a sense of belonging for all.	The performance of our workforce can be sustained only through a focus on their holistic well-being and a range of competitive benefits that offers greater choice.

Key human capital allocations and developments in 2023

We **adapted our work model** to facilitate agility and efficiency.

We equipped 300 employees with **AI tools** to learn and experiment.

We continued to **reshape our workforce distribution** from a hierarchical pyramid structure to a diamond shape (more highly skilled and technical roles, flattening organisational layers and less administrative functions).

Workforce distribution model (%)

2023 Actual

Target

Full-time on premise
Hybrid
Work from home

We developed a set of culture principles, **The Nedbank Way**, which will have the biggest impact on achieving our business outcomes. See more detail on the following page.

Our regular Pulse surveys highlighted focus areas where change is required. In 2023 **employee engagement and satisfactions levels remained high**, despite the negative impact of a more difficult environment.

Employee 'great place to work' NPS ESG (%)

Year	NPS
2019	7
2020	17
2021	19
2022	22
2023	20

Transformation initiatives such as LGBTQI+ and our women's and disability forums added value through various channels and activities.

We spent R1,2bn on **learning and development** and **continue to invest in talent hot spots** such as wealth management, software engineering, data and quant analysis, as well as risk management.

We continue to make **progress on our diversity profile**, with an increasing focus on **African talent**.

Employee diversity ESG (%)

White
Black

Male
Female

We continue to offer **attractive salaries and benefits**, with an average salary increase of 6,3% in 2023.

To attract and retain key skills in the **war for talent**, our salary bill was 2% higher.

We **supported employees who were financially strained** as a result of economic challenges through temporary support and financial awareness training.

Employee attrition ESG (Rbn)

Year	Attrition (Rbn)
2019	10,8
2020	7,1
2021	9,3
2022	10,6
2023	9,2



Our approach to human capital continued

During 2023 we introduced ‘The Nedbank Way’, which captures our culture into 7 core principles, including those aspects of our culture that are unique and that we’re proud of with the behavioural shifts we are all expected to make. The Nedbank Way is a framework for the lived experience of Nedbankers, identifying what sets our employee value proposition apart from competitors and, most importantly, guiding how we do things at Nedbank in a practical and actionable way.



Put purpose into practice

Our purpose connects and unites us. It’s how we create value, the 1 constant in a world of change. It focuses our attention and channels our efforts. Our purpose defines how we see our role in society – a catalyst for growth and an unstoppable force for good. We can’t be a successful business in an unsuccessful society, and we know that purpose-led business is good business. We make tough decisions to balance short-term profit with long-term value. We have always been the ‘green bank’ and our commitment to our purpose, people and planet is our key differentiator. We resolutely commit to a green economy, and a thriving, vibrant, healthy, and sustainable African future.

Different is good

We intentionally drive diversity, equity, and inclusion in how we engage, design solutions, and care for and connect with our clients and each other. We want all Nedbankers to feel a sense of belonging. We show up as our authentic selves and allow others to do the same. We treat each other with dignity and respect. We value and celebrate diversity. DEI is not just a set of policies or a programme to be implemented; it is part of our DNA. It’s how we do things and why we do them. We are allies for the marginalised and the unheard. We stand up for what is right. We create an environment in which all Nedbankers feel safe enough to speak up. And we use our voices when others cannot.

We’ve built a culture that values trust, ethics, and unwavering integrity. We hold ourselves accountable to the highest standards, making sure our actions reflect our intent to be money experts who do good. We do things right. When we navigate the tensions that arise on how and with whom we do business, we protect the trust that has been placed in us and do the right thing for our people, our clients, our stakeholders, and society as a whole.

Do the right thing and do things right

We have a hunger for success. We set ambitious goals, taking calculated risks, and push ourselves to achieve. We embrace a willingness to fail and learn from our mistakes. We are proactive, responsive, and execute with speed and agility. We play to win, but not at all costs, especially when it comes to our people and their well-being. How we win makes all the difference. We build resilience and practice human-centred leadership. We invest in our people and create an environment that empowers them to perform and excel. This is what gives us the edge, enabling commercial success and sustainability.

Play to win

Client obsession

We deliver value to and through our clients. This is how we put our purpose into practice and achieve commercial success. We are obsessed about our clients; without them, we don’t exist. In our clients’ eyes, we are Nedbank. We create value, practice care, connect, and build strong, meaningful relationships in every client interaction. We know that nobody cares how much you know until they know how much you care. We keep our promises. We deliver. We delight the client every chance we get. Every client. Every time.



Learn to grow

We are alive to the changing world and a future filled with potential and possibility. To stay ahead, actively shape our future and thrive, we continuously learn, adapt, change, and grow as individuals and as an organisation. We challenge the status quo for good. We question what we are doing, why we are doing it, and how we do it, with a solution-focused mindset. We value curiosity, creativity, critical thinking, and a growth mindset. The future belongs to individuals and organisations willing to push themselves outside of their comfort zones, and continually learn, unlearn, and relearn. That’s how we grow and stay relevant and effective as Nedbank.

Stronger together

Regardless of how different our roles, our clusters, and our countries are, we are 1st and foremost Nedbankers. We have 1 share price. We win as 1 or we lose as 1. There is power in teamwork. Working together, we can achieve more than we ever could individually. Collaboration and cooperation are at the heart of everything we do. We bridge silos within and across teams, clusters, and countries for the benefit of the organisation as a whole. When it comes down to it, we are #StrongerTogether.



Financial Inclusion Strategy

Nedbank has taken a diversified approach to being able to impact in a meaningful manner that demonstrates our purpose. This multipronged and purpose-led strategy is anchored on tailoring relevant and applicable financial offerings to individuals and businesses, keeping the unique aspects of the South African landscape in mind.

These value propositions are supported by a dynamic distribution model designed to respond to issues relating to access, especially in those geographies where the population is largely underserved through traditional operating models, and sustained by a passion for financial health.

These interventions run in parallel with a rigorous strategic focus on financial health, which lays the foundation for the efficacy of how purpose is entrenched and sustained in the societies that we impact.

Nedbank has also expanded its products and solutions for individuals and businesses that are tailored to suit their needs and promote financial inclusion. We design for inclusivity, ensuring that client value propositions are underpinned by concepts that emphasise the importance of affordable pricing and simplicity, paying careful attention to clients' needs and ultimately closing the gap that exists in traditional banking that continues to exclude the unserved and underserved. These solutions have been devised to cater to clients to enable easy transacting that remains safe; promote daily saving for a wide range of scenarios; improve borrowing by designing for nuances needs within segments; promote good financial planning with subsequent tracking; protect livelihoods against unfortunate circumstances through insurance; and going above and beyond banking to elevate the lives of clients so that they can leverage financial services to fully participate and contribute to society and the country.

Green economy

We offer SDG-aligned term debt funding for commercial and agricultural clients across water, energy (including solar solutions) and waste management, and provide advisory services on the green economy to our clients.

Inclusive distribution

We maximise access to financial services through our multiple and integrated distribution touchpoints, including a mix of staffed points of presence, self-service devices, a 24/7 free contact centre, world-class digital platforms and mobile bankers operating in and outside physical branches, helping people in communities where they need accessible banking services.

Financial inclusivity: Individuals

We provide innovative and inclusive financial products and services to underserved and unserved individuals, including a comprehensive range of cost-effective transactional, savings, credit, and insurance solutions.

Financial inclusivity: Businesses

We offer secure banking solutions that lower the barriers to entry to affordable banking for SMMEs, comprising transactional, savings, lending and insurance solutions as well as innovative tech-enabled payment solutions tailored specifically to the SMME market.

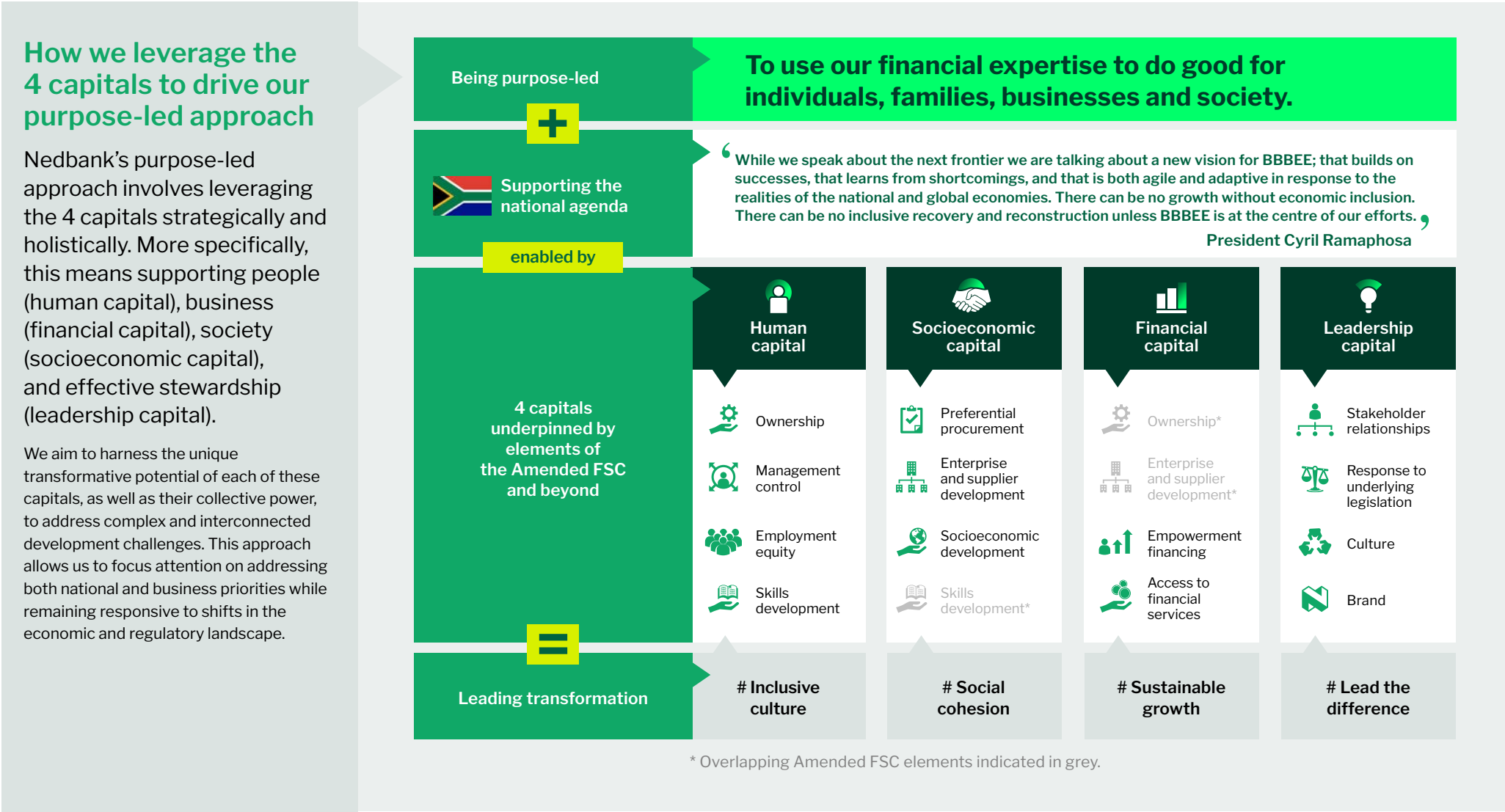
Community-based interventions

We are actively driving financial inclusivity within the township economy through community-based interventions like Proud of My Town (PoMT), which is a holistic community transformation initiative focusing on the specific needs identified by the stakeholders in each township community. Through our partnership with the Township Entrepreneurs Alliance (TEA) in terms of TEA Kasi Business Workshops, we also equip township entrepreneurs with the necessary business skills, tools and financial support to achieve success.

Financial wellness

We continued to drive our purpose-driven impact by expanding our reach of financial wellness and education, with 11 million consumers provided with financial education. To date, our Enterprise and Supplier Development (ESD) programmes have shown tremendous impact, touching both gender and sector challenges and promoting the development of both individual and business growth. This includes our PoMT initiative, Youth Entrepreneurs programme, Agripreneur programme, and several others mentioned in the report. We have also ensured that we meet our clients where they want to be served through our vast network of touchpoints to maximise access and availability to promote our 'digital when you want it; human when you need it' strategic intent.

Our approach to transformation



Sustainable development financing

We prioritise 9 of the 17 Sustainable Development Goals (SDGs) where we can deliver meaningful impact through innovation in our banking products, lending, and investment practices.

Our sustainable development finance (SDF) commitment is realised on the 3 pillars of sustainable finance, financing the transition, and financial inclusion.

Sustainable finance solutions

Overview

Nedbank is dedicated to leading in sustainable finance, ensuring that the solutions and services that we provide not only meet today’s needs, but also address tomorrow’s challenges. Our approach integrates sustainability criteria directly into our debt-financing activities, strengthening our position as a market leader in environmental, social and governance (ESG) and sustainable finance.

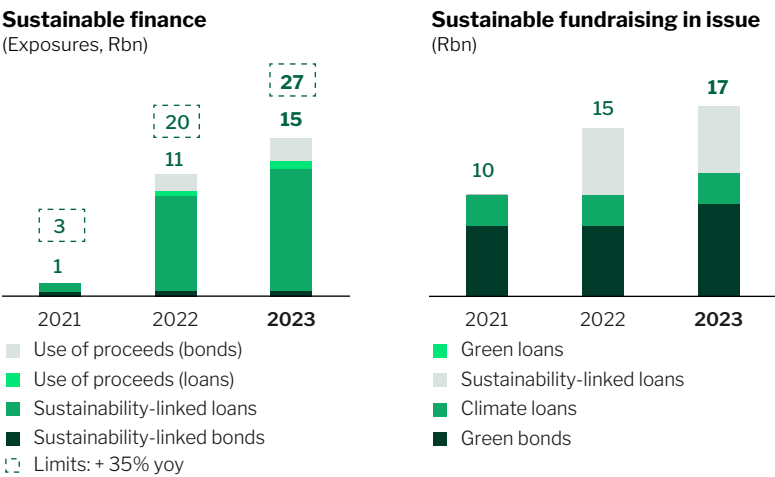
We align our business approach with our clients’ ESG objectives to maximise our shared positive impacts on society and the environment. This commitment is reflected in our actions. We continuously adapt our solutions to align with the dynamic ESG environment,

enabling our clients to achieve their goals while addressing significant socioeconomic issues.

In the 2023 fiscal year we expanded our financial offerings with a significant 35% increase in financial facilities that support environmentally and socially responsible initiatives. This increase was accompanied by a 30% higher rate of use in 2023, which effectively translates to increased environmental and social value.

Every investment in our use-of-proceeds bonds and loans is a direct contribution to a more sustainable future, backing projects that resonate with the United Nations’ Sustainable Development Goals (UN SDGs).

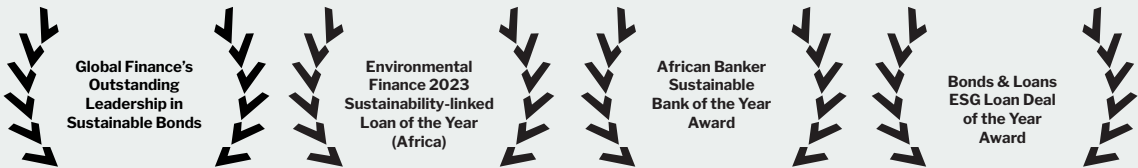
Growing our sustainable finance contribution



External recognition

Our ESG recognitions are a testament to the expertise and experience of the Nedbank team, showcasing our proven track record of delivering successful outcomes for our clients and society across various sectors and markets. The bank has also retained its top-tier ESG ratings, with scores and rankings from MSCI, Sustainalytics, S&P Global, ISS, and FTSE Russell.

In 2023 our commitment to sustainable development earned us several accolades, including the following:



Using green bonds to drive the decarbonisation efforts of our clients

We issued a Private Power Tier 2 Green Bond worth R2,1bn, which is listed on the sustainability segment of the JSE. The proceeds of the bond will be deployed to private renewable power generation for private company use to hedge the client against the effects of load-shedding while also contributing towards the effort to build a greener economy.

Leading the way in client advisory services

Highlights include the following:

- The development of a local use-of-proceeds fundraising framework as a solution for a global utility supplier to mobilise green finance for sustainable initiatives. This framework has been instrumental in raising over R2bn earmarked for the financing of renewable energy projects, resulting in a reduction in CO₂ emissions. We also advised the client on the best options to achieve climate certification for the underlying projects.
- The Nedbank Sustainable Finance Use of Proceeds Framework, which was published in 2023, has been externally verified by S&P Global Ratings in line with the ICMA Guidelines for Green, Social, Sustainability and Sustainability-linked Bonds External Reviews.

Sustainable finance solutions continued

Case study
 Sustainable Investment Portfolio case

The urgency to address climate change is clear, not only for the preservation of our environment and ecosystems but also for safeguarding our economies and societies from the far-reaching consequences that it poses. The 2023 UN Climate Change Conference, or COP28, recognised the role of fossil fuel emissions in driving rising temperatures. Notably, member countries acknowledged the need to transition away from fossil fuels with the target to triple renewable energy capacity by 2030.

At Nedgroup Investments our sustainable portfolios are actively contributing to this global movement. We are directly invested in a diversified range of environmental infrastructure projects that contribute towards a net-zero-carbon future. This includes The Renewables Infrastructure Group, which predominantly consists of operational wind farms, solar parks and battery storage projects in the United Kingdom (UK) and Europe. Thanks to the clean energy generated, that group was able to avoid 1,9 million tonnes of carbon emissions, equal to eliminating the use of over 900 000 tonnes of coal.

Another environmental infrastructure investment fund that we are supporting is JLEN Environmental Assets Group (JLEN). This is a diversified portfolio of wind farms, waste management and bioenergy, anaerobic digestion, solar and hydro plants, as well as exposure to energy storage, which is critical for efficiently and cheaply storing clean energy for round-the-clock use. All these assets support the drive towards decarbonisation, resource efficiency and environmental sustainability. In addition, JLEN is a big advocate of the 17 UN SDGs. To be achieved by 2030, they recognise that ending poverty must go hand in hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental challenges.

These direct holdings in renewables are not only aligned with the greater good but also provide stable and attractive cash flows, are linked to inflation, and benefit from strong tailwinds and favourable regulatory policies. Looking at other

parts of our Sustainable Investment Portfolio, we also have exposure to renewable energy within our equity holdings, investing in companies that play essential roles across the clean energy ecosystem while consciously limiting those that derive their revenues from fossil fuels. And within our fixed-income holdings, we have exposure to green bonds, which finance environmentally friendly initiatives like wind farms or solar installations, clean transportation, and sustainable agriculture. In aggregate, this means our portfolios are most strongly aligned with SDG 7: Affordable and Clean Energy and SDG 13: Climate Action, both in absolute terms and relative to mainstream indices. The portfolio is roughly 20% positively aligned with both SDG 7 and SDG 13, while the benchmark (a combination of equity and fixed-income benchmarks) is around 10% aligned.


The recent milestone achieved at COP28, calling for a transition away from fossil fuels, aligns seamlessly with our portfolios’ various exposures to renewable energy. These policies serve as a powerful force for the sector, with renewable energy poised to grow by over US\$100bn annually in the coming decade.

As we confront the realities of a changing climate, our sustainable portfolios are strategically positioned to navigate the challenges and opportunities presented by the evolving climate landscape. Our investments in the NPV range of portfolios play a pivotal role in paving the way towards a net-zero-carbon future. While the journey may be long, our commitment remains steadfast as we continue making strides towards a sustainable and resilient future.



4

QUALITY EDUCATION



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Overview of global progress on SDG 4*

- Despite gradual progress, the world is not achieving its quality education targets. Without additional measures, by 2030:
 - » an anticipated 84 million children and youth will be out of school;
 - » 300 million students are expected to lack basic numeracy and literacy skills; and
 - » 1 in 6 countries is likely to meet the universal secondary school completion target.
- Africa's progress towards quality education for all has been modest, with 288 million school-age children not in school, particularly in conflict-affected areas.
- Globally, primary, and secondary school completion rates are slowly increasing. For example, SA's grade 7 completion rate rose from 92,2% in 2010 to 96,6% in 2021.
- Stability is evident in the number of children in registered early childhood development (ECD) programmes in SA, but the quality and participation rate for ages 0–4 years need improvement.
- Girls' education is approaching gender parity, with the gender gap less than 1 percentage point. The most significant access gaps are due to income and location, especially in sub-Saharan Africa.
- There is a \$100bn annual funding gap for low- to lower-middle-income countries to reach education targets.
- Measures like free compulsory education, increasing teacher numbers, improving school infrastructure, and driving digital transformation are critical.

Literacy, however, remains a challenge: a 2022 report published by the Department of Higher Education and Training highlighted that in SA most of the people struggling with literacy are more likely to be poor, lack education, and miss out on opportunities to participate fully in society and the workforce.

Nedbank's response:

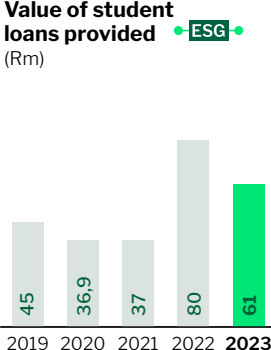
Accessible, inclusive, and high-quality education is one of the most powerful and proven vehicles for sustainable development. Education helps to reduce inequalities and empowers them to achieve more sustainable, higher-quality lives. Nedbank invests financial and non-financial resources to support innovative solutions that create equitable access to education, ensure the availability of learning resources and address education inequalities.

In 2023 Nedbank's contributions to SDG 4 included the following:

Students loans

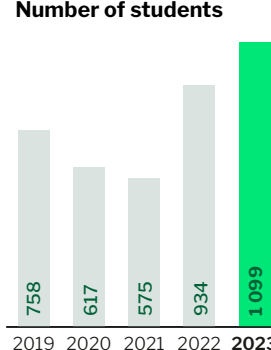
- We offer student loans that cover more than just tuition fees, taking a comprehensive approach that includes other educational expenses such as textbooks, accommodation, and transport. Our loans are designed to support students throughout their studies, regardless of their financial needs.
- Our student loans come with attractive interest rates and flexible repayment terms tailored to suit students' needs. Students must pay only the interest on their loans during their study period. In the past 5 years, we have disbursed over 3 670 student loans worth R243m. In 2023 we provided R61m (2022: R80m) in student loans to help 1 099 students (2022: 934). Given the size of the need, we acknowledge that lending to just over 1 000 students a year is not materially addressing the challenge. We are expanding our student loan offering and making tertiary learning accessible to more people by developing innovative and scalable solutions.

Value of student loans provided (Rm)



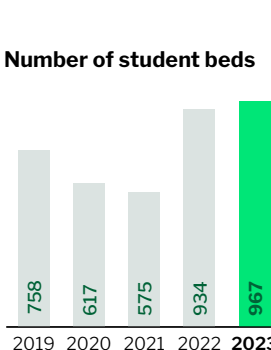
Year	Value of student loans provided (Rm)
2019	45
2020	36.9
2021	37
2022	80
2023	61

Number of students



Year	Number of students
2019	758
2020	617
2021	575
2022	934
2023	1 099

Number of student beds



Year	Number of student beds
2019	758
2020	617
2021	575
2022	934
2023	967

Addressing the growing challenge of student accommodation

Recognising the pivotal role of accommodation in a student's success, we have taken a leading role in funding student housing and addressing the lingering accommodation shortage that has historically left 80% of students without on-campus housing. Our current student housing exposure is R5bn, and we have created 43 892 beds since 2015.

In 2023 we continued this commitment, with total loans amounting to R1,39bn (2022: R2,0bn), resulting in a further 967 new beds* to further enhance SA's educational landscape.

QPG Holding (Pty) Ltd

In 2023 we granted R700m in term funding to QPG Holding aimed at refinancing a diverse property portfolio that includes residential and student accommodation. This portfolio encompasses 834 units of affordable residential properties across various nodes in Johannesburg and 2 126 beds dedicated to student

* Factors taken into consideration in calculating the cost per student bed and/or loan amount include the type of development (high-rise, etc), location (cost of land and proximity to learning institution), end user (high-end or affordable), conversion or new build, communal or individual living, and amenities offered.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.
 Nedbank Group Society Report 2023



SDG 4 continued

accommodation. The consolidation of this funding, previously fragmented among multiple financiers, into a bespoke package from Nedbank offers significant benefits, including streamlined funding management, economies of scale that lower the cost of debt, improved cash flow, and enhanced risk diversification for the client.

We expect this investment to contribute positively towards providing safe and dignified living spaces, job creation, and fostering economic inclusion. The deal is a testament to Nedbank's purpose of using our financial expertise to do good and make a positive impact on society through SDG 4, 8, and 11.



Case study

CATALYZE Edufinance

CATALYZE Edufinance is a R100m inclusive finance fund that aims to provide access to capital for the education sector in SA while also promoting better outcomes in non-government affordable-learning providers (ALPs) and ECD centres.

The fund builds on a successful project in India, and in 2022, Nedbank and Brimstone invested R15m in the fund through the Black Business Partners Legacy Programme. Over a 5-year period, between 500 and 1 000 ECDs are expected to benefit from the finance, financial training and support. The project aims to provide blended finance for expansion and quality improvement of ALPs that are not currently well served and would benefit from increasing access to capital. The primary focus of the activities will be the ECD sector in SA.

SA's ECD sector faces problems around access and quality. Over half of children aged 0 to 4 years in SA do not access ECD facilities, and the quality of offerings by existing centres is often below expected quality standards. That said, the ECD sector offers significant scope for improvement, but this potential has historically been limited due to difficulties in accessing capital to grow and improve.

In addition to increasing access to such capital, CATALYZE Edufinance aims to further promote education outcomes through its rewards and recognition model, which is backed by the United States Agency for International Development (USAID), which incentivises learning outcomes using cash as well as non-financial recognition incentives for high-performing ECDs. This allows ECD operators to benefit directly from improved learning outcomes.



At December 2023 CATALYZE Edufinance has seen capital mobilisation to R1,5m through the disbursement of 37 loans benefiting 1 040 children. The project aims to deploy R15m through 500 loans disbursed to ECDs and to benefit 20 000 children in 2024. A valuable partnership has been formed between CATALYZE Edufinance and the SA Anglican Church for the provision of unused church spaces that can be converted into spaces suitable for ECDs at a zero rental fee for 5 years. This partnership is key to bolstering SA ECDs by facilitating improved safety for teachers and children, site infrastructure suitability, and access to capital for the ECD owners.



6
 CLEAN WATER AND SANITATION

SDG 6: Ensure availability and sustainable management of water and sanitation for all

Overview of global progress on SDG 6*

- Even though 70% of the planet is covered in water, only around 2,5% of that water is fresh, and most of the freshwater is currently frozen in the Antarctic and Greenland or is present as soil moisture. Only about 1% of the world's water is accessible for human use. Over and above that, SA is among the 30 driest countries in the world, making it vital that every person conserves as much water as possible. That means not only wasting less water but also keeping that water clean and safe.
- Notable advances in North and Southern Africa include 77% and 74% of populations respectively now having access to managed drinking water.
- An estimated 2,3 billion people reside in water-stressed regions, with 733 million in high- or critical-stress conditions.
- Over half (107) of the countries worldwide are not on course to manage their water resources sustainably by 2030, which is crucial for meeting societal and economic needs.
- Among 153 countries with shared waters, just 24 have comprehensive agreements for shared water bodies – critical for conflict prevention and regional sustainable growth.
- The southern African transboundary programme in the Inkomati Basin, encompassing SA, Mozambique, and Eswatini, aims to harmonise policies and legislation, benefiting the 4 million people who call the basin home.
- Climate change is exacerbating water stress, with disasters like floods and droughts becoming more common. Around 80% of wastewater is untreated before returning to ecosystems, and 70% of natural wetlands have been lost, severely impacting freshwater species.
- In 2023 SA declared national disasters on the back of flooding in 3 coastal provinces, causing fatalities, displacements, infrastructure damage, and significant impacts on water supply and tourism.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.

Nedbank's response:

Nedbank believes that the only way for SA to deal effectively with the country's water challenges and to limit the impact is through a shared commitment to good water stewardship.

This means that all South Africans, from government and businesses to communities and individuals, must accept the responsibility they have to conserve and protect the country's water resources and to reduce the nation's collective water demand to sustainable levels.

In this regard, Nedbank is committed to leading by example. In line with our purpose to use our financial expertise for the good of society we have built an effective water stewardship approach using our 3 sustainability pillars of managing our own impact, leading through collaboration, and facilitating sustainability through our products and finance solutions.

Water sector challenges

Access to safe water, sanitation and hygiene is the most basic human need for health and well-being, and water shortage adds pressure on the water-food-energy nexus.

Water demand is rising owing to rapid population growth, urbanisation, and increasing water needs from the agricultural industry and energy sectors. Inefficient use, infrastructure challenges and municipalities' incapacities are likely to result in freshwater resource renewal rates being outpaced by withdrawal or consumption rates, if not addressed urgently. The majority of treatment plants are failing to produce drinking water that meets acceptable standards, with several water supply systems in critical condition.

Access to appropriate water development funding is imperative, and Nedbank places a priority on investing in and facilitating partnerships that support water development, acknowledging that these efforts are often dependent on government's readiness to enable private sector investments. As such, Nedbank remains prepared to support government programmes aimed at accelerating water and sanitation infrastructure delivery.

In 2023 Nedbank's contributions to SDG 6 included the following:

Partnerships for effective water finance and support

We are committed to playing a role in fostering effective water partnerships and investments, which are crucial for sustainable socioeconomic development. However, given the reliance on the public sector and business readiness, investing continues to be a challenge. Despite droughts, water shortages, water restrictions, shutdowns and looming day zeros in many metros, the public sector and private businesses are still struggling to recognise the risks that operations are exposed to concerning reliable water supply and invest accordingly. This is evidenced in the levels of water support business that was achieved in 2023. While we have over R1,1bn of exposure to water projects across the group, we did not have any material deals that paid out this year (2023: R38,6m; 2022: R514m).

- Water solutions for commercial banking clients**
We offer a clean water and sanitation financing solution for medium to large clients (R50m to R1,5bn in turnover). This solution provides term

Funding water transactions (Rm)

Year	Funding water transactions (Rm)
2019	1,260
2020	2,560
2021	800
2022	514
2023	38

Water funding for Commercial Banking clients

R38,6m

(2022: R234m)

SDG 6 continued

debt financing for capital expenditure (capex) projects aimed at expanding public access to safe drinking water and sanitation facilities. In 2023, R38,6m (2022: R234m) in funding was provided for water-related projects.

Partnering with prominent water sector players

We have long-standing and robust relationships with many of SA’s most prominent and successful water entities and we are proud to be able to help them facilitate their much-needed expansion and protection of our water supply and infrastructure.

A Lesotho Highlands Water linked project: We understand that through collaboration with private sector entities and key public sector projects like the linked Lesotho Highlands Water Project, we can make a significant impact. Our contribution to these initiatives highlights our dedication.

A key player in the water sector: In 2023 our efforts in water stewardship were recognised when Nedbank Corporate and Investment Banking (CIB) received 3 mandates from a key player in the water sector. These included being the primary banking partner and debt sponsor, as well as managing a multibank general banking facility for 5 years. Such mandates not only underpin our environmental and socioeconomic goals but also support the sector in its mission to secure water resources for the future. We were also mandated with the largest share of the R1bn multibank general banking facility, which is a testament to our trusted role in our client’s liquidity strategy. As the primary banker, we stand ready to support future hydropower projects and deliver other financing opportunities through our proven project financing expertise.

Taking water action in our operations

Nedbank aims to reduce water usage in its offices by 40% by the end of 2025, based on 2019 levels. This target equates to a 152 900 kℓ or 8,0 kℓ per full-time employee (FTE), whichever is met first. In 2023 the total water consumption across all Nedbank campus sites increased by almost 9,76% to 159 105 kℓ (2022: 144 954 kℓ) or 9,02 kℓ per FTE. This increase was due to floor space consolidations and increased occupancy levels in our campus sites because of return-to-work arrangements. Despite this increase, Nedbank remains committed to water efficiency and continues to deploy water-reduction initiatives, such as water-saving toilets that use approximately 8 ℓ less water per flush. We have proactive measures to maintain and monitor water consumption, even with the increased employee use of our facilities.



Thanks to our support of the WWF Water Balance Programme, which removes

invasive alien trees in key water source areas, we have achieved net-zero operational water usage since 2018.



Investing in water security through the WWF Nedbank Green Trust

Since 2019 the WWF Nedbank Green Trust has distributed R85m into 56 conservation projects around SA. Ten of those projects, constituting an investment of R13m, were focused on protecting and managing freshwater habitats and water sources, thereby improving water quality and quantity for people and nature.



Case study


uMzimvubu Catchment Partnership

The uMzimvubu Catchment Partnership (UCP) has been a transformative initiative, improving water access for over 38 445 rural residents through the repair, upgrade and maintenance of 43 freshwater springs. The UCP model is now being replicated in other catchments, including uMzimkhulu, with the Environmental and Rural Solutions (ERS) providing technical guidance and support to youth eco-champs.

The emergence of over 12 research and implementing partnerships, with ERS at the helm, is setting exciting trends. A UCP Research Task Team is currently drafting a ‘knowledge hub and living lab’ concept that is receiving enthusiastic support from academic and other partners.

Our 5-year core support of the partnership between WWF and ERS is an exemplary model for catalysing landscape impact through collaborative efforts. It allows ERS the flexibility to innovate and respond proactively, adapting to the needs of the environment rather than adhering to rigid targets. The method effectively leverages a landscape approach to address the challenges of unsustainable land use and poverty, among others.

At late 2022, the SANBI Living Catchments Project no longer supplements ERS’s efforts, leaving Nedbank as the sole supporter. This change has resulted in certain shortfalls, highlighting the ongoing need for collaborative support and underpinning the valuable role Nedbank is playing in enabling these essential environmental partnerships.

7
 AFFORDABLE AND CLEAN ENERGY
 

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Overview of global progress on SDG 7*

- There has been global improvement in access to electricity and clean fuels, yet 675 million people remain off-grid and 2,3 billion still use harmful cooking fuels.
- Urgent electrification increased renewable energy investments, and grid enhancements are needed for universal energy access by 2030.
- Accelerating energy progress could lower pollution-related deaths, save time for fuel collection and cooking – particularly in Africa – and boost women empowerment and societal participation.
- Geopolitical and economic uncertainties, including the Russia-Ukraine conflict, have forced an estimated 75 million people to lose access to electricity, and 100 million might revert to coal and solid fuels due to rising liquified petroleum gas prices.
- Solar power and lithium-battery technology costs have dropped by over 85%, and wind power costs have halved. Green energy is emerging as a dynamic sector promoting job creation, economic growth, and sustainability.
- In SA, power interruptions and high electricity costs have negatively affected the economy and the country’s levels of productivity. However, there have been some advances like more renewable energy projects, streamlined energy regulation, and incentives for renewable investment to boost energy generation.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.

Nedbank’s response:

The fact that much of Africa’s economy is still reliant on fossil fuels is having a dramatic impact on climate insecurity. Also, as the population continues to grow, so does the demand for affordable energy. Nedbank’s response involves a significant contribution to an equitable and sustainable energy sector that incorporates renewable energy sources such as solar, wind and hydropower while accelerating access for all to clean, dependable, and affordable energy.

In 2023 Nedbank’s contributions to SDG 7 included the following:

Supporting the Just Energy Transition

The energy sector in Africa is undergoing a profound transition and is constantly evolving across regions. With this understanding and a strong mandate, Nedbank has optimised and developed innovative funding solutions to suit the needs of this sector. As a result, Nedbank remains among the largest and most experienced commercial bank financiers of Independent Power Producers (IPPs) and the electricity energy sector in Africa, and will continue to play a leading role in the financing of renewable energy on the continent by scaling up its historical commitment towards the fast-growing renewable energy sector, in line with the need to support socioeconomic development objectives while driving the transition to a zero-carbon energy system.

SA has established the Presidential Climate Commission (PCC) and the Just Transition Framework to facilitate public, private, and civil society collaboration around the Just Energy Transition. The Just Energy Transition Investment Plan outlines financing options to decarbonise the economy in line with the Paris Agreement and the country’s Nationally Determined Contribution (NDC) targets.

Achieving full decarbonisation by mid-century requires a rapid and profound shift in the energy system, and this necessitates an orderly exit from fossil fuel financing well before this date.

To support the required decarbonisation, Nedbank developed a comprehensive Energy

Policy that outlines the commitment of the bank, over time, to align its business strategy, policies, mandates and incentives with the Paris Agreement.

In 2023 the bank developed science-based glidepaths for fossil fuels as well as power generation and set 2030 interim reduction targets required to support its Energy Policy commitments. The fossil fuel pathway uses an

absolute emissions metric while the power generation pathway uses a physical intensity metric. In addition, we disclosed our fossil fuel emissions for the 1st time in our 2022 Climate Report. We intend to augment this with our power generation carbon emissions in our 2023 Climate Report. After disclosing these sector pathways, the group plans to set targets for other segments of its portfolio, as data permits.

Transition building blocks

Financed emissions baselining	After disclosing financed emissions for upstream fossil fuels in 2022, we calculated our financed emissions for additional material sectors in the South African context guided by the shape of the Nedbank book. Baseline results will inform glidepath development and risk management.
Building glidepaths and setting decarbonisation targets	Develop targets for the short, medium and long term along with glidepaths to quantify the path to net zero by sector and flag material deviation. Targets to date include a 26% reduction in upstream oil and gas and coal, and a 40% operational emissions reduction commitment.
Delivering on our SDF targets and commitments	Increase our SDF exposure towards our target of 20% of gross loans and advances equivalent to an additional R150bn of SDF by 2025 to contribute to client transition efforts through both risk and impact mitigation and opportunity maximisation.
Managing physical and transition risk	Integrate comprehensive processes to identify, assess, manage and report on physical and transition risks into the broader net-zero strategy.
Embedding nature in transition planning and risk management	As our understanding of natural capital in SA matures, embed nature-related targets and risk mitigation measures into broader transition planning.

SDG 7 continued

A challenging energy operating environment

The progress on resolving Eskom’s challenges has been gradual. In 2023 we saw a slight improvement in the Energy Availability Factor (EAF), although it remains lower than in previous years. Notably, the installed capacity of rooftop solar has surged by 350% since March 2022, reaching 4,4 GW. Additionally, there’s been a significant yoy increase of 150% in registered private renewable energy generation, accumulating to 4,5 GW. The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) rounds 1 to 4 have brought about an additional 6,3 GW capacity, however, at a pace that will not be enough to achieve the required renewable energy integration to affect the Just Energy Transition.

Load-shedding has escalated alarmingly, with an increase of 610% in the 1st half of 2023 when compared with the 1st half of 2022, and a 59% rise when compared with the 2nd half of 2022. This situation underscores the urgent need for a reliable energy supply.

There is the potential to significantly reduce load-shedding by the end of 2025, provided:

- Eskom’s production does not face further decline;
- grid constraints are effectively addressed;
- new IPP capacity is constructed and integrated into the grid as scheduled; and
- private power generation continues to grow.

Utility-scale generation finance

In line with our commitment to achieve net-zero carbon emissions by 2050 and supported by our Energy Policy, we maintained our strong support for the energy transition and the increasing integration of renewable energy in the country. Last year we made considerable progress in closing several renewable energy deals in the government procurement programmes. Following lengthy delays, we successfully closed 2 deals under RMIPPPP, 2 deals under REIPPPP round 5, along with 2 deals from prior rounds.

In 2024 we anticipate closing a further 5 deals for which we are mandated lead arranger. These include 1 RMIPPPP deal and 4 REIPPPP deals under rounds 4, 5 and 6 as well as a plant

to support the auxiliary power of a REIPPPP project. These will contribute 540 MW in additional capacity, supported by R7bn in new facility limits that we will extend.

To date we have supported 3,5 GW from REIPPPP rounds 1 to 4 (out of a total 6,3 GW added), and our 2023 activity will add a further 330 MW when the projects come online. Below is an overview of our lending activities within the renewable energy space since 2019:

Description/year	2023	2022	2021	2020	2019
Arranging (# of active renewable energy deals)	50	42	42	42	41
Limit	37,1	34,9	35,3	36,2	35,9
Drawn exposure	28,8	25,9	28,7	31,5	35,4

Private power generation project finance

Our ability to be an innovative banking partner, collaborating with our clients to land impactful solutions and support them on their energy transition journeys, has resulted in a robust and growing pipeline of private power generation project financing in the commercial and industrial space. Our activity in this space has increased significantly, supported by the liberalisation of the electricity supply sector and clients’ needs for affordable, reliable and clean energy. This is evidenced by the 3 deals we closed in 2023, worth 168 MW in capacity and R4bn in facility limits, and the pipeline of 15 deals worth 1.9 GW and R19bn in facility limits expected to close in 2024.

Our success in the financing of private power generation projects demonstrates our market leading expertise in packaging innovative solutions that cater for different clients and technologies while effectively managing risks related to both producers and offtakers. Private power generation eases pressure off the national utility, allowing room for the prioritisation of necessary unlocks such as grid expansion to enable the increasing integration of renewable energy.

These activities underscore not only our expertise in the energy sector but also our commitment to advancing sustainable energy solutions that contribute to the national grid’s stability and growth.

Case study
 Developing integrated finance solutions to drive SA’s decarbonisation

In a landmark transaction, Nedbank served as the sole mandated lead arranger, underwriter, and book runner in a R2,5bn quasi-equity funding package for Pele Green Energy, a SA-based, 100% black-owned IPP. This funding package represents a significant stride forward for Pele and Nedbank in the renewable energy sector, as it facilitates Pele’s equity contributions to 8 renewable energy projects. These include 2 projects from REIPPPP bid window 5, with an export capacity of 150 MW, and 6 commercial and industrial (C&I) projects that will collectively supply 850 MW of clean energy to leading mining operations.

The transaction is not just significant in terms of its financial value; it also represents a substantial investment in a premier black-economic-empowered IPP within SA and exemplifies Nedbank’s leading market expertise in delivering custom and innovative renewable energy financial solutions. The deal also highlights the strength of our renewable energy partnerships, which are pivotal for SA’s energy recovery and economic growth. Transactions like this reaffirm our commitment to sustainable development and to supporting a Just Energy Transition.

Case study
 Supporting renewable energy project innovations

Nedbank, in partnership with Total Energies, is paving the way to a ground-breaking leap in solar generation through the establishment of a 216 MW solar plant in the Northern Cape region. Unlike previous REIPPPs, this project integrates innovative battery technology that enables electricity sources to be programmed on demand and ensures consistent grid power supply, irrespective of sunlight availability. With a secured power purchase agreement, this facility will deliver 75 MW of dispatchable power to the national utility, Eskom, through its 500 MW-hours of battery storage. The initiative also aims to address the current short-term supply gap, alleviate capacity constraints, and reduce reliance on diesel generators. The deal reached a financial close on 14 December 2023, with the hybrid facility expected to come online in 2025.

SDG 7 continued

Private power generation for medium enterprises

Nedbank continues to improve its renewable energy financing offering for clients with annual turnovers of R50m to R1,5bn. On average, these installations produce up to 1 MW of power and cost R3m to R4m. The energy generated is used mainly by the clients themselves and is typically limited by the available space for solar panel installation.

The offering includes term debt funding for commercial, industrial, and agricultural clients to build, install, and maintain clean energy sources such as wind, solar, hydro, biomass and geothermal energy. The funding also covers energy-efficient initiatives such as smart grids, energy storage, appliances, and products in both new and refurbished buildings. Ongoing energy security issues from load-shedding have resulted in a steady increase in interest and uptake in embedded-energy funding. In 2023 we completed 80 (2022: 40) transactions worth R486m (2022: R220m). A total of 25 transactions worth nearly R224m are pending payout or being evaluated.

We have also made provision for innovative sustainability funding solutions across the climate change narrative, offering term debt funding for commercial, industrial and agricultural clients in the Commercial Banking Segment (annual turnover of R30m–R2bn pa).

The offering includes funding for client capital expenditure to expand access to renewable energy installations and solutions including construction, maintenance, manufacture and other components for clean energy to generate or transmit energy. The solution includes wind, solar, hydropower, biomass, geothermal energy, etc. Funding of energy efficiency initiatives including energy-efficient technologies in new and refurbished buildings, energy storage, district heating, smart grids, appliances and products and small-scale IPP solutions are included.

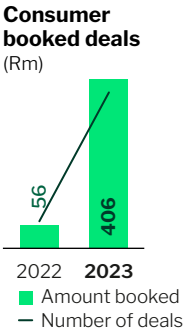
We launched an NCB Hohm Energy partnership to provide the commercial, industrial and agricultural client base with an end-to-end solution including advisory and after-sales services and turnkey solutions. The partnership resulted in 1 application being paid out, 5 credit in-progress applications, and 22 works in progress at Hohm Energy.

Private power generation for small business and individuals

Nedbank collaborated with Avo to complete a solar sales platform project, enabling clients to engage with Nedbank for solar solutions directly. The platform provides clients with an online comparison and a breakdown of various solutions and associated costs, giving them ownership of their journey. As part of the business model changes, Avo has been incorporated as a solar provider and insurance partner, and Ellies has been onboarded as a distribution and installation partner for Avo.

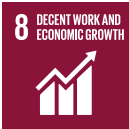
As part of our commitment to funding alternative energy solutions, we offer an array of financial products

to individuals and businesses. These include home loans with up to 110% loan-to-value (LTV) to finance the purchase of property and the installation of solar panels, finance options through Motor Finance Corporation (MFC) for solutions acquired from Nedbank-approved solar providers, and our own Avo Solar offerings. Additionally, we provide alternative energy loans that cater to purchases from any provider. Our participation in the government’s Energy Bounce Back Loan Guarantee Scheme further illustrates our dedication to sustainable energy solutions.



Supporting private power generation across the continent

Region	Number of deals supported by Nedbank	Total value	Generation capacity
Eswatini	1	R7m	36 648 kWh
Zimbabwe	1	R12m	330 kWh
Mozambique	1	R282m	16 057 kWh



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Overview of global progress on SDG 8*

- The increasing youth unemployment rate, exceeding that of adults, highlights the significant difficulties for young people in finding work.
- SA youth are particularly affected, with unemployment rates of 61,5% for ages 15–24 and 40,9% for 25–34. To accommodate the 700 000 new entrants to the workforce annually, SA’s gross domestic product (GDP) growth must reach 6%.
- Looking forward, fulfilling the 2030 agenda will require economic expansion that does not harm the environment and benefits all society segments.
- A Just Transition presents net positive employment prospects across energy, water, waste, and agriculture sectors.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.



Nedbank’s response:

The global economy’s recovery trajectory continues to be hampered by slow growth rates, increasing disparities, and an insufficient number of job opportunities to accommodate the expanding labour force. In sub-Saharan Africa, unemployment and underemployment remain stubbornly high. Addressing these challenges requires a concerted focus on job creation, nurturing entrepreneurship, and supporting the development of sustainable small and medium enterprises.

In 2023 Nedbank’s contributions to SDG 8 included the following:

Enabling economic growth through financial inclusion

Financial inclusion is a key priority for Nedbank, including the provision of innovative and fit-for-purpose products, access to financial services through a well-considered branch and ATM network, leading digital solutions, financial wellness and financial literacy programmes.

We have dedicated teams that are mandated to ensure that our offerings meet the needs of our clients in a manner that is easy for them to understand and access. For more information about our focused financial inclusion programmes, please see the financial inclusion section on **page 120** of this report.

Supporting and enabling SMEs Small Business Services

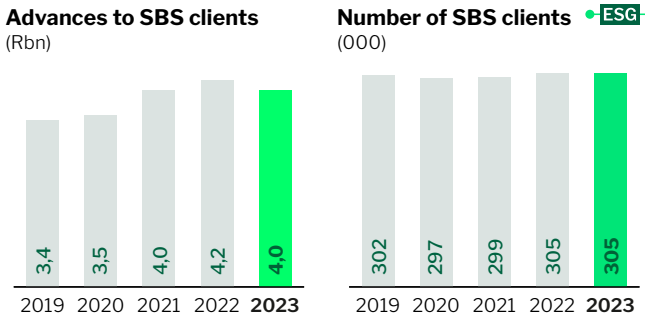
Nedbank Retail Relationship Banking (RRB) is dedicated to serving small- and medium-sized businesses with annual turnovers of up to R30m. Central to our service ethos is a commitment to personalised, adaptable, and proactive banking. We provide digital solutions for daily operations and offer a dedicated banker to address complex financial needs.

In 2023 our small-business bankers supported 305 000 business clients, assisting with their transactional, payment, investment, and financing needs. Our specialised services extend to sectors such as medical, franchising, and agriculture.

We are proud to have facilitated R4bn in asset payouts for small-business development over the year, contributing to SDG 8.

Nedbank’s strong standing in the small-business banking market was highlighted when we received the award for Best Bank for SMEs in Africa (SA) from the Asian Banker and SME Bank of the Year at the 2023 Qorus Reinvention Awards MEA. These accolades reflect our competitively priced offerings, extensive local distribution, and the calibre of our bankers, all bolstered by our robust digital infrastructure.

The focus remains firmly on supporting small-business clients through the volatile times experienced over the past few years by driving affordable and easy-to-use banking services underpinned by digital innovation and proactive credit experiences, such as our preapproved overdrafts (2023: R106m) and instant small-business loans that were piloted in 2023.





SDG 8 continued

Partnering for maximum SME benefit

We recognise the value and power of partnerships in building an environment that supports and enables SME growth. We continue to drive initiatives and sponsorships that contribute to the well-being of our small-business clients. These efforts are not just statistics; they represent real progress and support for business owners who share their success stories with us. Below are just some of our successful SME growth partnerships in 2023.

SimplyBiz®

SimplyBiz® is a free business development platform designed to support entrepreneurs at every stage, whether they are brainstorming ideas, starting up, growing, or running established businesses.

The platform is dedicated to equipping approximately 47 000 registered businesses with the tools they need for efficient and sustainable operations. SimplyBiz provides a suite of services to foster entrepreneurial success, assists with a range of funding options, and offers practical guides alongside 1-on-1 specialist coaching. The goal is to make relevant and authentic business information readily accessible to a diverse entrepreneurial community. In 2023 SimplyBiz highlighted 98 businesses on its platform and guided 3 600 business owners through its programmes. It distributed numerous educational articles on various topics and shared over 220 social media posts and 39 videos, including promotional material and instructional content. The platform also hosted 3 competitions to engage its business community. Through ongoing engagement with subcontractors to deliver strategic initiatives, SimplyBiz has opened a pipeline of opportunities for small-business suppliers.

Notable efforts in 2023 included the following:

- The SimplyBiz Pricing for Profit Café, in collaboration with the Young African Entrepreneurs Institute, hosted events across 7 provinces, with 1 100 attendees.
- The Get into Gear Guide, translated into multiple languages and converted into a podcast series, reached over 4 million people, supporting entrepreneurs from ideation to business plan execution.
- The sponsorship of 12 local markets supported 1 300 diverse creators by subsidising costs and providing marketing support to enhance their business prospects.
- The Art of Storytelling Hub offered a year-long internship for 4 creative business owners to develop digital content creation skills.
- The SimplyBiz Trading in Africa Toolkit was created and offered comprehensive, actionable insights and strategies for accessing African markets.

Our commitment through the partnership with SimplyBiz is to empower entrepreneurs with the knowledge, skills, and opportunities they need to thrive, not only within SA but as part of the broader African business landscape.

Nedbank Business Ignite sponsorship

Nedbank Business Ignite, in partnership with Primedia Broadcasting, is a business mentorship programme in SA. Targeting SMEs with turnovers between R2m and R5m, the initiative underpins our commitment to economic growth and job creation through SME support.

In 2023 we celebrated the 11th year of the partnership with 702 and CapeTalk, and the theme for the competition was 'Boosting small businesses in doing big things during tough economic times'. Business coach, Thuli Magubane, steered the programme, which provided 6 winners with business support packages worth R140 000 each, including cash, coaching, and media exposure.



Nedbank Pitch & Polish

Nedbank Pitch & Polish, now in its 13th year, is a dynamic mix of contest, mentorship, and education, offering contestants a chance to win while learning vital business skills. Sponsored by Engen and Nedbank, and executed by Raizcorp, the 2023 edition of Pitch & Polish enjoyed more than 4 million online views.

This year, the top prize went to Tshireletso Mokate of Camping RetrEats from Gauteng. His business, which simplifies the camping experience for adventurers, earned him rewards worth R1m, including a cash payout linked to business milestones and a comprehensive business development programme.



Godfrey Thete (Engen), Monique Chinnah (Nedbank), winner Tshireletso Mokate (Camping RetrEats), Siphokazi Vabaza (Engen) and Allon Raiz (Raizcorp).

Nedbank's 2022 enterprise development initiative provided support for graduates from technical vocational education and training (TVET) colleges to receive training, development and capacity building to help set them up as formal businesses. The programme was co-created with the TVET colleges, provincial government and Fix Forward to address the high unemployment rate that continues to escalate with limited viable opportunities for school leavers and graduates. By supporting 377 contractors in different Fix Forward programmes across various provinces, the initiative successfully created 240 temporary jobs and 392 permanent jobs, generating approximately R12,9m in direct additional income in 2021 and 2022.

Phase 2 of the programme, which entails 18 months of mentorship, training, business registration, relevant governance and compliance assistance, as well as seed funding for each SME to prepare them for day 1 of business, has been ongoing since September 2023. These businesses are already experiencing noteworthy growth, with a 34% increase in customer growth among existing businesses, and 17 businesses having created 46 jobs thus far. Nedbank plans to facilitate support for these SMEs from other programmes and unlock supply chain opportunities in 2024, in collaboration with the Department of Economic Development, Environment Conservation and Tourism in North West.

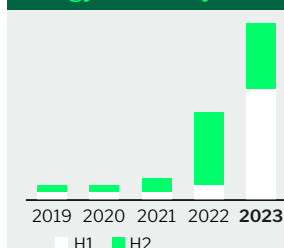


SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Overview of global progress on SDG 9*

- In 2023 global corporate research and development (R&D) investment increased, led by the information and communication technology (ICT) sectors and biotechnologies, nanotechnology, new materials, and other areas that are transforming health, food, environment, and mobility. However, SA saw a decline in R&D spending, impacting knowledge production and competitiveness across industries.
- Africa is on course with mobile network expansion, and based on current trends, the continent is set to achieve the relevant SDG 9 target by 2030.
- Attaining SDG 9 by 2030 requires support for least developed countries, investment into advanced technologies, reducing carbon emissions, and broadening mobile broadband reach globally.

Energy/Electricity



Estimated GDP loss of 1% to 3%

- Private sector investments - more than 6 GW registered over the past 2 years
- REIPPP – mixed progress
- Load-shedding to reduce to level 1 and 2 by 2025

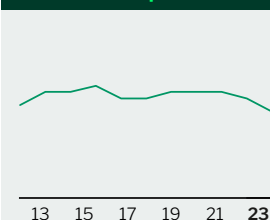
Logistics/ Transport



Estimated GDP loss of up to 5%

- National Logistics Crisis Committee established
- Preferred operator for Durban port announced
- Progress in clearing port backlog

Crime/Corruption



- FATF greylisting some progress made
- Limited state-capture prosecutions

Business and government working together through the B4SA platform to accelerate progress on these issues.

- SA must invest a significant amount in infrastructure development to achieve SDG 9. A joint study by the World Bank and the Development Bank of Southern Africa (DBSA) has estimated that the country needs to invest around R4,8tn to R6,2tn (approximately US\$254bn to US\$329bn) between 2022 and 2030 to fill the gap in sectors like transport, water and sanitation, primary education, and TVET.

Nedbank's response:

Investment in infrastructure and innovation drives economic growth and development. Given an increasing urban world population, transportation and renewable energy are increasingly important, as are the growth of new industries and advancement in information and communication technologies. Sustainable development can be achieved by promoting sustainable infrastructure and investing in science and innovation. Nedbank is committed to funding such infrastructure solutions, and we leverage our expertise to fulfil our purpose for the benefit of our stakeholders.

In 2023 Nedbank's contributions to SDG 9 included the following:

Investing in transformational infrastructure

Nedbank contributes towards the achievement of SDG 9 through funding of infrastructure, including mass transit, road and rail corridors, renewable energy, water treatment plants and information and communication technologies, as well as affordable housing, schools and hospitals as reported throughout this review. We apply our social and environmental risk expertise to identify and manage the potential impacts of this infrastructure and develop innovative solutions that solve sustainability issues, or that have incremental benefits in terms of reducing costs and increasing efficiency.

In 2023, we were involved in several noteworthy infrastructure deals:

Case study

Seacom Group

Our successful completion of a US\$214m finance package for Seacom Group marks another milestone in our journey towards leading infrastructure investment that delivers sustainable development outcomes and reduces the digital connectivity gap in Africa. The transaction was delivered in collaboration with the International Finance Corporation and Mauritius Corporate Bank. It is anticipated that the investment will increase access to quality IT services for African businesses and will enable Seacom to support the digital transformation of 24 000 enterprises in the region by 2027.

Our enduring partnership with Seacom has been instrumental in its growth and supports the company in expanding much-needed digital infrastructure and cloud-based services to meaningfully connect more people and businesses on the continent.

Through these deals, we reaffirmed our dedication to infrastructure development that is not only economically beneficial but also socially responsible and environmentally sustainable.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.



SDG 10: Reduce inequality within and among countries

Overview of global progress on SDG 10*

- Inequality between countries is set to grow due to weak recoveries in emerging and developing economies, compounded by inflation.
- Reducing inequalities requires equitable resource allocation, education and skills development, social protection, anti-discrimination measures, support for marginalised communities, and enhanced global collaboration for equitable trade and finance.
- Sub-Saharan Africa, particularly southern Africa, has some of the most unequal countries in the world. Such inequality undermines economic growth and fuels political and social unrest, crime, and corruption.
- SA's Gini coefficient stands at approximately 0,67, indicating severe inequality. The wealthiest 10% of people in the country hold more than 80% of the wealth, while over half the population has more debt than assets.
- The labour share of GDP in SA has remained the same since 2007, with a drop in 2020/21 due to disruptions caused by the pandemic. This stagnation of the labour market means that the improvements in macroeconomic performance do not translate to improvements in the personal incomes of households.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.

Nedbank's response:

Inequality threatens social cohesion by directly affecting long-term social and economic development, hindering poverty reduction, and destroying people's sense of fulfilment and self-worth. Nedbank is committed to reducing inequality by focusing on income distribution through our financial inclusion approach. For details of the various investments and initiatives, please refer to the Financial inclusion (page 120) and Transformation (page 155) and social impact sections of this report.





SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Overview of global progress on SDG 11*

- Over half the global population resides in cities, a figure projected to increase to two-thirds by 2050.
- Population growth and urbanisation in Africa highlight the need for effective urban planning to achieve SDG 11 by 2030.
- Cities generate over 80% of global GDP and contribute to more than 70% of greenhouse gas emissions.
- Climate change and conflicts disproportionately affect cities, complicating the achievement of sustainable urban areas.
- The growth of slum populations in developing countries jeopardises the goal of sufficient housing by 2030.
- SA's urban population living in informal dwellings declined slightly from 12,7% to 12,3% between 2015 and 2022. However, population growth and rapid urbanisation continue to drive the expansion of informal settlements.
- Factors like unreliable energy, inflation, unemployment, poverty, and environmental issues continue to impact SA's progress towards SDG 11.
- While well-designed and dense cities can enhance living conditions and the environment, hasty and unstructured urban growth can exacerbate housing and service access disparities.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.



Nedbank's response:

Rapid urbanisation has left many cities struggling to overcome the challenge of inadequate housing, infrastructure and services, resulting in a proliferation of slums. Urban sprawl, air pollution and limited open public spaces also persist in numerous cities. A significant transformation is required in the way urban spaces are built and managed. Creating career opportunities, safe and affordable housing, as well as building resilient societies and economies are some of the measures that need to be adopted to create sustainable cities.

Nedbank partners with its clients to help realise this vision of sustainable and smart cities through the deployment of purpose-led financial solutions.

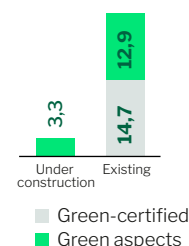
In 2023 Nedbank's contributions to SDG 11 included the following:

Green buildings

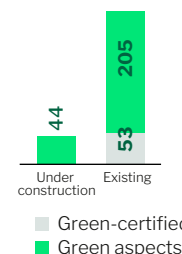
Nedbank is focused on investing in green and sustainable buildings that improve the quality of life for occupants, reduce carbon emissions and deliver positive impacts in terms of waste management and water stewardship. We evaluate properties based on their attainment of green certifications like Edge and Green Star, as well as the incorporation of sustainable features such as solar PV, wind or hydropower solutions, rainwater harvesting, and advanced water systems including black- and greywater recycling.

Our commitment to sustainability is reflected in our financial exposure, with R15bn invested in green-certified properties and R13bn in properties with sustainable features, termed 'green aspects'. Through these investments, we are not just financing buildings; we are actively fostering a future where living spaces are in harmony with the planet.

Green-certified and green-aspects exposure
(Rbn)



Green-certified and green-aspects buildings
(number of properties)



Notes:

- 'Under construction' is the value on completion of development (due to the drawdown profile of deals). However, where developments have reached completion and release of security is underway, the remaining collateral is indicated.
- 'Under construction' exposure is the exposure at a given point in time (not reflective of LTV).
- 'Existing' – if sales units are being released and this is not yet updated on our systems, the adjusted valuation amount will not always be reflected.
- 'Green aspects' refer to properties that have 1 or more of the following energy or water provisions: gas, solar PV, a solar geyser, wind, hydro, rain harvesting, a black water system, or a borehole. The value and exposure reflected is the entire amount and not amounts specifically linked to the green-aspect portion.

SDG 11 continued

Leading the way in sustainability-linked property finance

To promote a more sustainable property sector, Nedbank Commercial Property Finance has established a team of green-accredited experts in the IFC EDGE certification, which is an important global green building standard. This certification emphasises energy and water efficiency and the use of low-carbon materials in construction. The team offers comprehensive assistance to clients seeking to obtain this green certification across various sectors. The team successfully facilitated the EDGE Advance certification for Attacq’s Nexus 1 building within the Waterfall precinct, which is a landmark achievement in green building.

Fortress/Capital Propfund refinance

In a significant move towards environmental stewardship, we incorporated elements of ESG in our R4,4bn portfolio refinance for Fortress. Specifically, R1,1bn of the refinanced amount is sustainably-linked, underlining Fortress’s commitment to produce 8 MW of power via solar PV installations. This initiative reflects a strategic shift towards renewable energy within their portfolio, aligning with their, and our, commitment to sustainable development.

Burstone green bond

Burstone Group’s entrance into sustainable financing was marked by the release of their 1st use-of-proceeds green bond, which is listed on the JSE’s Sustainability Segment. The R550m raised by the instrument is earmarked for refinancing a selection of eligible green buildings, defined by a 4 Green Star rating or higher from the Green Building Council South Africa. Buildings that achieve this rating significantly contribute to reducing carbon emissions and enhancing resource efficiency, which qualifies them as green assets in accordance with the International Capital Market Association’s (ICMA’s) Green Bond Principles.

Sustainability-linked loans: Equites

Nedbank leveraged its significant expertise in property and sustainable finance to secure a 3-year sustainability-linked loan for Equites REIT. This innovative solution, tailored to Equites’ specific business operations and strategic outlook, incentivises enhanced

sustainability performance within a dynamic operating environment.

The property sector is responsible for approximately 39% of GHG emissions, with 70% of that coming from building operations and the remaining 30% from construction materials. Based on this understanding, the loan incorporates 2 sustainability KPIs. The 1st is designed to bolster Equites’ operational efficiency through the development of green buildings; and the 2nd aims to support national objectives for emissions reduction by integrating renewable energy sources.

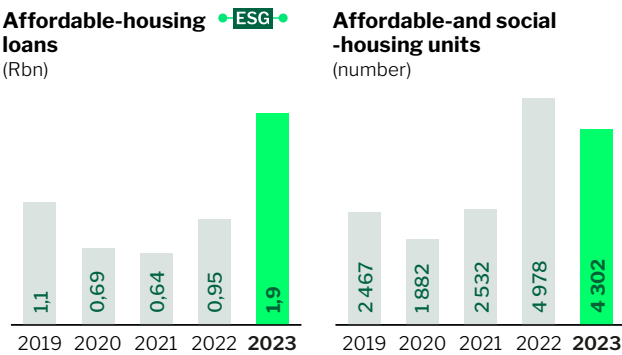
These KPI themes around green buildings and renewable energy are pivotal not only for Equites but also for SA’s environmental priorities. The renewable energy KPI underpins Equites’ broader decarbonisation strategy, contributing to SDG 7, while the green building KPI propels Equites towards its target of Edge certification for 100% of new buildings contributing to SDG 11. Edge certification demands a minimum 20% reduction in energy and water use, and embodied carbon in materials, benchmarked against local standards.

The loan is structured to encourage continuous advancement through multiple measurement periods, providing ongoing incentives for Equites to enhance its performance. In this way it supports Equites’ transition to a low-carbon future by ensuring a sustainable positive impact.

Affordable housing

Access to adequate housing is a key challenge of democratic SA, given lingering backlogs in the provision of housing amid steadily rising demand. To help address this issue, in 2023, we approved R1,9bn (2022: R952m) in funding for the development of affordable housing for lower-income households.

Affordable housing is defined as housing priced at R915 200 and below, or rental housing with monthly rentals of R8 320 or less. Our funding in this segment since 2019 has facilitated delivery of over 16 000 affordable and social-housing units, with 4 302 housing units delivered in 2023.



Home loans for affordable housing

In 2023 Nedbank Home Loans provided R3,047bn (2022: R3,5bn) to more than 5 000 clients in the affordable-housing market, which comprises individuals who earn less than R27 200 per month. We continue to support this market through improved distribution and product enhancement aimed at making housing solutions more affordable for South Africans. Interventions include offering 1st-time homebuyers’ access to additional credit (up to 115% of the purchase price) to cover upfront costs for a home purchase.





SDG 12: Ensure sustainable consumption and production patterns

Overview of global progress on SDG 12*

- Overconsumption is driving a triple planetary crisis of climate change, biodiversity loss, and pollution.
- Globally, around 14% of food is wasted during production, and another 17% in retail and households, derailing efforts to reduce food waste per capita by half by 2030.
- In SA, 31% of food produced goes to waste annually, much higher than the 9% in Europe and Northern America, with losses occurring at all stages of the food supply chain.
- Plastic pollution has surged worldwide, reaching approximately 400 million tons annually, and it may double by 2040.
- The persistence of fossil fuel subsidies is contributing to unsustainable resource use.
- Economic growth must incorporate responsible consumption and production, accelerating the decoupling of economic growth from resource dependency and enhancing the positive socioeconomic impact of resources.
- Corporate sustainability reporting has increased threefold since the SDG era has begun. However, the private sector's reporting on contributions to the SDGs needs substantial enhancement.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.



Nedbank's response:

One of the most significant challenges in achieving the SDGs is to balance economic development with environmental sustainability. To address this challenge, shifting from a linear economic approach to a circular approach is necessary. Achieving a circular economy requires intentional and collaborative efforts, which Nedbank is fully dedicated to supporting and enabling.

In 2023, Nedbank made significant contributions to SDG 12, including the following:

Sustainable production practices have become increasingly important as companies recognise the need to address their environmental impact. Companies are doing this by implementing circular economy initiatives, which aim to keep resources in use for as long as possible through recycling and reusing. This shift in mindset requires a comprehensive understanding of the entire supply chain and identifying areas where waste can be minimised. One company that has successfully implemented circular economy principles is Nampak and Nedbank is honoured to partner with Nampak, a premier entity in plastic packaging and recycling within southern Africa.

Case study

Practically supporting SA's recycling sector

Nampak's operations and alignment with the SDGs

Operating across 30 manufacturing sites in 9 countries on the African continent, Nampak's operations, which employ over 3 667 individuals, are segmented into metals, plastics, and paper. The company's ethos is in line with our values at Nedbank, with a strong commitment to the UN's Sustainable Development Goals, notably prioritising goals that focus on health, gender equality, economic growth, industry and infrastructure, sustainable production and climate change.



Sustainable packaging

Global efforts to transition toward a lower-carbon economy will accelerate, as will demands that suppliers support their customers decarbonisation plans. We are working to reduce our environmental impact and are developing our approach to net zero. We support renewable energy developments in SA and the opportunity for wheeling at a municipal level. Through MetPacSA, we aim to establish the metal packaging industry as a valuable contributor to sustainable development principles by investing the recovery and re-use of post-consumer metal packaging and our aluminium beverage cans, which are infinitely recyclable, lightweight and valuable to recyclers. We have committed to the SBTi and are developing our scope 3 GHG emissions inventory.

Nedbank continues to provide crucial support to Nampak and in 2023 Nedbank CIB acted as Joint Financial Adviser and Joint Transaction Sponsor to Nampak Limited (Nampak) on their successful R1bn Rights Offer. The Rights Offer was launched at a subscription price of R175,00 (representing a 23,49% discount to the 30-day VWAP as of 30 August 2023), on the basis of 2.20902 rights for every 1 Nampak ordinary share held. The transaction forms a critical part of Nampak's turnaround strategy which seeks to shift Nampak from being a vulnerable conglomerate to a business focused on specific packaging operations, thereby returning to profitability and de-gearing its balance sheet.



SDG 12 continued

Financing sustainable agriculture

Nedbank has introduced sustainable agriculture funding solutions to address the challenges farmers face due to climate change. These challenges include reduced rainfall and increased temperatures, which make it difficult for farmers to produce food sustainably. The sustainable agriculture solutions help farmers with solutions to improve their farming practices, such as water conservation and storage, improved soil health, advanced irrigation techniques, and shade-netting to minimise evaporation. Funding solutions are offered either directly or via financing cooperatives.

In SA, sustainable agriculture is essential for addressing the intertwined challenges of food security and climate change. Poor farming practices can have negative impacts on both people and nature. Agriculture contributes significantly to biodiversity loss, environmental degradation, and water usage in SA. Farms located within strategic water source areas play a critical role in food production, but conserving soils and biodiversity around these regions is essential. Current agricultural practices rely heavily on artificial fertilisers and chemicals, leading to soil erosion, water quality issues, and ecosystem contamination. Smallholder farmers, who are particularly vulnerable to the impacts of climate change, are also affected by the lack of agricultural extension support.

WWF collaborates with farmers across different scales of production in various regions of SA, including the Western Cape, KwaZulu-Natal, Mpumalanga, Limpopo, and the Eastern Cape, to help promote sustainable agriculture.

Key initiatives include the following:

- Developing best-practice guidelines and standards for sustainable farming.
- Facilitating agroecology training for smallholder farmers linked to Participatory Guarantee Systems (PGS) standards and extension services.
- Co-developing and using tools like Solidaridad’s farming solution mobile application to engage farmers in sustainable practices.
- Catalysing innovation.
- Empowering farmers.
- Promoting shared learning and market recognition.

WWF collaborates with various stakeholders, including agriculture sectors, industry associations, research partners, and corporations like Nedbank. In 2011 WWF launched a sustainable agriculture programme funded by Nedbank. The priority sectors for this programme included fruit, sugar, beef, dairy, and grain, significantly impacting ecosystem functioning in priority conservation areas.

By promoting sustainable practices, WWF-Nedbank partnership aims to balance profitable farming, societal well-being, and environmental conservation, making them land stewards.

Notable investment and financing
Shade-netting finance

Our shade-netting finance offering is available to agriculture clients in the horticulture sector. The offering has been embraced by various agricultural producers due to its numerous benefits such as improving underperforming orchards; protecting crops against natural hazards like hail, wind, frost, sunburn, and birds; preventing undesirable cross-pollination; improving water use efficiency; reducing nitrogen application; and enhancing yields, fruit size and colour. In 2023 shade-netting finance deals totalling R15,5m (2022: R43m) were completed and a further R14m identified opportunities. The significant reduction in shade-netting finance is reflective of the challenges experienced by citrus producers in the same year, which included poor infrastructure (ports and roads), energy shortages and associated costs. The year 2024 is showing a positive outlook, which will hopefully be seen in increased financing figures as farmers start investing in the benefits of shade netting.

Partners in Agri Land Solutions (PALS)
partnership

In September 2022 Nedbank partnered with agricultural transformation specialists, PALS, to provide them with enterprise development (ED) funding until 2025. We are now in the 2nd year following the commencement of our cooperation agreement with PALS, whose framework represents a radical departure from past land reform models and is based on supporting emerging black farmers with sound business principles, solid legal structures, mentorship, and training to become successful commercial farmers.

Over a 3-year period, Nedbank will provide R7m to PALS for capacity building and an additional R3m for training and mentorship of new farmers. Nedbank supported PALS, which hosted over 30 training events for more than 337 farmers in the Western Cape, Mpumalanga, and the Free State. Together, they developed a differentiated approach to agricultural transformation that provides access to banking products and services. However, the model requires a blended-finance scheme comprising commercial funding, government grants, and owner contributions. Nedbank is in talks with the government to unlock the grant portion, which should increase successful deals. The partnership between Nedbank and new-era farmers resulted in Nedbank being recognised for extending finance through a differentiated credit approach.

Supporting small-scale farmers

Supporting and developing small-scale farmers is crucial to ensuring sustainable food supply and security in Africa. Nedbank collaborates with multiple organisations to support initiatives that aim to train, equip, and enable small-scale farmers on the continent to commercialise their farming activities. SA’s emerging farmers also face poverty and inequality.

Case study

Agriqua Holdings Proprietary Limited

Agriqua Holdings was incorporated to address these issues to create business models that help attract investment in emerging farmers. Through a sustainable ecosystem approach driven by climate-smart agriculture, precision farming, and data-driven and evidence-based solutions, the project has successfully supported 138 emerging farmers, creating jobs, and improving livelihoods. The project will now include alternative energy solutions, water infrastructure expansion, and waste solutions. Investing in irrigation infrastructure for emerging farmers is an efficient way to catalyse economic growth and developmental outcomes.

An incubator established by Northern Cape-based agricompany GWK in partnership with Nedbank and the Brimstone Black Business Partners (BBP) Legacy Programme. It provides business development and specialist technical support to 138 emerging farmers with approximately 1 000 hectares under management. The objective is to support these emerging agribusinesses to achieve commercialisation and have complete control of the value chain. Following the success of the 1st phase of the project, through the Legacy BBP Programme, Nedbank and Brimstone invested R15m over 3 years (2023–2025) for input costs. In the 1st phase of the project the farmers had 6 production cycles of experiential learning with full-time mentors. Commodities grown included wheat, barley, maize, cotton, sunflower, and dry beans.

Technical farming and precision farming expertise have been transferred, with the average yields produced at commercial levels in some of the commodities. Challenges regarding environmental services (energy supply and water security), social impact and security in general will be addressed in phase 2, with additional elements and opportunities such as renewable energy and waste management being leveraged. The model allows for monthly stipends for the famers that are offset against crop sales so that basic needs are covered during the growing season. The project has created 800 seasonal and 65 security and 219 permanent jobs and seeks to create an additional 650 permanent jobs and 2 000 seasonal jobs both directly and indirectly through the value chain as we potentially bring a further 2 600 ha under production over the next 5 years.



SDG 12 continued

Advocating for more sustainable farming

To maintain profitability in farming, it is important to constantly adapt to ever-changing technology, challenges posed by climate change, and the growing demands from both the government and consumers. Nedbank collaborates with various agriculture organisations and associations to create awareness about sustainable farming practices, enhance capacity, and develop capabilities.

Veeplaas Climate Smart Ambassador Project

The purpose of the project is to identify livestock producers who implement climate-smart farming practices on their farms. They should also be passionate about the conservation of their land and resources. In addition, these are individuals who are willing to impart their knowledge to other livestock producers who share the same passion for conservation and teach them how to implement these practices.



The focus areas are field management, grazing systems, herd management, management of bare areas, erosion and bush encroachment, drought management, financial management, and knowledge regarding climate change. Nedbank paid R100 000 to Plaas Media. Nine climate-smart livestock producers entered the 2023 project, with Piet Roux, Matthys Grobler and Gerrit van Zyl announced as finalists. The winner of the 2023 Veepplaas Climate-smart Ambassador Award is Piet Roux, who farms in the Prieska area of the Northern Cape.



MPO Nedbank Stewardship Awards

The MPO Nedbank Stewardship Awards recognise dairy farmers who are exemplary stewards of their farming enterprises, which means they apply sustainable farming practices and conservation; maintain high standards of animal welfare and an effective herd health management programme; ensure a high quality of life for all the people on the farm and add value to the local community; produce a healthy, safe, high-quality product; and improve profitability on a continual basis by increasing the business's resilience or capacity to deal with volatility and adverse events and improving on-farm efficiency.

Nedbank's sponsorship objectives are to recognise and reward the climate-smart practices that are successfully applied on each farm, as well as to share this knowledge and successes with others. It also aims to create greater awareness about climate change among dairy farmers, which will equip them with the knowledge they need to farm in a climate-smart way – and to do it in a way that promotes excellent stewardship. Nedbank sponsored R50 000 for the function and R80 000 for prize money. Niel Wilke of Glentana Farm near Cookhouse in the Eastern Cape has been announced as the 2023 winner for being the greenest dairy farmer in the country.

Hortfin Partnership

In 2023 Nedbank signed a co-funding cooperation agreement with Hortfin, subsidiary of Hortgro and a vehicle driving their transformation funding. Hortfin is a ring-fenced loan facility directed at the fruit industry value chain. To add value, Hortfin partnered with the Jobs Fund to further secure grant funding for the industry.

This partnership again reinforces Nedbank's commitment to transformation and an inclusive agricultural sector.

SA Wine (Pty) Ltd partnership

In 2023 Nedbank also signed a cooperation agreement with SA Wine (Pty) Ltd, focusing on transformation in the wine sector. The aim will be to co-fund transformation opportunities in the wine sector. SDG financed deals and those in the pipeline:

- Shade netting: Deals totalling R15,5m were concluded and a further R14m identified opportunities.
- Water: Deals totalling R38,6m were concluded.
- Solar: Deals totalling R484,8m were concluded and deals of R77,8m are in progress.



SDG 13: Addressing climate change

Our Climate Change Position Statement, Sustainable Development Framework, commitments to sustainable development finance and related policies such as our Energy Policy, as well as our climate focus areas, all serve to guide our approach to climate.

▶

Strategic drivers: aligned for impact

Our climate approach aligns with our overarching group business strategy:

Growth

We believe that sustainable growth is essential. By integrating climate risks and opportunities into our plans, we ensure that sustainable growth occurs along with positive environmental and social outcomes.

Productivity

Efficiency and sustainability go hand in hand. Our commitment to productivity extends beyond financial gains, it encompasses resource optimisation, waste reduction, and responsible practices.

Risk Management and Capital Management

Climate risks are real and significant. We proactively manage these risks by integrating climate-related factors into our risk management framework. This approach helps to ensure resilience and safeguards our stakeholders. Responsible capital allocation is fundamental. We are increasingly allocating resources to initiatives that align with our climate mission, recognising that capital can be a powerful force for positive change.

▶

Strategic value unlock: creating positive impacts

Our climate focus areas:

Being the impact

Managing our operations

Supporting our clients' transition

Tilting our book

Managing climate risk

Image source: Pele Energy group



SDG 13 continued

Key insights from our climate approach

**Being the impact**
Embedding the climate
imperative into our culture and
decision-making

- We enhanced our client engagement process to incorporate climate impact and an understanding of clients' transition plans.
- 18 377 employees have completed the Climate 101 e-learning module at the end of 2023 (2022: 17 603), representing 78% of our employees.
- We hosted a climate and sustainability training series with over 300 participants and produced more than 10 hours of bespoke Nedbank content in addition to the 548 Nedbank employees that received training through the ESG stream of the Nedbank Risk Business School (2022: 934).
- We developed a Physical Risk Assessment Tool, which enables us to identify and communicate with clients who are exposed to the risks of extreme weather events.
- We conducted thought-leadership sessions for Nedbank employees and leadership on climate science, Just Energy Transition and finance sector implications with expert speakers.
- We participated in COP28 to promote SA's climate actions, co-sponsored the South African Pavilion, and engaged in media partnerships to drive broader awareness of the climate change imperative.
- We began a groupwide institutional capacitation programme called the Purpose Programme of Work (PPOW) focused on integrating climate and broader sustainability across the organisation, in key areas like strategy, risk, credit and governance.
- We published our inaugural Nature Position Statement in 2024.
- We joined Principles for Responsible Investment in 2022 and submitted our 1st report in 2023 with positive feedback received on our asset management activities.
- We received numerous industry awards for our role in driving SDF.

**Managing our
operations**
Minimising negative
impacts and
optimising positive
operational impacts

- We actively engaged with our supply chain to address environmental and climate issues, aiming to reduce GHG emissions and improve transparency.
- For over a decade, we have voluntarily disclosed and offset our carbon emissions to maintain operational carbon neutrality.
- We support initiatives to secure renewable energy through energy wheeling supply contracts.
- Over 85% of our office buildings operate according to best practice, adhering to Green Star Building accreditation standards.

**Supporting
our clients' transition**
Providing advisory
services and SDF
offerings aligned to
the SDGs

- We engaged with over 120 prominent clients in climate-sensitive sectors as defined by the Net Zero Banking Alliance.
- We launched a groupwide ESG data and systems multi-year project to enable Nedbank to better manage climate-related risk and identify climate-related opportunities.
- We continued to use our ESG advisory capability for Corporate and Investment Banking (CIB) clients to assist with their transition to a low-carbon economy using sustainable finance solutions for both adaptation and mitigation efforts.
- We partnered with clients to drive climate impact objectives through sustainability finance solutions including:
 - » provided over R3,4bn in private power generation funding (2022 R1,6bn);
 - » raised R2bn in green bonds; and
 - » remained a leading funder of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in SA, with funding of 4GW across 50 projects with exposure of R28,8bn.

**Tilting
our book**
Building towards
a transition to net
zero by 2050

- We disclosed financed emissions across fossil fuels, power generation, home loans and motor vehicle finance. This included the following:
 - » Disclosing the financed emissions of our fossil fuel portfolio for the 2nd time with a 31% thermal coal emissions and 4,7% upstream oil and gas reduction noted for 2023. This results from deliberate strategic choices during the year and in particular the disinvestment from the highest emitting investment in this portfolio.
 - » Expanding our financed emissions disclosures to include baseline calculations for power generation, including avoided emissions from the renewable energy portfolio, residential home loans, motor vehicle finance and sovereign.
 - » Starting the work required us to understand the data and related systems required to disclose financed emissions in other high impact areas.
- We implemented the use of our fossil fuel and power generation glidepaths internally and we will begin institutionalisation of glidepath management into business, credit, and risk processes.
- We disclosed our fossil fuel and power generation glidepaths, which are aligned to achieving net zero by 2050 and keeping global warming below 1,5°C and are informed by the 2050 International Energy Agency (IEA) scenario.

**Managing
climate risks**
Integrating climate-
related risks into our
risk management
frameworks

- We are actively evaluating and enhancing our business's ability to withstand and adapt to the effects of climate change.
- Being proactive in addressing climate-related risks and opportunities to be better positioned in the long term and achieve success in a rapidly changing global economy.
- We are actively progressing with the execution of our Climate Risk Management Framework (CRMF) via our Climate Risk Programme.
- We conducted a Climate Risk Materiality Assessment (CRMA) during 2023 to enhance our understanding and management of climate-related risks from a quantitative perspective, covering both physical and transition risks across our lending portfolio.





SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss

Overview of global progress on SDG 15*

- The world is grappling with a triple crisis of climate change, pollution, and biodiversity loss. This is leading to rapid forest loss, land degradation, and species extinction, which threaten planetary and human health.
- Activities such as overharvesting of species, agriculture, logging, and deforestation for farming are inflicting irreversible damage on global biodiversity.
- Projections suggest that the Red List Index, which gauges species survival, could fall from 0,82 to 0,70 or lower from 1990 to 2030.
- Only 32% of countries are on course to meet their national biodiversity targets.
- Regions like sub-Saharan Africa, Western Asia, Latin America, the Caribbean, and Southern Asia are experiencing land degradation at rates above the global average. To achieve a land-degradation-neutral world by 2030, around 1,5 billion hectares of land will need restoration.
- Land use changes, degradation, and intensive consumption and production are also creating new pathways for infectious diseases.
- The Kunming-Montreal Global Biodiversity Framework has been adopted with 23 goals to halt biodiversity loss by 2030, including the '30x30' target to protect 30% of land and oceans.
- SA is aligning this Kunming-Montreal Global Biodiversity Framework with its national biodiversity priorities, particularly the conservation of 30% of its land, water, and sea. The country has increased the protection of various ecosystems in its marine and coastal areas from 5%, marking substantial progress towards achieving target 3 of the framework.

* This summary is based on the UN SDG Report 2023 and the SDG Country Report 2023 for SA.

Nedbank's response:

The earth's ecosystems are vital for sustaining human life. They contribute to over half of global GDP and encompass diverse cultural, spiritual, and economic values. We recognise this and, through targeted investment and partnerships, we are raising awareness of key issues and collaborating to find long-term solutions.

In 2023 Nedbank's contributions to SDG 15 included the following:

Protecting and securing SA's biodiversity assets

Protecting and restoring nature and biodiversity requires a profound societal and economic shift, wherein the financial sector can have a powerful positive influence. During COP28, the growing and projected impacts of climate change that critically threaten biodiversity and the billions of livelihoods dependent on high-integrity ecosystems were reinforced along with the fact that continued loss and degradation of nature increase climate vulnerability, contribute to significant greenhouse gas emissions, and impede sustainable development. The importance of climate and nature finance was underscored, with the introduction of various private and blended funds aimed at tackling these interrelated issues.

There is a direct link between nature impact (both positive and negative) and our business activities through those of our clients. Our efforts to protect and restore nature build on the work we are doing to move SA, and the other jurisdictions in which we work, towards a net-zero economy as well as the investments we have already made into strengthening biodiversity and nature. This work includes the following:

- Application of risk screening before we make lending and investment decisions. This is done through our Social and Environmental Management System and applies to all clients and related activities in high climate- and nature-sensitive sectors.
- Support for the Worldwide Fund for Nature and the WWF Nedbank Green Trust.
 - » Over 30 years, on behalf of our clients, Nedbank has invested over R300m into nature-based projects that have directly supported 19 Protected Areas and catalysed several other protected area sites. Through the WWF Nedbank Green Trust 230 000 hectares of the grassland's biome have been conserved. The grasslands biome is the second largest biome in SA and home to over 3 000 plant species and endangered, vulnerable, endemic, and near-endemic species. Less than 3% of the grassland's biome is protected, making this a priority landscape for protection.
 - » The WWF Nedbank Green Trust has funded conservation efforts for key faunas like the black rhino, sun gazer lizard, ground hornbill, oribi antelope, mountain reedbuck and SA's national bird, the blue crane.
 - » The WWF Nedbank Green Trust also funded the creation of the Sustainable Finance Coalition and SA's 1st-ever tax incentive for conservation, which has, in less than a decade, unlocked over R300m in tax benefits for protected and conserved areas.

SDG 15 continued

Nature Position Statement

We have published our 1st Nature Position Statement. It builds on our Climate Position Statement, acknowledging that nature and climate are inextricably linked. It explains how Nedbank understands nature, its current state, and what must be done to restore it. It commits the bank to a path that is aligned with global best practice, forming the basis for our related strategies and the foundation on which policy and related nature commitments and targets can be set. The statement and its related commitments have been approved and will be monitored by Nedbank’s Executive Management Committee and the Nedbank Board.

Our Nature Position Statement commits us to:

- Building internal capacity to understand its impacts.
- Advancing our risk screening processes
- Monitoring nature-related policy developments
- Disclosing our progress regularly

The statement can be accessed by going to nedbankgroup.co.za.

The Taskforce on Nature-related Financial Disclosures pilot

In 2023 we participated in a United Nations Development Programme (UNDP) Taskforce on Nature-related Financial Disclosure (TNFD) pilot that yielded a first view of our nature impacts and dependencies, and the resulting risks and opportunities that arise from this nature interface, with a particular focus on our agriculture portfolio. A heatmap was developed that considered risk and dependencies on land, in fresh water and the atmosphere as well as physical and transitional risk. Subsectors included dairy, beef, poultry, aquaculture, and game farming; field crops; horticulture and

secondary production such as packaging, storage, abattoirs, and food processing. This work will now need to be incorporated into our risk and credit processes where appropriate.

Partnerships

We are collaborating with our partners, including WWF, to further understand and integrate the goals of the Global Biodiversity Framework (GBF) into our operations and client offerings over time. We have also joined the African Natural Capital Alliance (ANCA) to help us learn and guide our nature journey.

- **Nature and biodiversity training** – We collaborated with the Sustainability Institute (and were supported by WWF) to develop bespoke biodiversity training for our employees in 2022. While our training efforts focused more on climate-related issues in 2023, the online biodiversity training that was developed was available for key employees in risk, credit, compliance, strategy, and our client-facing areas to undertake. Nature-related training will be a focus for a wider grouping of Nedbank employees in 2024.
- **Partnering with our clients** – Our Social and Environmental Management System (SEMS) was enhanced to consider nature and biodiversity considerations including, creating awareness with our clients of their impacts and dependencies on nature, confirming compliance with all nature-related statutory requirements and providing guidance on sustainable use of natural capital, to help to minimise the impact of our client activities.
- **Working with WWF to raise awareness and educate** – The Gums, Bees and Biodiversity guide produced with the WWF for landowners to help raise awareness and provide guidance for action was shared with a variety of Nedbank agriculture clients and WWF landowner partners during the year.

Case study

WWF Nedbank Green Trust Project: Eco-champs building towards SA's environmental resilience

The Eco-champs programme exemplifies our dedication to community engagement and environmental stewardship in the Matatiele region of the Eastern Cape. This initiative aligns young South Africans with conservation efforts, providing a platform to contribute to research and develop their capabilities within their local communities.

In 2023 the programme empowered 9 young individuals, including 2 women, by means of 12-month contracts with the ERS team. Without any requirements for tertiary qualifications, these contracts, which are subject to annual renewal, position Eco-champs as vital contributors to the ERS field projects. Participants operate from their home villages, with the support of local and traditional authorities, and receive invaluable in-service mentoring.

The Eco-champs have made a significant impact, assisting in the protection of over 30 springs and 15 000 ha of rangeland, managing over 5 000 livestock, and raising environmental awareness across 40 villages. Their outreach covers critical issues such as waste management, fire prevention, human-wildlife conflict, and ecotourism. The Eco-champs have also had the opportunity to learn agroecology, participate in traditional council meetings, and contribute to various research projects and the hydro-census mapping of springs.

This blending of local insights with scientific knowledge is creating a powerful force for conservation and community empowerment. The Eco-champs programme not only nurtures the environment, but also sows the seeds for sustainable livelihoods and knowledge development in the Eastern Cape.

SDG 15 continued

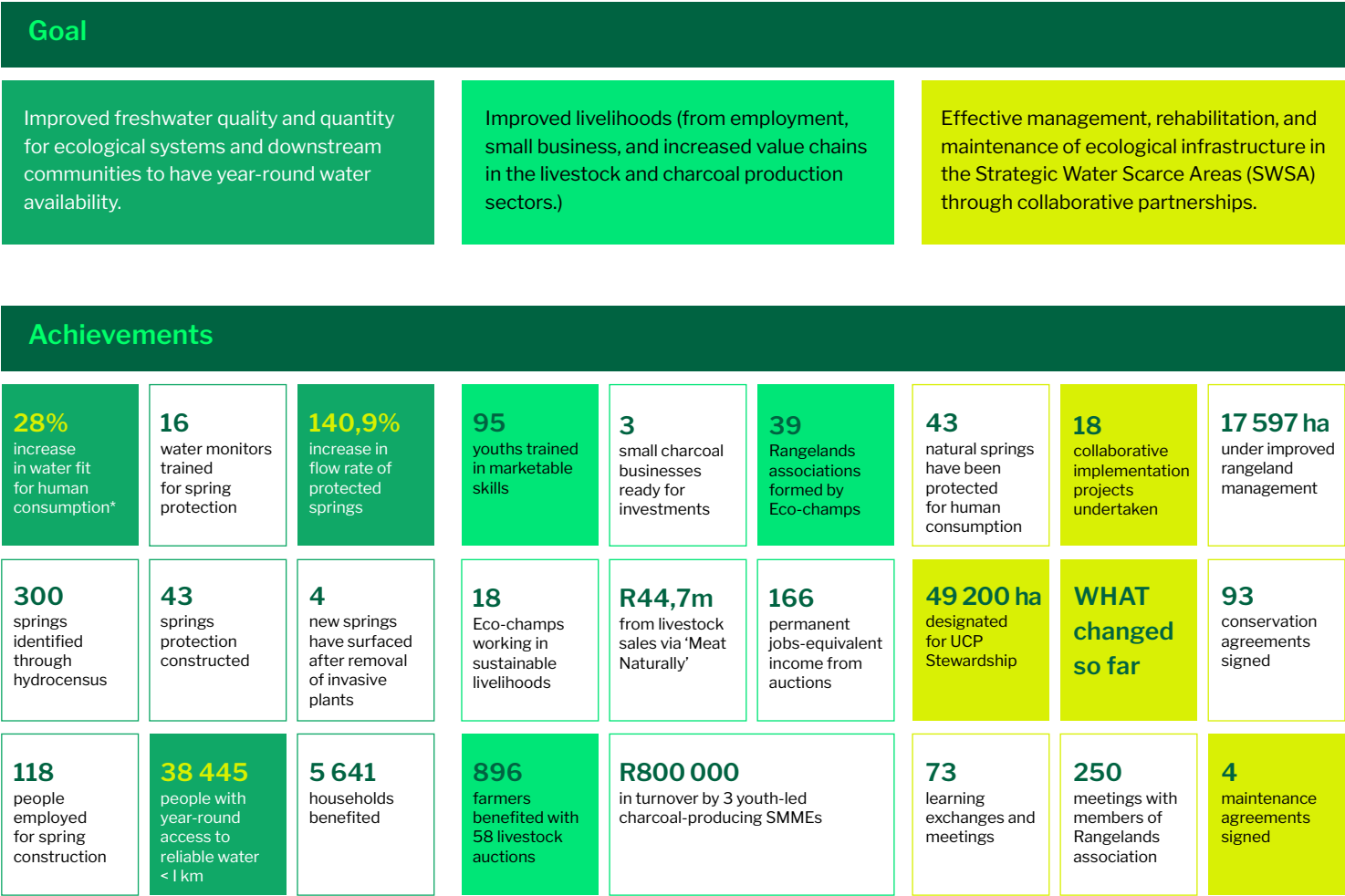
Partnering with WWF to protect vital catchment ecosystems

Our long-standing partnership with WWF is key in terms of our support for environmental, climate and biodiversity imperatives. Over the past 30 plus years the partnership has focused on different areas such as clearing alien invasive trees from water source areas, agricultural production best practices, and landscape conservation through community upliftment depending on the strategic needs and direction of both organisations.

Our current partnership is focused safeguarding critical water source areas, biodiversity hotspots and rural livelihoods, with a strong focus on the Eastern Cape. By driving collective action, we are helping to maintain and restore the ecological integrity of vital catchments. This will ensure that they continue to provide water, food and livelihoods; generate jobs and develop local SMMEs; as well as build climate resilience for local and downstream communities who rely on them.

The 2023 year was the 4th year of this partnership focus and great strides were made in co-funding key areas of WWF’s Conservation Strategy in particular investing in the uMzimvubu Catchment Partnership (UCP). Achieving the necessary scale of impact and change required to address the overexploitation of an already constrained natural resource base requires that we manage our ecosystems effectively and safeguard and optimise the resources they provide in a holistic and integrated manner. The partnership between WWF and Nedbank and Environmental Rural Solutions works to do this at a systemic, landscape level in the Eastern Cape and brings together multiple land users and funders, public and private sector business and industry partners, as well as communities ranging from smallholders, traditional authorities and local communities to civil society partners.

uMzimvubu Catchment Partnership successes (2019–2023)



Human capital, diversity and inclusion

Our employees remain one of our primary stakeholders and key contributors to Nedbank's ability to create long-term sustainable value and fulfil our purpose.

Collaboration and cooperation are at the heart of everything we do. We bridge silos within and across teams, clusters, and countries for the benefit of the organisation.
We are #StrongerTogether.



Value created for our employees and society in 2023

Our employees remain one of our primary stakeholders and key contributors to our ability to create long-term sustainable value and fulfil our purpose.

- We introduced The Nedbank Way, which is a set of culture principles that pave the way to help streamline, focus and accelerate our culture transformation efforts at individual, leader, team, and organisational level using evidence-based methods.
- We continued to invest in our people to promote productivity, career growth and mobility. We made an investment of R1,2bn in skills development and training during the year.
- We revamped our approach to talent acquisition, which significantly enhanced the experience of candidates and hiring managers through the introduction of streamlined onboarding processes and robust feedback mechanisms. This improvement expedited the hiring process and ensured a more engaging and informative experience for everyone involved.
- We won the LinkedIn Talents Insights Pioneer Award for South Africa for our innovative use of data analytics in shaping our talent strategy.
- We supported our employees in managing their mental, physical, and financial well-being, including 11 health-screening days (Bank on your well-being) across all campus sites attended by 1 611 employees.
- We continued to play a leadership role in mitigating South Africa's youth unemployment. In collaboration with our implementation partners 2 820 Youth Employment Service (YES) participants were recruited, further contributing to our impact on the lives of nearly 10 000 youth since the inception of the programme in 2019.
- We launched a new set of cloud-based human resource (HR) systems aimed at modernising our human capital and talent practices and improving the employee experience.
- Nedbank participated in the 2023 UN Women's Empowerment Principles (WEP) Gender Mainstream Awards and won the Gender Responsive Marketplace award and was ranked 2nd for listed companies in the 'Economic Empowerment' and 'Women in the Community' categories.
- We have contributed towards the Thuthuka Bursary Fund since 2006 and funded 45 students (R95 000 each), with the 2023 contribution amounting to R4,5m.
- During 2023 we were affirmed as a leading graduate employer of choice by winning the SAGEA Gold Award in the category of Best Integrated Campaign as well as the Silver Award in the category of Best Digital Campaign in 2023.
- In 2023 the Nedbank Educational Trust paid out R26m. This amount included a once-off donation of R12,5m to universities across the country, settling the debt of nominated high-performing disadvantaged students studying towards a qualification in the field of scarce and future skills.

Investing in our people

'Great place to work' NPS

20 ▼

(2022: 22)

Pulse survey,
September 2023

Increase in salaries and benefits paid

R21bn ▲

(2022: R19,9bn)

Ongoing investment in development and training

R1,2bn ▲

(2022: R939m)

YES work experience opportunities

2 820 ▲

(2022: 1 835)

Diversity, equity, and inclusion

'In my business area we value diverse backgrounds, talents and perspectives'

82% ►

(2022: 82%)

Pulse survey,
September 2023

Black (ACI)* representation in the workforce

82% ▲

(2022: 80,8%)

Female representation in the workforce

61,7% ►

(2022: 61,8%)

Increase in BBBEE skills development

19,91 ▲

(2022: 17,57)

A high-performing and healthy workforce

'My business cares about my overall well-being'

70% ►

(2022: 70%)

Pulse survey,
April 2023

'I feel a sense of belonging at Nedbank'

83% ▲

(2022: 76%)

Pulse survey,
September 2023

Average sick leave days taken

4,5 ▼

(2022: 4,7)

Well-being offerings use rate

17% ▼

(2022: 28,8%)

Employee relations

'At work, I am treated with respect'

82% ▼

(2022: 83%)

Decline in formal grievances

50 ▼

(2022: 109)

Decline in disciplinary incidents

1 745 ▼

(2022: 2 278)

Decline in CCMA referrals

67 ▼

(2022: 112)

* African, Coloured and Indian.

Talent management

The Nedbank Way: Stronger together

Regardless of how different our roles, our clusters, and our countries are, we are all Nedbankers. We have 1 share price. We win as 1 or we lose as 1. There is power in teamwork – working together, we can achieve more than we ever could individually. Collaboration and cooperation are at the heart of everything we do. We bridge silos within and across teams, clusters, and countries for the benefit of the organisation. **We are #StrongerTogether**

Our Talent Strategy is aimed at making Nedbank a beacon for skills growth and professional development, focusing on attracting, developing and retaining top talent. In the coming year, we plan to refine our talent management practices to better meet the bank's evolving needs and ensure a cohesive approach across all talent functions. This streamlined and strategic focus on talent management is vital for achieving our organisational objectives and reinforcing Nedbank's position as a leader in the financial sector.

Our investment in nurturing young talent goes beyond our organisational strategy; it reflects our deep-rooted commitment to SA's future. By intensifying our focus on young talent programmes, especially in areas of scarce and critical skills, we are not only shaping Nedbank's talent pool but also bolstering the nation's pool of future-focused capabilities. This approach to fostering a pipeline of emerging talent is a testament to our dedication to the sustainable growth and innovative advancement of both our organisation and SA.



‘I have a clear understanding of what is expected of me to fulfil my role.’

90%
(2022: 89%)

‘In my team we deliver service excellence for clients.’

91%
(2022: 92%)

Nedbank Pulse Survey, April and September 2023





Talent management continued

Total number of employees • ESG •	2023	2022	2021
SA permanent employees at the beginning of the year	22 521	23 081	24 492
Recruitment	1 212	1 385	747
Conversion of employees to permanent roles	594	514 ¹	94 ¹
Exits (actual year to date)	(2 065)	(2 421)	(2 201)
Resignations	(1 316)	(1 645)	(1 434)
Deaths	(34)	(46)	(101)
Dismissals	(241)	(276)	(254)
Retirements	(277)	(256)	(286)
Retrenchments	(75)	(63)	(70)
Emigration	(46)	(49)	(42)
Disability	(75)	(84)	(9)
Other ²	(1)	(2)	(5)
Reclassification from permanent employees	(39)	(38)	(51)
SA permanent employees at 31 December 2023	22 223	22 521	23 081
Temporary workforce on payroll			
Contractors and financial planners	834	961	1 129
International employees ³ – excluding Nedbank Africa Regions (NAR)	241	233	326
NAR employees	2 117	2 149	2 262
Eswatini	324	306	319
Lesotho	277	277	285
Namibia	743	722	756
Zimbabwe	311	293	307
Mozambique	462	551	595
External entities (Holsboer vacation employees)	62	60	63
Total group headcount at 31 December 2023	25 477	25 924	26 861
Contingent non-permanent workforce	507	556	442
Hourly-paid temporary employees	6	9	15
Non-payroll contingent workforce	501	547	427
Total workforce at 31 December 2023	25 984	26 480	27 303
YES participants	623	583	724
YES Programme participants in Nedbank	613	583	146
YES Programme participants with Nedbank partners	10	–	578
Total workforce including YES at 31 December 2023	26 607	27 944	28 027
Total attrition rate (%) ⁴	9,2%	10,6%	9,3%
Voluntary attrition rate	6,1%	7,4%	6,0%
Voluntary regrettable attrition rate	3,8%	5,0%	3,4%

¹ The 2021 and 2022 YES conversions were reported as new hires. Since then, a business rule change to align with reporting for the Department of Labour (DoL) has been introduced.

² Includes employees who exited with undefined reasons.

³ Reporting of employee information is subject to country-specific legislation.

⁴ Total permanent terminations in all categories, divided by the average permanent headcount for the reported period.

Talent attraction

In 2023 Nedbank reaffirmed its commitment to employees as key drivers of long-term and sustainable value. Our Talent Acquisition Strategy centres on making the bank a hub for skills development and growth, crucial for attracting, nurturing, and retaining talent.

We navigated the complex terrain of talent acquisition, facing challenges that ranged from acquiring scarce and critical skills to competing in a fiercely contested talent market, while strategically managing the costs associated with securing top talent.

In a transformative journey, the group revamped its approach to talent acquisition, achieving remarkable milestones. The experience of candidates and hiring managers was significantly enhanced through the introduction of streamlined onboarding processes and robust feedback mechanisms. This improvement not only expedited the hiring process, but also ensured a more engaging and informative experience for everyone involved. We also achieved efficiencies in high-volume hiring, attributed to the optimisation of hiring processes and the integration of advanced technologies, making it easier to handle high application volumes while ensuring hires of high quality.

A significant milestone was the establishment of the Talent Research Desk and the Community of Practice. These initiatives elevated the talent acquisition practice to new heights, fostering a culture of continuous learning and collaboration among professionals.

Nedbank gained recognition in the industry by winning the LinkedIn Talents Insights Pioneer Award for South Africa for its innovative use

of data analytics in shaping its talent strategy. This approach not only refines the recruitment process, but also provides valuable insights into market trends, candidate preferences, and performance metrics, enabling more informed decision-making and strategy formulation in talent management.

Looking forward, we will continue to focus on enhancing the efficiency of our talent acquisition model to continuously improve and align our practices with our goal to attract, develop, and retain a diverse and skilled workforce.



Talent managementcontinued

Permanent and temporary hires •ESG•

We believe that diversity is our strength, and over the past year we have made substantial strides in enhancing the diversity of our workforce. Our new-hire data from 2022 to 2023 shows an encouraging trend towards a more diverse and inclusive workplace.

Compared with the previous year, we have seen an increase to 55,4% in the appointment of permanent female employees (2022: 52,3%). The intake of younger employees also increased, demonstrating support for a more diverse workforce.

Our commitment to enhancing diversity across all age groups is demonstrated by the Gen-Z population of new hires, illustrating a significantly high representation of appointments among all generational groups hired in 2023.

The recruitment of new permanent employees decreased marginally by 56 people yoy. This highlights Nedbank's responsibility as employer, as preference is often given to suitable internal candidates from the Organisational Redeployment Pool (ORP). The high rate of African appointments (2023: 58,8%; 2022: 65,1%) demonstrates our focus on accelerating the representation of African talent in our transformation agenda.

Female representation in permanent new hires was 55,4% (2022: 52,3%), supporting the group's commitment to diversity, equity, and inclusion in Nedbank's workforce.

Female representation in permanent new hires

55,4%

Permanent new hires by gender	2023	2022	2021
Female	672	664	388
Male	540	604	386
Total	1 212	1 268	774
Temporary new hires by gender			
Female	334	378	374
Male	206	320	324
Total	540	698	698

Almost 80% of all permanent new hires are younger than 40 years to ensure that Nedbank has an adaptive and sustainable workforce, keeping the organisation competitive and forward-looking.

Permanent new hires by age	2023	2022	2021
< 20 years	4	1	2
20–29 years	365	448	263
30–39 years	583	583	364
40–49 years	220	189	120
50–59 years	39	46	24
60–69 years	1	1	1
Total	1 212	1 268	774
Temporary new hires by age			
< 20 years	4	4	45
20–29 years	267	332	380
30–39 years	158	233	168
40–49 years	61	67	57
50–59 years	14	21	28
60–69 years	36	138	19
≥ 70 years	–	–	1
Total	540	698	698

The increase in middle- and senior-management hires yoy, complemented by the decrease in junior-management hires, supports Nedbank's workforce shift from a pyramid to a diamond shape for a more agile, flexible, and higher-skilled workforce.

Permanent new hires by occupational level	2023	2022	2021
Top management	–	–	–
Senior management	68	47	46
Middle management	652	649	437
Junior management	490	542	265
Semi-skilled	2	30	26
Total	1 212	1 268	774
Temporary new hires by occupational level			
Top management	–	–	–
Senior management	3	3	2
Middle management	70	88	57
Junior management	452	590	514
Semi-skilled	15	17	125
Total	540	698	698



Talent management continued

Succession planning

Succession planning, especially at cluster and Exco level, remains a priority and is aligned to our talent-build strategy. A gradual shift in the profile of leadership roles at cluster Exco level is expected to continue, as Nedbank evolves to meet changing market and client demands.

The demographic representation of our internal succession pipeline reflects younger and more diverse emerging talent being added to succession plans.

Succession planning progress	yoy change	2023 %	2022 %
Attrition of cluster Exco succession talent	▼	6,1	6,7
Risk of loss of cluster Exco successors ¹	▲	28	26
Black (ACI) and African cluster Exco successors	▲	62,5	62,2
Number of Group Exco successors	▼	61	63
Black (ACI) and African Group Exco successors	▲	55,7	52,4

¹ Risk of loss is defined as the possibility that an employee will leave Nedbank or their current position in the next 6 to 12 months. Managers assess the risk of loss (high, medium or low) based on a review of their retention drivers, balanced with risk mitigants that may influence their decision.

In 2023 the retention of cluster Exco successors improved, with attrition of succession talent decreasing to 6,1% (from 6,7%

in 2022), indicating improved retention of valuable and high-performing talent.

The number of cluster Exco incumbents reflected as a high risk of loss remained stable. However, the risk of loss for cluster Exco successors increased from 26% to 28% from 2022 to 2023, highlighting the continued need for focused retention

pipeline building and driving retention initiatives. Black (ACI) and African bench strength improved significantly due to improved successor readiness in the 'short-term (ready now) cluster Exco succession' category and the addition of new emerging talent.

Exco successors
increased to
28%

The Group Exco succession population decreased from 63 in 2022 to 61 in 2023 because of the appointments that were made. The representation of black (ACI) successors increased from 52,4% in 2022 to 55,7% in 2023. In addition, the Group Exco succession plan reflected a strong succession coverage ratio at 5:1 against the industry benchmark of 3:1. This suggests that succession risk is being managed well.

Black (ACI)
successors
increased to
55,7%

Performance management is one of our key people practices. During these discussions, growth and development is key to the conversation. Individual development plans (IDPs) are central to the career pathing of individuals. It is expected that all employees, especially identified successors of cluster Exco and other key roles, have formal IDPs. The completion of IDPs is closely monitored and regular updates are provided to the executive team.

Talent Mobility •ESG•

Our Talent Mobility practice supports career growth and advancement, promoting purposeful movement within the organisation from role to role at leadership, professional and operational levels to where the talent is needed in response to business requirements.

We exceeded our talent mobility target of 20% in 2023, with the group achieving a 21,2% (4 761 employees) talent mobility rate. Black (ACI) employees accounted for 86,1% of talent mobility opportunities in 2023 (2022: 85,3%) and female employees made up 65,3% of internal mobility candidates (2022: 64,4%).

	yoy change	2023 %	2022 %	2021 %
Talent mobility	►	21,2	21,3	18,0
Black (ACI) employees	▲	86,1	85,3	85,5
African employees	▲	58,7	55,7	56,9
Females	▲	65,3	64,4	64,7
African females	▲	40,9	36,9	38,5

Attrition •ESG•

Our total permanent workforce in SA decreased by 298 employees in 2023 (2022: 823). The reduction in the workforce was mainly through natural attrition and proactive vacancy management aligned with Nedbank's strategic workforce plan.

- Nedbank's attrition rate decreased from 10,6% in 2022 to 9,2% in 2023.
- Evidence of a reshaping and shrinking workforce is reflected in the higher attrition rate of 9,2% (2022: 10,6%) compared to the external recruitment rate of 5,4% (2022: 5,6%).
- We continued to encourage employees to upskill and reskill themselves to fill available vacancies internally, where possible.

Attrition
decreased to
9,2%

SA permanent employees attrition	yoy change	2023	2022	2021
Average permanent headcount in SA	▼	22 424	22 811	23 743
Reduction in permanent headcount in SA – number of employees	▼	298	823	1 411
Attrition rate	▼	9,2%	10,6%	9,3%
Recruitment rate	▼	5,4%	5,6%	3,1%



Talent management continued

Voluntary and regrettable voluntary attrition • ESG •

The attrition rate refers to the percentage of permanent employees who leave the organisation. We distinguish between the following attrition types:

- **Involuntary attrition:** Individuals leaving the organisation because of a disciplinary matter, retirement, disability, etc.
- **Voluntary attrition:** Individuals resigning for a specific reason (eg emigration and better career prospects).
- **Voluntary regrettable attrition:** A subcategory of voluntary attrition of high-performing employees at managerial level and of certain demographics.

Attrition by type	yoy change	2023	2022
Exits	▼	2 059	2 421
Voluntary attrition	▼	1 374	1 696
Voluntary attrition rate	▼	6,1%	7,4%
Involuntary attrition rate	▼	3,1%	3,2%
Voluntary regrettable attrition rate	▼	3,8%	5,0%

Voluntary attrition decreased from 7,4% in 2022 to 6,1% in 2023. Involuntary attrition improved marginally yoy.

The decline in the regrettable loss attrition rate is indicative of the talent retention strategies that have been implemented to entice top talent to remain with the organisation.

Exits by category

In line with the decreased overall attrition rate, there has been a decrease in the attrition rate for all race and gender groups on all occupational levels for permanent employees.

Exit of permanent employees by race	2023	2022
African	1 041	1 229
Coloured	344	365
Indian	252	326
White	397	469
Foreign nationals	25	32
Total	2 059	2 421

Exit of temporary employees by race	2023	2022
African	194	217
Coloured	48	60
Indian	42	29
White	98	94
Foreign nationals	10	8
Total	392	408

The increase in females exiting the organisation is reflective of a workforce with a higher percentage of females.

Exit of permanent employees by gender	2023	2022
Female	1 196	1 368
Male	863	1 053
Total	2 059	2 421

Exit of temporary employees by gender	2023	2022
Female	218	207
Male	174	201
Total	392	408

The highest attrition rate for permanent employees was in the category 60 to 69 years, which is the normal trend given the number of employees in that age group who retire.

Exit of permanent employees by age	2023	2022
< 20 years	1	-
20–29 years	270	330
30–39 years	849	1 104
40–49 years	469	550
50–59 years	242	252
60–69 years	228	185
Total	2 059	2 421

Exit of temporary employees by age	2023	2022
< 20 years	1	4
20–29 years	117	151
30–39 years	111	121
40–49 years	48	51
50–59 years	29	28
60–69 years	80	49
≥ 70 years	6	4
Total	392	408

Exit of permanent employees by occupational level	2023	2022
Top management	1	1
Senior management	81	83
Middle management	793	1 061
Junior management	1 174	1 244
Semi-skilled	10	32
Total	2 059	2 421

Exit of temporary employees by occupational level	2023	2022
Top management	-	-
Senior management	9	7
Middle management	73	54
Junior management	301	334
Semi-skilled	9	13
Total	392	408

Managing redundancies through redeployment, reskilling and upskilling

Nedbank, as a responsible employer, remains committed to minimising the impact of digitisation and organisational restructure on its employees at all costs. The Agility Centre was established to uphold this commitment, recognising the challenges faced by affected employees and the need to support them through the process.

Through the Agility Centre we proactively empower potentially impacted employees before the anticipated organisational change. This includes using strategic workforce planning to continuously seek opportunities to reskill and upskill employees with capabilities that are at risk of being outdated, with the aim of upskilling, reskilling, and redeploying them internally as far as it is practicable in line with the changing skills demands of the organisation. Ongoing operating model changes to ensure greater efficiency, effectiveness, and an improved client experience (CX) continued during 2023, impacting several employees.

Agility Centre value chain

The Agility Centre, in collaboration with internal and external partners, supports employees at various stages in their career life cycle to assess, consider and pursue opportunities that will assist in future-proofing their careers, while empowering them to navigate the future of their careers and be more resilient at or beyond Nedbank.

@Risk

Employees working in jobs vulnerable to operating model changes and expiring skills

- Career coaching and support
- Access to targeted reskilling and upskilling opportunities
- Capability and interest assessments related to the employee and not to a specific job
- Access to content on future-proofing careers
- ‘Next career’ options aligned with internal and external future skills
- Proactive internal redeployment
- Side hustles
- Well-being support
 - » Emotional well-being
 - » Financial well-being
 - » Physical well-being
 - » Building resilience

@Impact

Employees impacted directly by changes in the organisation.

3 months

- Robust outplacement services, including the following:
- Process readiness training
 - » CV-writing and interview skills
 - » Personal branding sessions
 - » Building resilience
 - Redeployment support
 - » Prioritisation of application for roles inside of the organisation
 - » Proactive internal redeployment
 - » External redeployment
 - Employee information sessions
 - » Benefits sessions
 - » Personal finances
 - » Budgeting support
 - Career assessment
 - Access to financial advisers
 - Career coaching and support
 - Well-being support
 - » Emotional well-being
 - » Financial well-being
 - » Physical well-being

@ Post exit

Employees who exited the ORP due to internal placement or retrenchments.

Up to 6 months

- Support in new role
 - » Settling into the new role – first 90 days
 - » Bridging the skills gap
 - » Managing survivor’s guilt
- Prioritisation (as an internal applicant) of application for suitable roles inside of the organisation

Outcomes

- Continued employment within the bank.
- Upskilled and reskilled employees for meaningful internal and external opportunities.
- Support for employees to pursue entrepreneurial opportunities.
- Opportunities to re-enter the organisation.

Talent management continued

During 2023, 605 employees entered the Organisational Redeployment Pool (ORP) compared with 2022 (347). With the ongoing focus on upskilling and reskilling our workforce, 69,6% (2022: 64,5%) of our employees were redeployed in other roles within the organisation. As a result of the extensive effort to redeploy impacted individuals, there was a lower proportionate increase in retrenchments.

• ESG •	yoy change	2023	2022
Affected employees			
Entered ORP	▲	605	347
Redeployments	▲	421	224
Total exits	▲	94	84
Retrenchments	▲	75	63
Dismissals	▲	6	2
Retirements	▼	1	6
Resignations/Contracts expired	▲	7	5
Other	▼	3	8
Employees still in ORP	▲	90	39

This confirms Nedbank’s continued commitment to retrenchment as a last resort while advancing efforts to assist impacted employees to better position themselves for alternative work opportunities either within or outside Nedbank. Our Retrenchment Policy is underpinned by the Labour Relations Act, 66 of 1995 (LRA), setting out a rigorous consultation process to seek alternatives with which Nedbank closely aligns in terms of the ORP and Agility Centre. Nedbank also compensates retrenched employees with 2 weeks’ salary for each completed year of service, which exceeds statutory requirements of 1 week’s salary for each year of completed service.

In addition to the hands-on and people-centred support of HR and business teams across the organisation, our Agility Centre performed the following:

- Provided ongoing support to impacted employees during their job searches to steer them towards considering and applying for internal redeployment and/or external opportunities.

- Identified and shared digital learning programmes available through the Digital Learning Platform (DPL).
- Provided specialised group and individual career coaching services to affected employees.
- Assisted affected employees in identifying, creating and articulating their personal brand, strengths and interests beyond Nedbank.

During 2024 the focus will be on upskilling employees on critical skills, embarking on proactive career change enablement, and supporting processes for employees vulnerable to expiring skills. This approach aims to empower affected employees to navigate bank-related operating model changes and emerge stronger and more resilient in their careers at or beyond Nedbank.

Young talent

Nedbank aims to position itself as young talent employer of choice and skills growth magnet to attract, grow and retain the best young talent, creating a sustainable talent pipeline of emerging critical scarce skills and capabilities.

This is achieved through our investment in internal and external young talent for the organisation through the Nedbank External Programme, Nedbank Graduate Programmes, YES Programme and other initiatives.

External Bursary Programme

The Nedbank Educational Trust awarded 95 bursaries in the 2023 academic year (2022: 76) to the value of R26m (2022: R24m). This includes a once-off donation of R12,5m to various universities across the country, settling the debt of nominated high-performing disadvantaged students studying towards a qualification in the field of scarce and future skills, with specific emphasis on green-economy skills, as depicted in the following below:

Nedbank Educational Trust awarded

95

bursaries

• ESG •	yoy change	2023	2022
Bursaries			
New bursaries (2023 intake)	▲	57	25
Current bursaries (2022 and earlier)	▼	34	45
Total undergraduates	▲	91	70
Postgraduates (limited to prior undergraduates in the Bursary Programme)	▼	4	6

Qualifications funded through the Nedbank External Bursary Programme in 2023:

- 47% related to Science, Technology, Engineering, and Mathematics (STEM), including a mix of Engineering, Actuarial Science, Data Science, Applied Mathematics, and Information Systems;
- 30% related to studies in medicine as an imperative for SA; and
- 23% related to green economy studies ESG and commerce.

The 12 students who achieved 75% and above during the 2022 academic year each received an achievement award of R5 000.

47%

of busary funded qualifications are related to STEM

The Thuthuka Bursary Fund

Nedbank donated towards the Thuthuka Bursary Fund (TBF), which the South African Institute of Chartered Accountants (SAICA) established in 2005. TBF assists disadvantaged African students in becoming chartered accountants (CAs) by providing funding for their university academic studies.

Nedbank has been contributing towards TBF since 2006 and funds 45 students per year at R95 000 each, with the 2023 contribution amounting to R4,5m.

Almost half of the Nedbank CA Training Programme annual intake comprises of TBF beneficiaries to complete their articles to become qualified CAs.

Talent management continued

Nedbank Graduate Programmes • ESG •

Nedbank's investment in young talent expresses our commitment to nation and talent building, underpinned by unlocking the potential of our young talent. We believe that the future belongs to the youth. Our graduate programmes are our investment into Nedbank's future leadership, establishing a young talent pipeline to fill scarce skill leadership roles in the organisation. The programmes aim to realise the value that young talent can bring to the organisation, helping graduates unlock their potential and grow their leadership capabilities.

As part of Nedbank's aspiration to be an employer of choice that builds, attracts, and retains critical talent and skills, the bank had an intake of 89 new graduates (2022: 86) across various programmes outlined below.

Programme	Intake yoy	2023	2022		2021	
		Intake	Intake	Absorption %	Intake	Absorption %
CA Training Programme	▲	9*	7	100	9	58
Quants Graduate Programme	▲	16*	10	82	12	92
CIB Graduate Programme	▲	31	30	100	15	100
RBB and Compliance Graduate Programme		–	–	–	–	50
Group Risk Graduate Programme	▼	–	21	48	–	–
NAR Graduate Programme	▼	–	12*	–	–	–
Wealth Graduate Programme	▲	9*	6*	–	–	–
Group Technology Graduate Programme	▼	24	31	77	51	–
Total		89	86	80	87	60

* Graduates who are not yet eligible for absorption as the programme is still ongoing.

Absorption percentages depend on the length of the programme (12, 18, 24 or 36 months) and may therefore include graduates from previous years.

Of the graduates that were eligible for absorption in 2023, 80% were retained following the completion of the various graduate programmes in 2023.

The potential of young talent is unlocked through a blend of curated learning experiences. This includes mentorship, self-paced digital learning via platforms like LinkedIn Learning and Coursera, university-partnered academic training, and immersive on-the-job experiences through rotational programmes. Alongside professional development, we emphasise the importance of well-being and mental health, ensuring a holistic growth environment for our young professionals.

Our graduate intake is realised through impactful and award-winning marketing strategies and seamless recruitment processes that continue to position Nedbank as a leading graduate employer of choice. This is affirmed by Nedbank winning the SAGEA Gold Award in the category of Best Integrated Campaign as well as the Silver Award in the category of Best Digital Campaign in 2023.

In 2023 our programmes embraced a hybrid student engagement model with compelling in-person and virtual student experiences, including hosting and participating in career fairs, webinars, career showcase events and lecture talks and using social-media platforms.

Engaged
with over
20 000
university
students in SA

These channels afforded Nedbank purposeful engagement opportunities with over 20 000 South African university students.

Nedbank uses its financial expertise to do good by empowering South African youth with the tools and knowledge to make informed purpose-driven career choices. This is evidenced by participation in various career exhibition initiatives across the country.

Noteworthy initiative participations include the following:

- **North West Provincial Treasury** hosted a commercial-career exhibition with the aim to educate and empower learners to make informed career choices in the field of commerce. Nedbank actively participated in the event, exposing attendees to various career opportunities in financial services. Nedbank also positioned its Bursary Programme for matriculants looking to study in 2024, including early-career opportunities in the bank through the Nedbank YES Programme. The event was well attended and supported by the Executive Mayor of the North West.



Talent managementcontinued

- Nedbank hosted a **Group Technology and GirlCode career day**, offering students from previously disadvantaged communities an exciting opportunity to learn about careers in technology. Students learnt more about women in tech, their roles, and how technology is shaping the financial services industry. This initiative promoted emerging skills and capabilities as the youth starts to consider their future academic and career paths. The non-profit organisation, GirlCode, aims to empower 10 million women and girls by 2030 by creating a network of women who are highly skilled in software development and leadership skills.

Youth Employment Service (YES) •ESG•

The YES Programme is a business-led collaboration with government to reduce unemployment by providing unemployed youth with an opportunity to develop new skills and gain meaningful workplace experience that, in turn, will significantly improve their chances of finding long-term future employment. YES is a non-profit organisation that connects businesses with unemployed youth to create quality work experiences. The programme aims to address the country’s youth unemployment crisis by empowering businesses to create 12-month quality work experiences for unemployed young people.

The objectives of YES resonate strongly with Nedbank’s purpose. In addition to this, Nedbank recognises this programme as integral to its talent pipeline, bringing in young talent who can make a difference in



the organisation. As a purpose-led organisation, we strongly believe that our business success cannot exist in isolation from the communities in which we operate. Nedbank’s participation in the YES Programme is an investment in building a sustainable and more inclusive economic future for SA.

Nedbank has been participating in this initiative since its inception in 2019, and created nearly 10 000 work experience opportunities during this period. Over 1 700 of those work experience opportunities have been at Nedbank.

Nedbank converted over 1 000 of those work experience opportunities into permanent offers or continued contract employment at the end of the respective programme years. This represents an absorption rate of more than 10%, which is 4 times the YES Programme guideline of 2,5%.

In 2023 Nedbank absorbed over 250 participants from the 2022 YES Programme intake in our business environment, resulting in an absorption rate of more than 40%. The majority of participants were absorbed in Retail and Business Banking (RBB), Corporate and Investment Banking (CIB), and Group Technology where they fulfil various roles ranging from client-centred to data-driven roles.

Nearly
10 000
YES work
experience
opportunities
created



At the 2023 ESG Africa Conference Nedbank was recognised not only for being the biggest contributor to the YES Programme among South African banks, but also for the purpose-driven social impact it has realised through the YES Programme over the years.

**Biggest
banking
contributor
to YES**

This scale and impact were achieved through YES participants gaining valuable work experience, either at Nedbank or at our strategic implementation partners.

Our strategic implementation partners include organisations in sectors related to the green economy, agriculture, renewable energy, and environmental conservation.

Talent management continued

• ESG •

YES work experience opportunities

yoy change	2023	2022
▲	643	626
▲	1 174	846
▲	843	363
	110	
	10	
	40	
▲	2 820	1 835

Of the 626 YES participants based at Nedbank during 2022, 252 were offered permanent employment.

The effectiveness of the programme is supported and enabled by Nedbank site visits to provide monitoring and guidance to Nedbank implementation partners, ensuring an aligned purpose-driven and sustainable approach to the overall programme.

Nedbank remains committed to empowering our youth and being part of a collective effort to address the youth unemployment crisis facing our country.

Learnerships and internships

Nedbank continues to make a meaningful contribution towards mitigating skills shortages and youth unemployment through learnerships and internships.

61

CIB graduates were permantely employed

The **CIB Graduate Programme** is a real success story. This 2-year programme focuses on creating pipelines for strategically important roles in the business. An absorption rate of 100% was realised in 2023, with 61 CIB graduates joining the organisation after completing the programme (2022: 105).

The Nedbank **CA Training Programme** is another that focuses on creating talent pipelines, and 10 of the 12 participants who enrolled in the programme were absorbed in 2022.

We also introduced new learnerships and internships:

- The Wealth Adviser internship with 6 participants will conclude in 2024. The 2023 internship with 9 participants will conclude in 2025.

- The Faculty Training Institute Applied Programme in Business Analysis had 9 learners.
- The 16 unemployed learners who participated in the Agile Banking Professional Plus Programme were all employed permanently on completion of the programme in 2023.

• ESG •

yoy change	2023	2022	2021
▲	2 743	1 796	1 937
▲	2 598	1 733	2 647
▲	145	63	290*
▲	114	63	36**
▲	86%	85%	90%

* Unemployed number includes black (ACI) and white learners and interns.
 ** Absorption relates to black unemployed learners and interns.

As is evident from the table above, we continued to prioritise the development of Nedbankers while also contributing to the development of unemployed youth in line with our strategy. The focus for learnerships and internships was on the development of our pipeline across middle- and junior-management levels. The latter should be considered over and above Nedbank's investment in the YES Programme, which also targets unemployed youth.

Mentoring and coaching

Nedbank recognises the importance of building contextual capability and skills through mentoring and coaching. In 2023 we refreshed our coaching practices that now allow for internal and external coaching, helping the development of leadership skills and capabilities impacting on successor readiness, retention, and talent mobility.

For the first time in 2023 Nedbank built a formalised mentoring strategy and framework that not only facilitate formal mentoring to transfer skills and knowledge to our young talent, but also support career mobility and growth. From 2024 employees will be able to find and work with mentors across Nedbank to drive their own development and growth.

Strategic workforce planning

Nedbank requires a steady supply of the right talent and skills, with the right demographic composition, at the right time and cost to meet our rapidly changing business demands and execute our business strategies. Our Human Capital Strategy is the backbone of mitigating people risk, with a particular emphasis on talent building, informed by integrated cluster Strategic Workforce Plans (SWPs) and the Equal Employment (EE) Plan. The integrated enterprisewide SWP and EE Plan seek to unlock this objective and should be seen as supplementary to the Human Capital Strategy, which sets out to position Nedbank as an employer of choice.

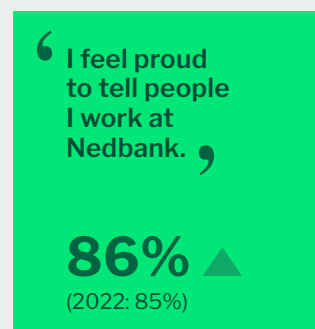
These plans address the proactive reshaping, resizing, as well as skills and demographic transformation of our workforce to preserve our competitiveness, now and in the future. They also address current workforce supply and demand in line with Nedbank's strategic objectives and operating requirements. The enterprisewide SWP is a culmination of bottom-up cluster SWPs for the period 2023 to 2026, considering external shaping forces and leveraging data-driven decisions to inform planning and tactical talent strategies to mitigate people risk and create sustainable talent pipelines. These plans form the foundation for cluster talent risk mitigation through the execution of dedicated transformation acceleration strategies to proactively identify scarce skills and transformation risks, directing focused workforce strategies and actions for enterprisewide workforce gaps to maximise business value.

Ongoing operating model changes, including process modernisation and the introduction of new capabilities such as generative artificial intelligence (GenAI), will impact the skills that Nedbank requires today and in the future, with the demand for scarce and critical skills exceeding supply in the market. The scarcity of skills contributes to elevated people risk for the global financial services industry. In a South African context it is exacerbated by the underrepresentation of black talent (specifically African and female candidates at certain levels).

Human-centred leadership and culture

The Nedbank Way: Put purpose into practice

Our purpose connects and unites us. It is how we create value, which is the one constant in a world of change. It focuses our attention and channels our efforts. Our purpose defines how we see our role in society – a catalyst for growth and an unstoppable force for good. We cannot be a successful business in an unsuccessful society, and we know that purpose-led business is good business. We make tough decisions to balance short-term profit with long-term value. We have always been the green bank and our commitment to our purpose, people and planet is our key differentiator. We resolutely commit to a green economy, and a thriving, vibrant, healthy, and sustainable African future.



Nedbank Pulse Survey, April and September 2023

Leadership and an adaptive culture are critical in creating an enabling environment to successfully deliver on our business strategy and our purpose. Both are instrumental in our ability to attract and retain talent, ensuring that Nedbank is a great place to work, grow and bank.

The power of empathic, inclusive, and engaged leadership cannot be overemphasised. In 2023 we continued to embed our human-centred leadership philosophy. Our approach expects leaders to perform 6 interrelated roles critical to our culture transformation and organisational success. This includes the requirement to build, coach and grow talent.

Role of a leader at Nedbank

- **Client experience (CX):** Deliver market-leading, trusted, and caring experiences.
- **Human-centred and self-leadership:** Inspire, empower, develop, and mobilise people.
- **High performance and purpose-led:** Create a culture of purpose-led, client-centred, and value-driven performance.
- **Innovation:** Be a visionary who shapes the future and pioneers new solutions.
- **Execution and learning:** Consistently get things done. When we fail, we fail fast and learn faster.
- **DEI:** Intentionally drive diversity, equity, and inclusion.

To measure our progress on our leadership and culture transformation journey, aside from intervention-specific measures, biannual Pulse surveys provide us with feedback from our

workforce. For senior leadership, we also use the Leadership, Values and Culture (LVC) goal and LVC 360-degree feedback survey to measure our progress and provide actionable feedback for leadership development and growth.

Rather than a lengthy annual survey, Nedbank runs 2 shorter Pulse surveys (workforce engagement surveys) each year comprising, on average, 14 questions including free-text and closed-ended questions.

The Pulse survey enables real-time reporting, text and sentiment analysis, and dashboards that drill down into the data according to our organisational and financial structure and workforce demographics.

Dashboard access is given to different levels of leadership and human capital

representatives across the organisation. Following each Pulse survey, the results are discussed from team level up to group level with one or two key action items selected to work on.

We measure leadership, diversity, equity, inclusion and belonging, psychological safety, ethics, decision-making and empowerment, technology, collaboration, growth and development, and internal efficiency. We measure our overall workforce experience and engagement through our Great Place to Work and Great Place to Bank Net Promoter Scores (NPS).

Overall response rates are high (76% in September 2023 and 77% in April 2023) equating to the voice of almost 23 000 Nedbankers. Since first implemented in 2020, the trend has been positive and our

Human-centred leadership and culture continued

favourability scores range has improved (from our initial 55% lowest favourability score and highest 85% to our lowest at 60% and highest at 91% in 2023).

Notable group-level trends of demographic outcomes include the impact of work location (with those working mostly or fully remote more favourable), males tending to be more favourable than females, new joiners (up to 2 years) and those with 10+ years' tenure most favourable, and increasing favourability with management level. Outcomes by race tend to be mixed with no or few statistically significant differences.

We know that WX = CX (workforce experience = client experience). Understanding what is top of mind for our people, and regularly checking in with them, provides us data-driven insights that we can act on more quickly at all levels of the organisation as we work together to improve our employee experience, support and enable our People Promise, and ensure that Nedbank is a great place to work and grow for all.

In 2023 we made significant strides in our leadership and culture transformation journey as we continue to evolve in meeting the changing needs of our workforce, our clients, the market, and operating context. Our Pulse survey and LVC practice outcomes indicate that we are making good and steady progress, but there is still work to be done. Leadership and culture change is a slow process that requires ongoing adaptation. We have built and will maintain good momentum as a key element of our business and people strategy going forward.

We predict that the introduction of The Nedbank Way (our culture principles), including our use of behavioural economics to change associated behaviours, will direct, shape and enhance our culture.

As the war for talent escalates and the size and composition of our workforce continues to shrink and change, our culture, supported and enabled by human-centred leadership, will continue to provide a source of competitive advantage that differentiates us from competitors.

Key 2023 leadership and culture initiatives
The Nedbank Way

Leadership and culture activities

1

The Nedbank Way

2

Enterprisewide CultureShift initiative

3

Nedbank Annual Leadership Engagement

4

LVC goal and 360-degree feedback

5

Continuation of FLOW time

In 2023 we simplified and condensed the culture and leadership work we have been doing to make it practical and relatable for all Nedbankers.

The outcome of this was the introduction of The Nedbank Way – a set of 7 behaviour-based culture principles that clearly describe the Nedbank culture and how we do things at Nedbank in a practical and actionable way that all Nedbankers can live by.

We established a culture Behavioural Insights (BI) unit, which will use an evidence-based approach for deeper and sustainable culture transformation aligned with The Nedbank Way. In 2023 the focus was on establishing the unit and conducting research to identify high-impact issues relative to culture transformation.

These culture principles will also be used as key design principles in our HR transformation product envisioning to ensure that our reimagined people practices and processes make it easy for Nedbankers to live The Nedbank Way.

This critical piece of work is the next evolution in our culture transformation journey. It lays the foundation for all of our leadership and culture transformation work going forward, helping us streamline, focus, and accelerate our culture transformation efforts at individual, leader, team, and organisational levels using evidence-based methods and enhancing our Employer Brand Strategy.

Enterprisewide CultureShift initiative

To enable an adaptive culture we need to create an environment where our people are encouraged and inspired to speak up and challenge the status quo for good, and to think and act differently. In August 2022 we launched an initiative called CultureShift, providing content to employees to start having different conversations in the organisation. Conversation and engagement are 2 powerful ways to inspire and intrigue people to question how they see their world and our world at Nedbank.

Following from themes 'The purpose-led organisation' in 2022 and 'DEI' in 2023, we delivered 8 live-streamed events featuring world-class content as well as local, international and internal experts under the following 3 themes:

• Digital transformation

• The experience ecosystem [CX, brand experience (BX) and workplace experience (WX)]

• Changing behaviour

The 'changing behaviour' theme focused on the role of behavioural science and economics to drive the behaviours required to shift our culture and achieve our business outcomes. This was also used to lay the foundation of and introduce The Nedbank Way to the organisation.

Levels of attendance and engagement during these events remained high, with 3 000 to 8 000 attendees per event. Feedback continues to suggest that this initiative is a catalyst for positive challenge and enquiry, promoting positive sentiment. Replays of most events (except those with licencing restrictions) are available to watch on demand.

Up to

8 000

attendees per live-streamed event

With the CultureShift platform well established, we will continue to use it to unpack and drive the adoption of The Nedbank Way as part of our integrated approach to change and communications.

Human-centred leadership and culture continued

Nedbank Annual Leadership Engagement

The annual Nedbank Leadership Engagement (NLE) event is aimed at senior leadership across the group, following a balanced approach to provide a strategic overview and focus on leadership and culture. The aim is to equip leaders with appropriate content and key messages to lead their teams to achieve strategic targets. In 2023 we hosted our 1st in-person leadership conference since Covid-19.

A highlight of the conference was engaging in interactive sessions with our leaders on building our culture to compete effectively and grow sustainably. Nedbank speakers were also joined by renowned guest speakers who provided valuable insights and thought leadership in support of our strategic, leadership, and culture imperatives.

LVC goal and 360-degree feedback

In line with our human-centred leadership philosophy and our expectations of a leader’s role, it is important that leadership, values, and culture align in Nedbank. **How** we deliver is as important as **what** we deliver.

Leaders are critical enablers of our culture, where values-based behaviour, purpose-led performance, ethics, and conduct are held in the highest regard. In 2023 we further cascaded our LVC practice, which now includes leaders in Group Exco, as well as in cluster Exco, the Divisional Committee (Divco) and the Management Committee (Manco). The LVC practice comprises the following:

- The **LVC goal** as part of participating leaders’ goal commitment contracts (GCCs), which enables us to measure leadership, values and culture alignment and progress using a suite of reference points. The outcome of the LVC goal is directly linked to final performance outcomes.

- The **LVC 360 feedback survey**, which is developmental in nature and supports the growth and development of individual leaders as well as leadership development and talent practices in Nedbank. Feedback is obtained from management, colleagues, and direct reports on key behavioural statements, aligned with our leadership framework.

In 2023 we refreshed the LVC practice and redesigned the LVC 360 feedback survey to make it simpler and more user-friendly, reducing the time and effort to complete the survey to provide actionable and developmental feedback to participating leaders.

A total of 1 750 (2022: 553) leaders participated in the 360-degree feedback survey during 2023. Feedback reports were provided to both leaders and their line managers for input related to their development discussions.

A total of 1 682 leaders were rated on the LVC goal as part of the year-end performance review process (2022: 571).

	yoy change	2023	2022	2021
Leadership participation in the LVC 360-degree feedback survey	▲	1 750	553	487
Leaders rated on the LVC goal	▲	1 682	571	378

The refreshed LVC practice and redesigned LVC 360 survey were received well, with indications that ‘more honest and actionable feedback’ was given. The outcomes for both the LVC 360 feedback survey and the LVC goal remained mostly positive but showed greater discrimination in the outcomes, providing valuable insights for individuals, leaders and the leadership practice at Nedbank.

Actively measuring leadership behaviour, developing leadership skills and translating learning into practice will strengthen our leadership capability at Nedbank, better enable our required culture to emerge, and positively contribute to leaders’ ability to deliver on Nedbank’s strategy and purpose through our people.

1 750
leaders participated in 360-degree feedback survey

1 682
leaders were rated on the LVC goal

Continuation of FLOW time

In 2022 we introduced FLOW time – a period between 13:00 and 17:00 every Wednesday where employees are encouraged to block out their diaries to focus on deep work, with less internal meetings and interruptions.

The intent of this initiative was to promote work-life balance and well-being following the Covid-19 pandemic. While the pandemic is now behind us, we believe that employee well-being remains suboptimal because of a multitude of factors, including load-shedding, political uncertainty and instability, the increased cost of living.

In April 2023 we used our Pulse Survey to ask employees whether they wanted FLOW time to continue, and 81% of FLOW time participants answered ‘yes’. A decision was therefore taken to continue with FLOW time at cluster discretion.

Leadership development programmes

In 2023 Nedbank continued to invest extensively in our leaders and the building of our leadership capability across the organisation to ensure we meet our future critical succession planning needs and are aligned with our transformation goals. In line with the ‘Power to the N’ Strategy, which our leaders are instrumental in driving,

Human-centred leadership and culture continued

leadership development efforts continued to focus on strengthening capabilities related to digital transformation, management and leadership fundamentals, innovation, systems thinking, data and analytics as well as sustainability.

All these capabilities were made accessible to leaders through various delivery channels to ensure the required uptake. Access options range from digital self-led development (available online on demand), formal development programmes, internal bursaries, and informal options such as coaching, mentoring, or collaborative learning circles and masterclasses.

Formal Nedbank leadership development by leadership level

<div> <div>ESG</div> <div>Category</div> </div>	2023		2022	
	Female	Male	Female	Male
Top management	1	0	1	0
Senior management	78	87	89	102
Middle management	52	47	49	34
Junior management	67	42	50	30
Total	198	176	189	166

Nedbank leadership development by race and gender (SA)

<div> <div>ESG</div> <div>Category</div> </div>	2023		2022		2021	
	Female	Male	Female	Male	Female	Male
African	106	86	89	89	76	41
Indian	38	38	36	35	17	25
Coloured	19	20	21	16	16	9
White	25	25	26	32	17	16
Total	188	169	182	172	126	91

Nedbank leadership development by gender (SA and NAR)

<div> <div>ESG</div> <div>Category</div> </div>	2023		2022		2021	
	Female	Male	Female	Male	Female	Male
SA	188	169	89	89	126	91
NAR	9	5	10	11	0	0
FN (including NAR)	1	2				
Total	198	176	99	100	126	91

Formal leadership development programmes

Programme	Participants	Key capabilities developed
Executive development programmes (various)	141 112 ACI participants	Executive leadership skills focused on digital transformation, data and analytics, sustainability as well as leadership and culture.
Disrupt Programme (NQF 5)	36 32 ACI participants	Disruption, agile methodology, business acumen, personal mastery, as well as leadership and management skills.
Higher Certificate in Management Practice (NQF 5)	32 30 ACI participants	Fundamental management concepts, systems-thinking, business acumen and working with people.
Advanced Certificate in Management Practice (NQF 6)	54 48 ACI participants	Foundations of systemic management, organisational development and change, business acumen, and personal mastery.
Advanced Diploma in Management Practice (NQF 7)	47 44 ACI participants	Ecosystems processes and practices, creating current and future value via ecosystems,, managing legitimacy in social contexts, and personal mastery.
Post-graduate Diploma in Management Practice (NQF 8)	64 54 ACI participants	Systemic management practice, managing value streams, innovative wealth creation, strategy implementation, and personal mastery.

Informal leadership development programmes

Informal leadership programmes refer to webinars and online masterclasses led by subject matter experts in specific fields like the following:

Programme	Number of attendees	Key capabilities
Digital transformation masterclasses	1 582	Digital transformation
Leaders Growing Leaders	264	Sharing personal leadership stories and transferring learnings.

Leaders who participated in formal development
374 ▲
(2022: 365)

Human-centred leadership and culture continued

Digital Learning Platform leadership capabilities offerings

Leadership is a complex and dynamic process that continuously evolves in response to a constantly changing environment. As an organisation, we have an unwavering commitment to ensuring that our leaders gain valuable knowledge, insights and perspectives that enable them to make informed decisions and stay ahead of the curve. To equip our leaders in this regard, the DLP provides 2 dedicated leadership development offerings: Leadership@Nedbank and Leadership Capabilities, accessible anywhere, at any time and on any device.

The following table depicts how our leaders have taken advantage of the opportunity to develop themselves through the offerings on the DLP in 2023.

Digital leadership offerings	2023		2022	
	Views	Completion	Views	Completion
Leadership@Nedbank embeds an understanding of what human-centred leadership looks like at Nedbank by focusing on the mindsets, practices and behaviours expected of all our leaders.	104 781	79 887	106 360	74 335
Leadership Capabilities immerses leaders into the identified capabilities required for human-centred leaders at Nedbank, including emotional intelligence (EQ), collaboration, complex problem-solving abilities and change resilience.	39 407	27 909	50 959	35 533

Despite the lower views of courses, the completion rate in both categories increased in 2023.

In addition to the above offerings, Nedbankers completed 6 445 leadership development courses during 2023, focusing on human-centred leadership, cultivating a growth mindset, psychological safety, developing credibility as a leader and coaching skills from our digital learning offerings. The digital learning course with the highest completion rate was human-centred leadership, which is critical to how leadership is lived and experienced within Nedbank.

Nedbankers completed
6 445
leadership development courses

Leadership development is a critical element of our People Strategy and is reinforced through blended learning opportunities, including formal, informal, and digital learning to equip leaders to contribute to a positive employee experience. Performance management is key to successful human-centred leadership and the focus on enabling high-performing and healthy employees remains an important people practice.

Performance enablement

In 2023 we continued our focus on further embedding continuous, real-time and in-the-flow performance feedback and coaching that drive improvement and growth. This included having regular performance conversations beyond the mandatory mid-year and year-end performance reviews, which enables a shift towards forward-looking performance feedback vs historical and reactive feedback.

Embedding development and continuous learning as part of the performance process remained a key focus area during 2023, with a heightened focus on IDPs and linking them to succession planning and our Talent Build Strategy.

In 2023, 98,6% of our workforce participated in the year-end performance review (2022: 98,3%). This included permanent employees, YES participants and our contingent workforce as we believe it is good people practice assessing how every individual’s contribution is managed in achieving our strategy.

In 2024 we will continue to advance the work started in 2023, specifically solving for an integrated performance, development, and career advancement practice.



Recognition

In our ever-evolving work environment, recognising and celebrating outstanding contributions are integral to fostering performance excellence. Our recognition programme is designed to give peers and line managers an opportunity to honour individuals and teams for their continuous dedication and exceptional performance throughout the year.

Individual recognition is given to employees for their behaviour and performance.

Team recognition is given to groups of people who have achieved a specific objective and displayed desired behaviours.

The **Chief Executive (CE) Award** is awarded to an individual who delivers exceptional service to others and shows exceptional resourcefulness, innovation and creativity, not only internally but also externally.



Human-centred leadership and culture continued

Informal recognition programme

A cornerstone of our recognition programme is the practice of ongoing and informal recognition through the awarding of virtual badges. These badges are a powerful means of acknowledging behaviour that exemplifies the core values of Nedbank. It is a quick and easy way for employees to recognise and appreciate colleagues’ dedication. A total of 354 478 badges have been awarded since the launch of virtual badges in 2018.

A total of
354 478
recognition
badges awarded
since 2018

This figure is testimony to the value our employees place on recognising and supporting each other.

Badges	yoy change	2023	2022	2021
Purpose-led	▲	15 454	12 934	13 124
Service excellence	▲	38 823	38 204	35 304
High performance	▲	32 446	27 587	19 206
Growth and development	▲	4 853	4 625	4 629
DEI	▲	2 400	1 554	1 643
Human-centred leadership*	▲	9 788	7 621	-
Total		103 744	92 165	73 905

* New badge introduced in 2022.

The Nedbank Recognition Programme continuously evolves, driven by our commitment to enhance our employee experience.

Significant enhancements were made to the programme, with the aim of making it more accessible and user-friendly for our employees. One of the key improvements is the migration of the programme to Nedbank’s Employee Portal, ensuring easy accessibility from both mobile devices and desktop computers. This enables team members to engage with the recognition programme seamlessly, no matter where they are.

With the introduction of The Nedbank Way, our recognition badges, except for the human-centred leadership badge, have been redefined to align with our 7 culture principles, and will be launched in 2024. We are purpose-led and values-driven, and that is at the core of who we are and how we conduct our business. We believe that our actions and behaviours should reflect The Nedbank Way in everything we do. Our redefined badges support this and enable individuals and teams to focus their efforts on what really counts.

Formal recognition: Top Achiever Programme

At Nedbank we reserve a special place for recognising and celebrating outstanding performance through our formal Top Achiever Recognition Programme. This programme is designed to honour both individuals and teams who consistently embody

the values and principles of Nedbank. Nominated employees stand a chance to win a prestigious Top Achiever Award – an honour that comes with a host of exclusive benefits, including a prestigious event and an incentive trip.

Further to the individual and team Top Achiever Awards, the CE Award is awarded, at the discretion of the Chief Executive or individuals who delivers exceptional service and demonstrates outstanding innovation, creativity, and various other commendable qualities. The total number of nominations received and winners for each category were as follows:

	2023	2022
Top achievers	124	122
Top team	17	20
CE Award	2	-



Employee relations

The Nedbank Way: Do the right thing and do things right

We have built a culture that values trust, ethics, and unwavering integrity. We hold ourselves accountable to the highest standards, ensuring that our actions reflect our intent to be money experts who do good. We do things right.

When we navigate the tensions that arise on how and with whom we do business, we protect the trust that has been placed in us, and we do the right thing for our people, our clients, our stakeholders, and society.

We have a well-established and robust framework to maintain workplace stability, productivity, and harmony – a cornerstone of sound employee relations.

Our Employee Relations Framework is underpinned by policies, procedures, and systems, which promote fairness and efficiency in the implementation of employee relations disciplines. They are consistently applied and regularly reviewed to ensure ongoing efficacy and currency. The management of employee relations occurs within this framework, in collaboration with our recognised trade unions, where required.



Employee relations at a glance

The table below provides a high-level view of key employee relations statistics for 2023:

<div>• ESG •</div>	yoy change	2023	2022	2021
Grievances (discrimination and harassment)	▼	50	109	134
Disciplinary processes	▼	1 715	2 278	3 178
Conciliation, mediation and arbitration (CCMA) referrals	▼	67	112	172
Incapacity or under performance	▼	446	638	319

Grievance procedures (discrimination and harassment)

Formal grievances continued to decline yoy. In 2023 there were 50 grievances compared with 109 in 2022.

Discrimination and harassment is taken seriously at Nedbank as we strive towards creating a culture of equality, inclusion and belonging. Unfair discrimination is not tolerated, requiring Nedbank employees to act with integrity and respect at all times.

Our Grievance Policy and Procedure identifies issues that can be the subject matter of grievances and outlines a process for quick and efficient resolution as close as possible to the source, including one-up escalation where necessary.

Discrimination is prohibited by Nedbank’s Code of Ethics and Conduct and relevant legislation, which seeks to express the applicable conventions of the International

“ I have a clear understanding of what is expected of me to fulfil my work role. ”

90% ▲
(2022: 89%)

“ If I raised a concern about ethics and integrity, I am confident that my business area would do what is necessary to address my issues. ”

69% ►
(2022: 69%)

Nedbank Pulse Survey, April and September 2023

Labour Organisation. Accordingly, there is a dedicated process to resolve grievances related to all forms of workplace discrimination and harassment (including sexual, physical and psychological harassment, as well as bullying and intimidation) in compliance with legislation and internal Ethics policies. Grievances related to discrimination and harassment are rigorously investigated by the Nedbank Ethics Office, who make appropriate recommendations, including disciplinary management where necessary.

Any complaints relating to harassment (including sexual harassment and harassment on the basis of gender, race, ethnic or social origin) will be dealt with in line with our Procedure for the Reporting, Management and Resolution of Harassment.

Disciplinary processes

We are committed to ensuring that effective and efficient disciplinary measures are taken to correct employee misconduct. Our Disciplinary Policy and Procedure is designed to establish practical processes to manage employee misconduct in line with this objective.

Employee relations continued

In 2023 the total number of misconduct incidents addressed via disciplinary processes declined 1 715 compared with 2 278 in 2022 and 3 178 in 2021.

CCMA referrals

Our continuous commitment to the fair treatment of employees is demonstrated in the relatively small number of disputes that are referred to external dispute resolution forums compared to the total number of disciplinary incidents.

This is aligned with the decrease in disciplinary incidents during 2023. In SA, CCMA referrals also decreased to 67 compared with 112 in 2022 and 172 in 2021.

Incapacity or underperformance

To remain competitive, Nedbank consistently focuses on its employees’ ability to deliver on their performance targets.

Cases of incapacity because of, among others, poor performance, disability and ill health are dealt with via specific policies and processes, with an emphasis on first supporting employees when they fall short.

In 2023 a total of 446 employees underwent incapacity processes compared with 638 in 2022.

Industrial action

In May 2023 the trade union in Namibia declared a deadlock in negotiations and lodged a dispute of interest. This dispute was resolved amicably, and potential industrial action was averted. Therefore, no hours were lost due to industrial action directed at the bank.

This is also testimony to the strength of the bank’s relationship with the South African Society of Bank Officials (Sasbo), which is based on mutual appreciation and respect for each other’s roles and a shared commitment to the peaceful resolution of differences.

Fair and responsible remuneration

As part of the remuneration differentials testing performed every year [explained in further detail in the ‘equal pay for work of equal value’ (EPWEV)], a range of factors are tested by means of a model, which predicts an expected value of remuneration per employee. Based on this exercise conducted in 2023, there is little to no discernible difference in the percentage outliers or calculated average based on gender.

The Group Remuneration Committee is therefore satisfied that, overall, pay differentials are within an acceptable range.

Guaranteed minimum package

The minimum guaranteed package (GP) for permanent employees in SA was increased to R225 000 per annum in 2024, up from R210 000 in 2023, and is significantly higher than the minimum wage in SA.

<div> <div>ESG</div> </div> Guaranteed minimum package	2023 (R)	2022 (R)
Minimum GP – Nedbank	210 000	190 000
Minimum wage – SA	48 804	46 751

Based on hourly national minimum wage as published by the Department of Employment and Labour.

Besides a monetary reward, we continuously strive to make Nedbank a great place to work and aspire to create experiences with a lasting impact. We aim to achieve this through a deliberate People Strategy that strives to provide relevant and market-leading employee solutions. We endeavour to improve our benefits each year, knowing that a carefully designed suite of employee benefits can make a positive contribution to the employee experience as a Nedbanker.

Freedom of association

Nedbank respects the rights of employees to form and join trade unions of their choice. This commitment to freedom of association is reflected in Nedbank’s Employee Relations Policy and the Recognition Agreement with Sasbo, being the finance union in SA.

In terms of the recognition agreement with Sasbo, Nedbank recognises the union as the collective bargaining agent for employees in the defined bargaining unit, with 64,6% of our employees being members of the bargaining unit (2022: 62,5%). Matters on which we negotiate with Sasbo relate to salary increases and short-term incentive (STI) allocation. Negotiations around of 2023 salary increases took place in an improving but still difficult economic and trading environment. We paid our 25 477 permanent and temporary employees’ salaries and benefits of R21bn and concluded annual salary increases of 7,3% for our bargaining unit employees, with non-bargaining employees receiving increases of between 5% and 6%.

The recognition agreement also sets out the matters on which we consult with the Department of Labour (DoL). These include restructures, amendments to terms and conditions of employment and amendments to benefits and fringe benefits with a monetary impact. Monthly meetings are scheduled with Sasbo for this purpose.

The recognition agreement and other agreements with Sasbo are published on our intranet, which is accessible to all employees. Sasbo officials can access any Nedbank site to conduct union affairs, including recruiting new members, without hindrance from management.

There are also collective bargaining arrangements in our subsidiaries in Lesotho, Namibia, Eswatini and Zimbabwe.

Talent development

The Nedbank Way: Learn to grow



We are alive to the changing world and a future filled with potential and possibility. To stay ahead, actively shape our future, and thrive, we continuously learn, adapt, change, and grow – as individuals and as an organisation.

We challenge the status quo for good. We question what we are doing, why we are doing it, and how we do it, with a solution-focused mindset. We value curiosity, creativity, critical thinking, and a growth mindset. The future belongs to individuals and organisations willing to push themselves outside of their comfort zones, and continually learn, unlearn, and relearn. That is how we grow and stay relevant and effective as Nedbank and Nedbankers.

“ I have had a meaningful discussion with my manager about my personal growth and development in the past 6 months. ”

77% ▲
(2022: 75%)

“ Nedbank provides me with an environment where I am always able to learn something new. ”

85% ▲
(2022: 84%)

Nedbank Pulse Survey, April and September 2023

With the scale and pace of technological advancement escalating, the shape and size of organisations and roles of employees are changing. There is a decrease in the demand for routine and repetitive work and an increase in the demand for professional knowledge and specialist work at mid-organisation levels. This intensifies the war for talent and the demand for scarce skills, especially talent from underrepresented groups. For any organisation to remain competitive, it needs to be a place where top talent wants to work, develop, and stay.

Like many organisations, Nedbank, through its Human Capital Strategy, has begun to pivot towards a skills-based approach for learning. This means that we offer learning opportunities with shorter cadence, specifically aimed at those skills that change dynamically because of digitisation and automation. In support of our skills-based approach, we secured an additional R1 863 850 in funding from the Banking Sector Education and Training Authority,

exclusively for the development of technology and data-related skills. This will benefit at least 342 Nedbank employees.

To ensure that we balance a short-term-focused and skills-based approach with a more strategic and longer-term view of talent development, Nedbank started building an enterprisewide capability development practice. This approach to development focuses on the contextual application of skills in various work environments that enhances performance and opportunities for career mobility. The focus of our capability-based approach is those business capabilities that are both core and strategic to Nedbank, such as risk management, retail banking and sales, digital and technology, data and analytics, and sustainability. The work underway will result in capability academies that will be used to maintain a steady supply of internally skilled and mobile talent, but also to differentiate Nedbank as an attractor of key talent in the external employment market.

Learning

With our continued focus on learning and growth, we have seen an average of 29 learning hours per employee (2022: 36). This lower average is due to the adoption of digital learning, which is often shorter than traditional classroom training. In context of the lower average, it is important to note that a total of 24 934 employees (2022: 24 457) benefited from learning interventions across the organisation as well as externally, including compulsory compliance training.

•ESG•	yoy change	2023	2022	2021
Learning hours per employee				
Number of employees enrolled in learning	▲	24 934	24 457	24 746
Learning hours per employee	▼	29	36	41

Learning hours per employee are determined by taking all time spent on learning into account. This is done by recording the average duration to complete learning offerings as determined by learning design. It extends to all delivery methods, such as classroom, self-directed and

Talent development continued

digital offerings, including in-person and virtual delivery. There has been an increase in micro learning since the offering of digital solutions, which means our people can learn whenever and via any digital platform, as needed. However, while our employees learn more than ever before and whenever they need to, the learning required is often shorter than traditional classroom solutions, affecting the time spent on learning.

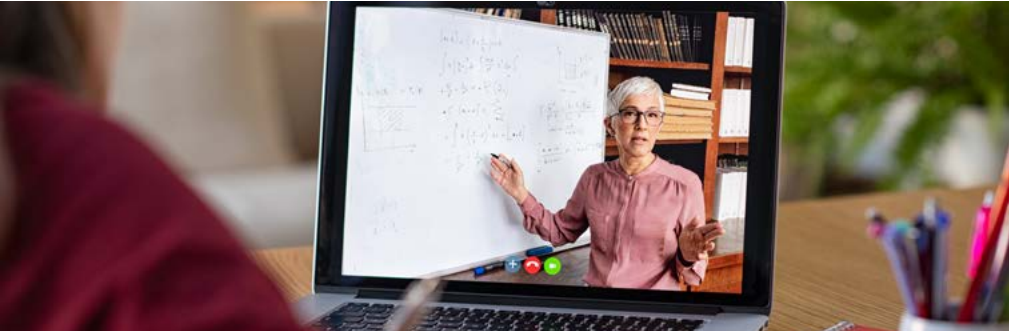
Annual training spend
R1,17bn

Our commitment to lifelong learning is further evidenced by our annual training spend of R1,17bn (2022: R939m), confirming our commitment to development and transformation in Nedbank. The average training spend as a percentage of basic payroll for 2023 was 7,2% (up from 6,3% in 2022).

•ESG•		yoy change	2023	2022	2021
Training spend as a percentage of payroll					
Total basic payroll for the year (Rm)	▲		16 101	14 898	13 292
Total training spend for the year (Rm)	▲		1 167	939	1 117
Number of employees	▼		25 477	25 924	26 861
Training spend as a percentage of basic payroll (%)	▲		7,2%	6,3%	8,4%

ESG	yoy change	2023		2022		2021	
		(Rm)	(%)	(Rm)	(%)	(Rm)	(%)
Training spend by occupational level							
Senior management	▲	132,5	11,2	120,7	12,9	87,5	7,3
Middle management	▲	608,7	52,2	499,2	53,2	452,9	40,2
Junior management	▲	408,3	35,0	309,5	33,0	571,0	50,8
Semi-skilled	▲	19,6	1,7	9,6	1,0	14,2	1,3

Our focus remains on junior management to build a pipeline into middle management to build on specialist skills.



Skills development is a strategic focus area for Nedbank’s transformation strategy – it forms part of our commitment to nation-building and contributing to a more transformed SA, as reflected in the training investment in targeted demographic groups, as shown in the table below.

ESG		2023		2022		2021	
Training spend by race, gender and disability	yoy change	(Rm)	(%)	(Rm)	(%)	(Rm)	(%)
Training spend for black employees	▲	952	81,6	913	97,2	908	81,3
Training spend for black female employees	▼	566	48,5	595	63,4	591	52,9
Training spend for black employees with disabilities	▼	8	0,6	14	1,5	17	1,8
Training spend for black female employees with disabilities	▼	5	0,4	10	1,1	13	1,4

The investment in training resulted in Nedbank exceeding the internal group skills development target of 15,50 points on the BBBEE scorecard, achieving 19,91 points (17,63 + 2,28 for YES points) in 2023 (2022: 17,57).

Achieved
19,91
on the BBBEE
scorecard

Formal employee education programmes

Continuous professional development facilitated by the addition of workplace experiential learning was enabled through several additional programmes that resulted in 470 employees gaining formal qualifications (2022: 413; 2021: 240). These programmes focussed on business needs in certain areas such as financial planning, business analysis, and information technology.

A total of 86,8% participants in these formal education programmes were black employees, and 61,6% were females.

Black employee
participants
86,8%



Talent development continued

Bursaries

Bursaries awarded
R18,5m

We remain committed to the continuous professional development of our employees to ensure that their skills are aligned with the changing needs of the world, technology, our clients, and the organisation. In line with our evolving operating model and a rapidly changing context, bursaries extend beyond the employee's current role and are available for formal qualifications from accredited institutions. During 2023 we awarded bursaries to the value of R18,5m (2022: R16,1m) to 557 (2022: 518) employees.

<div> <div> <div>ESG</div> </div> </div> Bursaries by occupational level	yoy change	2023		2022		2021	
		(Rm)	(%)	(Rm)	(%)	(Rm)	(%)
Senior management	▼	1,6	8,8	1,7	10,3	2,2	15,0
Middle management	▲	8,7	47,5	8,0	49,3	6,9	47,7
Junior management	▲	7,7	41,6	6,1	37,8	5,2	35,9
Semiskilled	►	0,4	2,2	0,4	2,7	0,2	1,4

Strategic partnerships with learning institutions

The partnership between the University of Johannesburg and Nedbank was established to accelerate and enable a digital organisation in a fast-evolving business context. Nedbank is leveraging the interdisciplinary expertise and has also partnered with the University of Johannesburg Resolution Circle to tackle the most pressing need in society, being alternative energy. To date, this ground-breaking initiative has created awareness to 60 employees and the success of that will be scaled within RBB to all employees.

Upskilling and reskilling initiatives have reached
2 000 employees

The upskilling and reskilling initiatives have reached approximately 2 000 employees through short-learning programmes (SLPs), masterclasses, webinars, formal programmes,

cocreated programmes, professors lecturing in our internal programmes and academies, and presentations from Manco and Divco.

Our engagement with the relevant faculties and thought leaders brings real-time learning on demand, discussing top-of-mind topics such as data-driven innovation, cybersecurity, big data analytics, ‘4th Industrial Revolution for professionals in business’, machine learning, and predictive analysis for business decisions.

We have also sourced talent from within this environment, offering bursaries to students. To date we have employed 5 students from this cohort and received 110 applications for our graduate programme, resulting in the employment of a further 8 students.

We have reached out to various universities in SA where engagements have started with a formal memorandum of understanding to

be put in place to build wider institutional capability to attract and develop talent and research capabilities that can be implemented regionally.

In 2023 Nedbank partnered with Environmental Resource Management (ERM), a specialist provider of sustainable finance and climate risk management consulting and capability-building services, to deliver on Nedbank’s purpose and sustainability commitments to its investors, regulators, and communities. A total of 629 employees accessed online recordings and learning material on a series of thought leadership workshops on the online learning library. Live workshops attracted 992 attendees on topics including finance, risk, compliance, strategy as well as client adviser roles in CIB and Commercial Banking. The skills built will help Nedbank in its own decarbonisation endeavours and advise clients similarly and appropriately, while identifying commercial opportunities for further sustainable financing.

Group Technology partnered with Knotion and EUC – COMPTIA+ to upskill enterprise architects and other users to ensure that they are on par with industry standards. A total of 27 architects and 40 technology consultants successfully completed the training during 2023.

We also partnered with McKinsey to build data and analytics capabilities aligned with operating model changes. In the area of data management, a learning journey was initiated for 91 data owners across Nedbank. Similarly, > 100 data translators joined a learning programme to develop skills in support of data and analytics use cases. These learning

journeys will continue in 2024 and 2025 and will be included in a comprehensive data and analytics academy.

Digital learning

At Nedbank we use our learning to challenge the status quo for good by questioning what we’re doing, why we’re doing it, and how we do it, with a solution-focused mindset. Our continued value of power skills such as curiosity, creativity, critical thinking, and a growth mindset are key to how we grow, while staying relevant and effective as Nedbank and Nedbankers. We enable a strong response to the call to continually learn, unlearn and relearn through a contextually relevant digital learning ecosystem that exposes our people to best-in-class learning content, anywhere, anytime and on any device.

Our DLP gives our people the opportunity to upskill and reskill themselves for a future at and beyond Nedbank. When we launched the platform, our initial focus was to ensure adoption and use. As we progress through the years, our intent is an increased focus on the development of key strategic skills that increase our organisational bench strength.

Our DLP gives our people the opportunity to upskill and reskill themselves

We are continuously investing in ensuring that our digital learning ecosystem remains contextually relevant and world-class. In 2023 we expanded our paid content libraries beyond LinkedIn Learning, Percipio, Udemy and Coursera to include Cloud Guru and

Talent development continued

Pluralsight to bolster our cloud skills development academy to Innovate Human Resources to enhance our human resources capabilities, as well as Overdrive to provide an extensive book and podcast offering across our strategic capabilities.

As we reflect on 2023, we are proud of what has been achieved.

	yoy change	2023	2022
Courses viewed (unique card views)	▲	1 546 477	700 927
Course completions	▲	1 550 823	947 895
Active users	▲	24 337	24 096
Repeat users	▲	94%	79%
Number of employees sharing learning content	▲	6 365	4 351

Our NPS on DLP support has consistently been more than 90% over the past 2 years. The combination of repeat visits and the NPS are indicators that we are increasingly and consistently meeting our employee’s needs for skills development and growth.

Nedbankers have embraced the social and collaborative functionality of the platform, with a 46% increase in sharing learning content with each other since 2022.



We continue to see the value of leveraging an integrated digital learning ecosystem to increase the practice of lifelong learning. Highlights include the following:

- NAR countries (Eswatini, Lesotho, Namibia and Zimbabwe) have **embraced the DLP** and the growth in use and sharing is evident among the learners.
- The number of e-books and audiobooks in the **Overdrive digital channel has grown by more than 300%**, with a range of topics like AI, machine learning, the Metaverse and leadership skills supporting learners in future skills development.
- We enabled a **seamless mobile experience** by implementing ‘single sign on’ (SSO) for all the content libraries on the DLP.
- Our employees have shown an **increased appetite for digital learning**, with the use of LinkedIn Learning videos increasing by 122% and content from Udemy by 175%.
- We **integrated Microsoft Teams** with the learning management system to facilitate virtual classrooms for employees, enabling more employees to attend workshops at the same time, reducing the number of workshops but increasing the number of attendees per session.
- We **developed curated pathways** that align with future capabilities and talent pipelines.
- **Content curated by learning teams** has seen an increase of 164% in completion rates (2023: 1 299 032) and (2022: 492 025).

The table below indicates the shift to and from virtual workshops, before and after the introduction of the DLP:

Scheduled virtual workshops	2023	2022	2021
Virtual	5 939	7 200	9 194

The DLP enabled us to reduce the amount of scheduled live virtual workshops by increasing our employees’ ability to learn anywhere, anytime, and on any device. This increases the ability to shift from learning as an event to learning as a continuous process in the flow of work.

In 2024 our attention will be on enhancing our employee user experience on the DLP and deepening data insights for improved decision-making for scaled skills development.



Diversity, equity and inclusion



The Nedbank Way: Different is good

We intentionally drive DEI in how we engage, design solutions, and care for and connect with our clients and each other. We want all Nedbankers to feel a sense of belonging. We show up as our authentic selves and allow others to do the same. We treat each other with dignity and respect. We value and celebrate diversity. DEI is not just a set of policies or a programme to be implemented; it is part of our DNA. It’s how we do things and why we do them. We are allies for the marginalised and the unheard. We stand up for what is right. We create an environment in which all Nedbankers feel safe enough to speak up. And we use our voices when others cannot.

DEI oversight and training

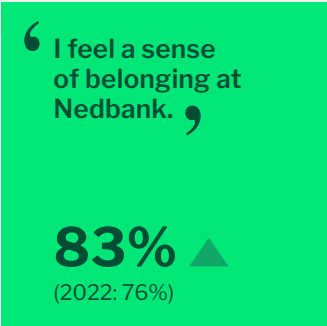
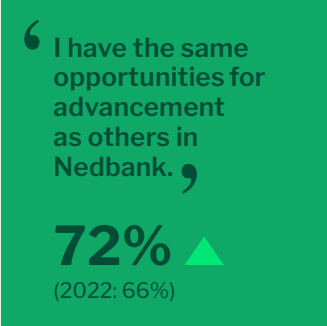
At Nedbank we have taken a decision to incorporate DEI into our overall culture transformation journey as opposed to treating it as a standalone initiative. This decision reflects our view that DEI is not a programme of work, but rather a lens through which we see the world. It is part of our DNA, shaping the decisions we make, the products and services we deliver, and how we connect with our clients and our workforce.

The Transformation Human Resources Committee (TRAHRCO), a Group Exco subcommittee, is responsible for our DEI mandate, with strategic oversight provided by the Group Transformation, Social and Ethics Committee (GTSEC), which is a board committee.

The Nedbank Diversity, Equity, and Inclusion Forum (NDEIF), reporting to TRAHRCO, is a consultative forum between management and nominated employees representing the voices of various stakeholder groups in Nedbank. NDEIF focuses on ensuring that the group meets its Employment Equity Plan, that barriers to workplace transformation are identified and addressed, and that the plan is aligned with the strategic objectives of the business. The NDEIF engages closely with the learning teams and key initiatives identified are included on the DLP to promote further awareness of DEI (eg LGBTQI+ matters).

All Nedbankers are required to acknowledge the Nedbank Code of Ethics and Conduct, which provides guidelines on expected behaviours and conduct, including DEI. It requires that employees align to our purpose by embracing and accommodating the differences or unique characteristics of our stakeholders.

In partnership with Mandate Molefi, we have designed a culture transformation journey that enables cluster Exco members to unpack our required culture, collectively reflect and agree on how the leadership framework will be operationalised in each cluster, undertake a deep dive on DEI, and set the tone from the top.



Nedbank Pulse Survey, April and September 2023



Diversity, equity and inclusion continued



These culture transformation journeys continue across the group at cluster and Divco levels. In addition, possible complementary approaches, programmes, and interventions are being explored to promote agile and sustainable implementation. Some of the solutions that have been piloted successfully include a short Netflix-style DEI series and a Metaverse offering a unique combination of immersive virtual-reality-based learning and instructor-led dialogues facilitated by trained experts. Our clusters also continue to show initiative and innovation when it comes to DEI. A prime example is RBB, which has developed bespoke DEI training content that is being rolled out successfully in the cluster. We remain committed to pursuing all viable avenues that will enable us to strengthen our approach to DEI and the suite of solutions at our disposal to enhance our overall culture transformation journey.

A diverse workforce

We are mindful of DEI and deliberate about our actions across all our business and people practices, from the design of products and services for clients and the role of the Nedbank leader to performance enablement, recruitment, and reward. We will continue with the important work of ensuring that all Nedbankers feel a sense of belonging and they can bring their authentic selves to work every day.

We continued to focus on DEI as a key imperative to ensure that Nedbank remains relevant in a transforming society. The group remains strongly representative of a diverse talent complement, with 82% of total employees being black ACI, improving from 81% in 2022. We will continue to record improvements in ACI employee representation, and African representation in particular, at senior- and middle-management levels. Total female employee representation remained at 62%.

Nedbank improved representation of underrepresented groups across, senior-, middle-, and junior management levels, evidencing our continued commitment to transformation.

The tables below are evidence of Nedbank's drive to transformation with a diverse workforce.

Employees by age •ESG•	yoy change	2023	2022	2021
< 20 years	▲	5	3	1
20–29 years	▼	2 241	2 480	3 145
30–39 years	▼	8 872	9 506	10 165
40–49 years	▲	7 102	6 813	6 647
50–59 years	▲	3 787	3 679	3 513
60–69 years	▲	417	329	271

Employees by race	yoy change	2023 (%)	2022 (%)	2021 (%)
Black	▲	82,0	80,8	79,9
Black female	▲	52,2	51,3	50,6
African	▲	52,8	51,0	49,4
Coloured	▼	14,4	14,8	15,5
Indian	▼	14,9	15,0	15,0
White	▼	16,8	18,0	19,0

Black representation – Executive management •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Black	▲	46,2	35,3	41,2
Black females	▲	15,4	11,8	17,6
African	▲	30,8	23,5	23,5

Black representation – Senior management •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Black	▲	52,5	50,3	47,7
Black females	▲	24,1	22,6	20,7
African	▲	25,9	23,2	20,3

Black representation – Middle management •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Black	▲	70,5	67,7	65,6
Black females	▲	38,4	36,4	35,3
African	▲	37,7	34,6	32,2

Black representation – Junior management •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Black	▲	92,0	90,7	89,7
Black females	▲	64,0	62,5	61,5
African	▲	63,7	61,6	59,8

Our commitment to gender diversity and inclusion remains firm. During 2023 the group continued its steady progress towards increasing female representation.

Employees by gender (SA) •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Females	▶	61,7	61,8	61,4
Males	▶	38,3	38,2	38,6

Employees by gender (NAR) •ESG•	yoy change	2023 (%)	2022 (%)	2021 (%)
Females	▶	57,5	57,4	56,6
Males	▶	42,5	42,6	43,4

Diversity, equity and inclusion continued

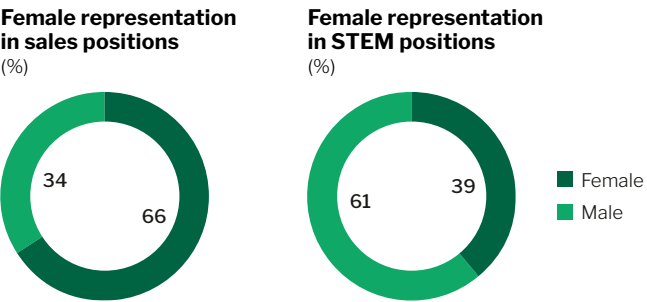
Although we have made good progress in improving the representation of women at all management levels, we are committed to making more progress towards the representation of women at senior-management level in 2025.

Female representation – Management level	yoy change	2023 (%)	2022 (%)	2021 (%)
Executive management	▲	46,2	35,3	35,3
Senior management	▲	40,9	40,3	39,0
Middle management	▲	53,5	52,9	52,7
Junior management	▲	69,6	69,8	68,3



Gender in sales and STEM positions

Our commitment to driving diversity and inclusion extends to representation in skills categories.



Female employees are well represented in sales functions, increasing from 65% in 2022 to 66% in 2023. Female representation linked to STEM disciplines increased from 33% to 39% during 2023 and presents further opportunity for significant improvement. The methodology followed to identify females in these 2 categories was done by selecting and validating roles and job functionality. For example, administration roles in sales were disregarded. Examples of STEM positions are data scientists, developers (programmers and software engineers) and actuaries.

Female representation linked to STEM disciplines increased to 39%

The primary objective of NDEIF is to ensure that the Nedbank Group and its South African subsidiaries comply with employment equity regulatory requirements and achieve its transformation objectives. It also focuses on equity and the promotion of further awareness of DEI (eg LGBTQI+ matters, gender equality and the Disability Forum).

Nedbank lives its purpose through the forums created to promote DEI.

Disability Forum

The Disability Forum was established in 2008 to represent the interests of the Nedbank workforce living with disabilities. In December 2023, on the International Day of Persons with Disabilities, we demonstrated our commitment by asking employees living with disabilities to share their stories with colleagues and rolled out a disability awareness campaign, focusing on adding a personal touch by sharing an inspiring and informing look into the lives of fellow Nedbankers with disabilities. This campaign, ‘Defying Limits – Empowering Abilities’ was aligned with our focus on creating an environment where all Nedbankers feel like they belong and that they are welcome at the proverbial table.

To this end, our 4 colleagues **Dan Manders, Eileen Anderson, Thabang Mahlaola, and Ricky Phatswane** boldly shared stories of their disabilities, including blindness, other visual impairments,

and hearing impairment. Their inspirational views showed that we are committed to pushing boundaries and helping every person to unlock their full potential – no matter what their abilities might be. The campaign was intended to break down barriers between Nedbankers and drive workplace interactions free of judgement and discomfort to eliminate bias and discrimination, treat all people with dignity and respect, and intentionally include others.

While the percentage of employees living with disabilities decreased slightly yoy, we remain committed to improving the representation of and reasonable accommodation for people with disabilities in the workplace.

ESG Employees by disability	yoy change	2023 (%)	2022 (%)	2021 (%)
People living with disabilities	▼	1,9	2,1	2,5



Diversity, equity and inclusion continued

Gender Equity Forum

In line with our aspiration of leading in transformation, we embrace the Employment Equity Act, 55 of 1998, and the United Nations (UN) Sustainable Development Goals (SDGs). SDG 5 aims to ‘achieve gender equality and empower all women and girls’. It was in this spirit that the Nedbank Women’s Forum was established in 2002, with a focus on promoting equal opportunities and the fair treatment of women in the workplace.

In 2022, 20 years later, we rebranded the forum from the Nedbank Women’s Forum to the Nedbank Gender Equity Forum in recognition of the reality that matters of gender equity are not isolated to females. The rebranding reimagines the difference that we make globally and interprets those change catalysts into actionable activities within the group.

Increased and multiple Women’s Day activations: This included a takeover of the intranet, participation in internal and external events, and an increased social-media presence. Some of the participating events were World Breastfeeding Week hosted by the World Health Organization and the United Nations Children’s Fund; Part of the Voices of Change (VOC) partner panel discussion; Duke Women’s Day event panel discussion; EmpowaWomen Financial Inclusion panel discussion; and hosting an eTalkz dialogue and networking session.



2023 Gender Mainstream Awards: Nedbank participated in the 2023 UN Women’s Empowerment Principles (UNWEP) Gender Mainstream Awards and won the Gender Responsive Marketplace Award. Nedbank was also ranked 2nd for listed companies in the Economic Empowerment and Women in the Community categories. In addition, we were a finalist in the Transparency and Reporting and Community Engagements and Partnerships categories. Two of the individual nominees were recognised in the provincial and regional categories, with Anél Bosman 4th in the category of Most Inclusive Leader.

Voices of Change (VOC) 2023: As a founding partner of VOC, Nedbank demonstrated its continued support and leadership in focusing on social issues in SA, and 2023 was the 6th year that Nedbank was part of VOC.

The annual VOC event in August has become a corporate movement with 14 participating companies. In 2023 the theme, ‘She, He, We, is Power’ focused on inspiring inclusion and harnessing the power of diversity through collective effort.

A series of monthly conversations with high-profile male and female speakers (including Anél Bosman, Nedbank CIB Managing Executive) were held, covering several topics like ‘Mental health in the workplace’, ‘How to survive fear in adversity’ and ‘Unconscious bias’.



What does it mean to be an unshakably bold leader in the workplace?

Our Gender Equity Forum, in partnership with **Business Engage**, recently hosted a Voices of Change growth session with **Anel Bosman**, Group Managing Executive of Nedbank Corporate and Investment Banking, where she shared valuable insights from her leadership journey.

#VOC2023
#WeAreNedbank



LGBTQI+ Forum

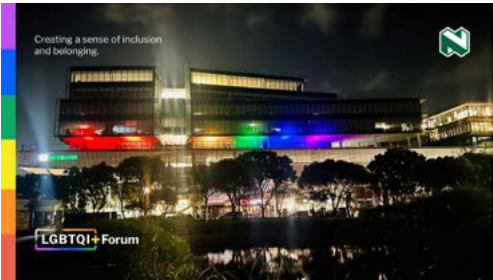
Nedbank created the opportunity for representatives from the LGBTQI+ community to represent the voice of this previously excluded group of employees. In its 5th year of existence Nedbank’s LGBTQI+ Forum provides a platform for members to participate in the bank’s diversity and inclusion agenda. The Nedbank LGBTQI+ Forum is a group of diverse people from across the group, shifting the DEI landscape through collaboration and passion for a common purpose – to make Nedbank a great place to work for all.

The LGBTQI+ Forum aims to:

Support Nedbank’s DEI goals by creating awareness and education on **LGBTQI+ matters**.

Act as a **beacon of hope for positive change** and transformation in employee livelihoods, not limited to LGBTQI+ employees.

Identify causes of exclusion, **raise awareness** about it, and close the gaps to champion DEI wholeheartedly.



Diversity, equity and inclusion *continued*

The LGBTQI+ Forum presented a variety of initiatives during 2023.

Global Equality Caucus

The GEC is a network of elected representatives from across the world who support LGBTQI+ equality. Nedbank hosted the caucus on 30 November 2023 in Johannesburg in partnership with 'The Other Foundation, the Southern African Development Community Parliamentary Forum and the GEC. This was the convening of a regional network of legislators geared towards LGBTQI+ equality, inclusion, and dignity.

GEC and Nedbank conducted a 1-day programme engaging legislators and key stakeholders with set objectives.

The inaugural Nedbank Diversity Ball

The Nedbank Diversity Ball aimed to show support to the LGBTQI+ community and other minorities to celebrate our differences and demonstrate support to **Turning Tides, an LGBTQI+ shelter**. The event was well supported and not only attended by LGBTQI+ Forum members, but also Group Executives and Nedbank boardmembers.

LGBTQI+ session for freelancers and business owners

The Nedbank LGBTQI+ forum partnered with PLUS to help enable and upskill LGBTQI+ business owners and freelancers with financial advice and financially savvy tips. We hosted approximately 80 youth in

Pietermaritzburg, with the objective of empowering the youth of the Durban University of Technology through a tax compliance and financial fitness session tailored for LGBTQI+ business owners and freelancers.

Digital Learning Platform

The LGBTQI+ Forum has a dedicated community group on our DLP. The group is aimed at being a 1-stop shop for education on all LGBTQI+-related matters. It also educates and creates awareness for LGBTQI+ allies. The group is accessible to all employees and can be accessed via any device, anytime, anywhere. The group on the DLP also links to our LGBTQI+ social-media channels such as the Yammer page and the Nedbank Brandshop. The DLP was well supported, with 9 121 visits and learning activities undertaken.

We hosted
80
youth in
Pietermaritzburg

DLP was well
supported, with
9 121
visits and learning

Umhlanga Park square light up

Since its inception, the Nedbank LGBTQI+ Forum has lit up 3 Nedbank office buildings in support of Pride in

various regions. First was the Nedbank 135 Rivonia Road Campus, followed by the V&A Clocktower in 2022, and in June 2023 we lit up our offices at Umhlanga Park Square in KwaZulu-Natal. The forum also launched a social-media campaign to wrap up International Pride Month and to underscore Nedbank's purpose of money experts who do good.

3
Nedbank office
buildings were
lit up in support
of Pride Month

LGBTQI+ shelter support: Turning Tides

The LGBTQI+ Forum members pride themselves in the relationship established with the shelter. There are regular visits and initiatives as part of the outreach to those members of the LGBTQI+ community in less fortunate situations.

Communication campaign for IDAHOBIT – International Day Against Homophobia, Biphobia, Transphobia

On 17 May of each year the LGBTQI+ Forum creates awareness around the International Day against Homophobia, Biphobia, and Transphobia. Prejudice and violence towards the LGBTQI+ community is a lived reality, and this campaign is a testament to driving tangible change in minds and hearts.

October SA Pride: Flag-raising challenge

The Nedbank LGBTQI+ Forum celebrated Africa and SA Pride during October 2023. Initiatives included weekly educational posts on social-media platforms. To launch the October Pride initiatives, the forum joined other corporates (Vodacom, Diageo and Google) by raising our Pride flag on 11 October 2023 at 9:00. The Pride Month celebrations ended with the Nedbank Diversity Ball on 26 October 2023.

The inaugural Inclusion Sofa

The Inclusion Sofa is a virtual space that serves as an action to continuously strive to create a culture of inclusion and belonging through celebrating diversity and treating each colleague with care, respect, and integrity. The virtual space is inclusive of Nedbank's DEI forums, namely the Disability Forum, the Gender Equity Forum and the LGBTQI+ Forum.

Nedbank employees felt safe enough in the workplace to share their stories in a YouTube series called 'Pride at work: Bringing your true self to work' during October 2023.

Pride at work: Nedbank's key diversity and inclusion milestones (youtube.com).

Health and well-being

The Nedbank Way: Play to win



We have a hunger for success. We set ambitious goals, take calculated risks, and push ourselves to achieve them. We embrace a willingness to fail and learn from our mistakes. We are proactive, responsive, and execute with speed and agility.

We play to win, but not at all costs, especially when it comes to our people and their well-being. How we win makes all the difference. We build resilience and practice human-centred leadership. We invest in our people and create an environment that empowers them to perform and excel. This is what gives us the edge, enabling commercial success and sustainability.

“My business cares about my overall well-being.”

70%▶
(2022: 70%)

Nedbank Pulse Survey, April 2023

Occupational health and safety

Nedbank premises (head office, regional offices, and branches) all have compulsory, fully functional Occupational Health and Safety (OHS) Committees. Management ensures that OHS appointees are available and trained for their health and safety roles as part of their daily work-related activities. OHS goals are also included in the performance contracts between line managers and OHS appointees so that the duties assigned to OHS appointees are carried out diligently.

To encourage active participation of OHS appointees in the management of health and safety in various workplaces, there are annual awards held in November to recognise and reward employees who have demonstrated excellence, dedication and advocacy for workplace health and safety. In 2023 a total of 2048 OHS appointees (2022: 1 633) received training in various OHS roles. This agile virtual training approach resulted in more employees trained to ensure adequate OHS appointee coverage in line with our new hybrid work model.

Nedbank renewed the collective agreement on OHS with Sasbo, in line with the General Administrative Regulation 6 of the Occupational Health and Safety Act, 85 of 1993. The agreement is renewed every 3 years or as circumstances dictate. The objective of the agreement is to harmonise the relationship between the bank and its employees by creating a platform for participation, deliberation and decision-making on health and safety matters, and to continuously improve health and safety in the workplace.

Work-related injuries

Our incident investigation and injury-on-duty reporting procedure (available on the OHS internal website and accessible to all employees) formalises the reporting and investigation of all incidents sustained by Nedbank employees, clients, contractors and visitors. It caters for reporting occupationally acquired diseases, including Covid-19, to the Compensation Commissioner in line with the requirement under the Compensation for Occupational Injuries and Diseases (COID) Act, 130 of 1993. The analysis of workplace incidents is key to preventing the recurrence of incidents. Line managers investigate the incidents, identify the root cause, and implement appropriate remedial and preventative measures. All injuries on duty are attended to by our trained and accredited first aiders. Injuries on duty are immediately reported to the Group OHS team for onward reporting to the Compensation Commissioner in terms of the COID Act.

There have been no fatalities of either employees or visitors in the past 3 years.

Number of fatalities as a result of work-related injury	yoy change	2023	2022	2021
Employees	▶	–	–	–
Public/Visitors	▶	–	–	–

Number of high-consequence (non-fatal) work-related injuries	yoy change	2023	2022	2021
Employees – workmen's compensation claims	▼	41	51	40
Contractors – workmen's compensation claims	▲	2	–	–
Public/Visitors	▲	20	15	18

Health and well-being continued

Injury frequency rate

Our Lost-time Injury Frequency Rate (LTIFR) for 2023 was 0,14 (2022: 0,21) as a result of fewer employees being booked off from work.

<div> <div>ESG</div> </div>	yoy change	2023	2022	2021
Injury frequency rate				
LTIFR	▼	0,14	0,21	0,57
Total recordable injury frequency rate	▼	0,18	0,23	0,15

The total recordable injury frequency rate was 0,18 (2022: 0,23), with the decrease being attributed to safety awareness done through publishing a quarterly newsletter with critical information on how employees can prevent incidents in the workplace.

Medical conditions such as migraines, nausea and asthma attacks were not included in this figure, as they are primary health issues and not occupationally induced cases. Only injuries that occur while a person is on duty are included in the injury rate. We also recorded 17 (2022: 19) first-aid cases, which included injuries on duty leading to minor treatment such as applying a plaster.

Total recordable injury frequency rate
 0,18

Access to medical and health services

Our incident investigation and injury-on-duty reporting procedure (available on the OHS internal website and accessible to all employees) formalises the reporting and investigation of all incidents sustained by Nedbank employees, clients, contractors and visitors. It caters for reporting occupationally acquired diseases to the Compensation Commissioner in line with the COID Act.

Emergency medical aid facilities

Our medical emergency (first-aid) rooms are equipped with emergency equipment and our first-aiders are trained to assist during an emergency. A total of 347 first-aiders were trained during 2023 (2022: 391). All Nedbank campus sites are equipped with automated external defibrillators. Emergency first-aid kits are provided to all trained first-aiders on all floors. It is important to ensure sufficient coverage of first-aiders in our workplace, and a tracking tool is used to monitor the number of first-aiders and other OHS team members available on each site. We have a formal agreement with ER24 to expedite emergency response to all our sites throughout SA, with a dedicated telephone number that Nedbank employees can call to ensure that our cases can be analysed, among others, in terms of response time.

Training and awareness

It is compulsory for all employees to complete online OHS awareness training on appointment and to formally acknowledge that they have read and understand the Nedbank Group OHS Policy and Incident Reporting and Investigation Procedure every year. Both the policy and procedure

are reviewed annually. The completion of the once-off training and annual policy acknowledgements are tracked, and progress is reported to the relevant governance committees.

An ergonomics training video was developed to assist and empower pregnant employees to set up an ergonomic workspace when working remotely.

Regular employee awareness interventions are provided, such as:

The commemoration of World Health and Safety Day on 24 May through a live broadcast. The theme for 2023 was ‘A safe and healthy working environment as a fundamental principle and right at work’.

A quarterly OHS newsletter.

Communications and messages from the Group Chief Compliance Officer and the Head of OHS delivered through Group Communications.

A session highlighting the importance of safety in the workplace and during teambuilding events held during the groupwide virtual annual Compliance Week.

OHS baseline, ergonomics and risk assessments

Independent OHS baseline and ergonomics risk assessments are conducted annually, and the results are reported to the relevant governance structures. In the year under review 262 sites were reassessed (2022: 303) and the findings, including recommended control measures, were presented to the relevant heads of various portfolios to be addressed. Standard operating procedures were developed to address common findings from the risk assessment reports.

262
 sites reassessed

During 2023 Hazardous Biological Agents (HBAs) risk assessments were conducted at selected sites in addition to the baseline OHS risk assessments. The purpose was to assess the risk of exposure to HBAs in the workplace, to implement mitigation measures, and to establish the effectiveness of implemented procedures, controls, and measures to continuously prevent the spread of HBAs in the workplace.

Internal inspections

Workplace internal inspections are conducted monthly by the appointed health and safety representatives and deviations are reported to the respective section 16(2) appointees to be resolved. The team also conducts internal inspections at selected sites, following a risk-based approach, for resolution by site managers.



Health and well-being continued

On-site reviews by the authorities

The DoL on-site inspections at 91 Nedbank sites during 2023 (2022: 92). A total of 13 contravention notices related to issues such as the repainting of walls and the appointment of an OHS team were raised during the year (2022: 18) and were resolved as required. The results of all on-site reviews are tracked by the OHS team and support is provided to resolve any issues, where required.

New ways of work – the hybrid work model

Nedbank implemented the Digital Workplace Hybrid Workforce Model, which enables employees whose roles allow them to work remotely to do so as part of the flexible work practices. The OHS policy was updated to align with the new hybrid workplace model to ensure that our employees are healthy and safe, irrespective of where they work. A flexible work-practices guideline was developed to guide employees on the healthy and safe practices that must be maintained while working from home. A digital enablement tool is used by eligible employees to conduct a risk assessment of their dedicated workspace. They may work from home only if the outcome of the risk assessment indicates that their dedicated workspace at home is reasonably healthy and safe. Employees following flexible work practices are offered the use of an ergonomic chair, a fire extinguisher and a basic first-aid kit. Fire extinguishers are exchanged free of charge when they are due for annual service.

Health and safety for women in the workplace

Nedbank demonstrated its support for women empowerment in the workplace by declaring its allegiance to the UN WEPs. Principle 3 requires that Nedbank focus on the unique health, safety and well-being needs of all its employees (specifically women) at work. Nedbank conducted an enterprisewide survey in 2022 to obtain views from all employees on how the organisation ensures that their health and safety needs, especially those of women, are met. The survey results indicated that 81% of female respondents agree that the health and safety needs of women are catered for adequately. The results assisted in highlighting opportunities for further enhancements of health and safety in the workplace. Therefore additional training and awareness sessions were offered in 2023 (at no cost) to ensure better health and safety for women in the workplace.

Employee well-being

Nedbank's commitment to employee well-being is not just a moral imperative but a strategic advantage. A healthy and high-performing workforce is crucial for sustainable business success. The continued focus on innovative and comprehensive well-being initiatives positions Nedbank as an employer of choice, contributing to employee engagement, retention, and overall organisational resilience. The well-being strategic intent is to embed well-being into the organisational culture of our total reward philosophy, leveraging data-driven insights to tailor initiatives to the evolving needs of our diverse workforce. By prioritising employee well-being, Nedbank aims to maintain its competitive edge.

In 2023 we witnessed significant strides in fostering a healthy and high-performing workforce, as reflected in the yoy improvements across various well-being initiatives. These initiatives did not only outpace industry standards but also received positive feedback and high employee engagement levels.

Well-being initiatives

- **Financial well-being:** The implementation of financial well-being initiatives yielded remarkable results, with 9 920 employees using these services. This is a testimony to Nedbank's commitment to address employee needs holistically at the backdrop of adverse socioeconomic challenges impacting our people.
- **Family well-being sessions:** The introduction of family well-being sessions positively impacted 2 058 employees, recognising the interconnectedness of work and personal well-being and highlighting that Nedbank cares.
- **Preventative health screening (PHS):** The Nedbank 'Bank on your well-being' campaign focuses on PHS and aims to close the gap of accessibility and affordability towards ensuring a healthy and productive workforce. During 2023 there was a significant increase in participation, reaching 1 611 employees compared with 1 195 in 2022. This success is indicative of the campaign's resonance with the workforce, emphasising its effectiveness in encouraging employees to proactively take care of their physical well-being.
- **Annual benefits roadshow (ABR) and mental well-being campaign:** The 'Be the best version of you' campaign reached over 2 600 employees, showcasing the organisation's dedication to holistic well-being as it provided employees with the opportunity to gain a

better understanding of their benefits selection and the support available to them in terms of mental health.

- **Mental health stand up:** Engaging more than half of Human Resources colleagues (320) through the 'Mental health stand up' initiative reflects a proactive approach in addressing mental health concerns within the workforce. This initiative not only focused on awareness but also encouraged open conversations, promoting a stigma-free working environment.
- **Load-shedding support for employees:** The 'Employee load-shedding support' initiative, with 3 272 views on the SharePoint page, has proven effective in providing practical assistance during challenging times, reflecting Nedbank's commitment to supporting employees beyond the workplace, contributing to a resilient and adaptable workforce.
- **Mental health first aid:** Approximately 500 line managers expressed interest in 'mental health first aid', which supports the human-centred leadership culture within the organisation.

Nedbank's commitment to employee well-being not only enhances the lives of its workforce but also fortifies the organisation's position as a forward-thinking and responsible employer. As the journey continues, Nedbank remains dedicated to evolving well-being initiatives that positively impact employees, fostering a thriving workplace culture and ensuring sustained success in the ever-changing business and socioeconomic landscape.

Health and well-being continued

Employee benefits

Nedbank aims to provide meaningful and highly competitive benefits to its employees. In 2023 there was a strong focus to simplify the way benefits are positioned to enable employees to make informed decisions about their health, financial well-being and other individual needs.

Our benefits initiatives also focused on demonstrating care for our employees’ well-being and sustainable productivity through a campaign related to paid time off as a reminder of the importance of taking time off from work to rejuvenate and re-energise to thrive at work and take charge of their well-being.

In the current challenging socioeconomic times, our employees were further supported by an increase in the cap on annual discretionary leave encashment from 8 to 10 days as a temporary measure between 1 August and 31 December 2023. While this was welcomed and may have provided some relief to those experiencing financial distress, all employees were encouraged to use the support available to them to make the right choices to meet their individual financial needs.

Through the **My Benefits website** employees have access to resources and support to enable them to become familiar with their suite of benefits, including retirement funds, medical schemes, leave, discounted benefits and more.

Annual Benefit Review and Well-being campaign

Every year from 1 October to 30 November, Nedbank employees have the opportunity to make benefits choices by reviewing their medical scheme or plan, retirement fund contributions, level of unapproved Group Life cover, and level of existing spouse cover for the next year.

The core theme for the 2023 Benefits Review and Well-being campaign, ‘Be the best version of YOU’, was centred around choosing the benefits and well-being offerings best for their unique needs. There were 18 on-site campus sessions, including in Gauteng, KwaZulu-Natal, the Western Cape, Eastern Cape,

Polokwane, Nelspruit, Rustenburg and Bloemfontein, where employees could collaborate with the Well-being Team.

Employee participation grew by 150% compared with the previous year, and a total of 2 676 employees were reached. Those who were unable to attend on-site sessions could attend virtual sessions available on the intranet under the **My Benefits** tab, with 2 164 employees engaging online. In total the campaign impacted 4 840 employees.

Employee participation in the annual review grew by 150%

Several additional virtual and on-site medical scheme sessions were held by Alexander Forbes to support employees with their medical scheme choices.

A key success factor of the campaign was the effective collaboration across the multi-disciplined Nedbank teams, which had an enterprisewide positive impact on both our pensioner and employee experience.

Employees were given access to several benefit resources that empowered them to make informed decisions about their benefits and to manage their mental, financial, and physical well-being proactively. Driven by the purpose to do good and ‘being a better version of yourself’, the collaborative approach in partnering with relevant stakeholders resulted in a truly excellent employee experience that is core to the Human Capital Strategy.

Medical aid

At Nedbank all employees can join either the Bonitas Medical Fund, Bestmed Medical Scheme, or Discovery Health Medical Scheme, effective from 1 January every year. Nedbank continues to work closely with these schemes to ensure that the user experience is continuously enhanced to ensure satisfactory resolution.

Employees were provided with an opportunity to change medical schemes during the annual benefit review period without being subject to any underwriting or late-joiner fees. This is one of the benefits that employees enjoy since the move to these 3 preferred schemes.

Sick-leave and absentee rate

Despite the correlation between sick leave and well-being being complex, the rate of sick leave taken in relation to the size of our total workforce has been managed well. We noted an increase in the number of employees who took annual leave, which can be attributed to the heightened focus on well-being. With many employees working from home, we recognise that we continuously need to track sick leave and encourage healthy well-being practices.

Our absenteeism rate for the 2023 period reflects an average number of 4,5 days, which converts to 1,8%. According to safacts.co.za, a healthy recommended absenteeism rate is 1,5%. The average absenteeism rate for South African companies is currently between 3,5% and 6%. Roughly, this equates to between 8 and 15 days per worker per year. Nedbank’s absenteeism rate is well below the industry average, which reflects our commitment to ensuring a healthy workforce through the various interventions we have in place.

• ESG •	yoy change	2023	2022	2021
Sick leave taken				
Average sick leave days taken per employee	▼	4,5	4,7	5,8
Sick leave rate	▼	1,8%	1,9%	2,7%

Employee Benefits Policy reviews

Information shared on flexible-work practices and family-friendly leave policy principles was well received at the UNICEF event held early in August, which the Chairperson of the Gender Equity Forum attended. Various stakeholders, including role players in government, civil society and the private sector, applauded our progressive offerings.

Health and well-being continued

Life Insurance Policy

In October 2023 a reduction in Old Mutual premium rates relating to individual approved and unapproved life cover as well as unapproved spousal life cover was announced.

Power60 sessions

To upskill employees on the impending 2-pot retirement system, 2 live Power60 were held during Q2 and Q3. The 2-pot system enables employees to access a portion of their retirement funds, subject to legislative changes and education on financial distress and money matters that impact different stages of employees’ lives.

Nedbank employee benefits are designed to provide employees with a greater sense of security and stability, now and in the future. The benefits survey received a 4,4 rating, which is reflective of the satisfaction levels of our employees in respect of their benefits (2022: 3,67).

In 2024 we will continue to review our employee benefit offerings to meet the evolving needs of our workforce, while promoting relevant information to empower our employees to make informed choices.

Flexible work practices

Nedbank manages the contribution and output delivery of its people while empowering them. Our hybrid workforce model and Flexible Work Practices enable us to cater for different kinds of work and different employee segments. We are committed to ensuring that employees can effectively manage their work, life and family needs, which we will support through Flexible Work Practices.

Our approach:

‘Where you work’ is a hybrid workforce model on a flexible, adaptable continuum that enables business to take a job-by-job, function-by-function, team-by-team, location-by-location and even a person-by-person approach to determining whether an employee needs to be on-site full-time to deliver on his/her job role and tasks or whether some or most of the work can be done remotely.

‘When you work’ refers to working hours which ranges from full-time within what is defined as ‘working hours’ for a particular job to more Flexible Work Practices options listed in this policy.

Hybrid segments: Fully on-site/in office, alternating rotating on-site and remote with on-site demand.

Employees can opt in or out of remote working and flexible hours, however, not all job functions can be performed remotely or within flexible hours. Therefore, employees who are in these jobs will work from the office. The main consideration is that the requirements of the business and our clients always take priority over an employee’s requirements in relation to Flexible Work Practices.

This remains in line with the South African employment legislation and supports our business requirement of having a digital workforce that is agile and can operate outside of traditional business hours, so that we can widen the range of services available to clients.

This policy applies to permanent and fixed-term employees of all our entities (including our subsidiaries). These entities must apply this policy uniformly in their jurisdictions. If any part of the policy conflicts with local statutes or regulations, those statutes or regulations will apply to the extent that waivers have been obtained from the policy owner.

Employees may choose more than one flexible work practice: they may work part-time or full-time, and request a flexible start and finish time, and work remotely. Line managers consider the relevant role and business requirements before approving requests for flexible work practices.

- There are various types of flexible work practices , including:
- flexible hours or days of work;
 - compressed working week;
 - remote work (through digital enablement); or
 - part-time work.

Leave options for our employees

Nedbank offers various types of leave to all employees in line with and in excess of the Basic Conditions of Employment Act (BCEA), some of the leave types include the following:

- Annual leave (15 days statutory leave and 10 days annual discretionary leave).
- Flexi-leave [uncapped paid (controlled)] time off for senior and executive employees).
- Sick leave [30 days sick leave, 10 days additional sick leave off (14 days) when the 30 days are exhausted, which is over and above the normal sick leave category and subject to specific criteria].
- Parenthood leave (10 days parental leave, 4 months paid maternity leave, which may be extended to a maximum of 6 months by using unpaid or accrued traditional annual leave or flexi-leave where applicable, 6 weeks surrogacy leave, 4 months paid leave for adoption).

Dr Holsboer Benefit Fund

The Dr Holsboer Benefit Fund was created with the vision of enhancing the well-being of employees by assisting with grant payments towards areas of mutual concern that are often overlooked. The areas covered are contributions towards affordable rest (Holsboer vacations), education (Holsboer education grants and the administration of Nedbank tertiary study grants), and health (Holsboer medical assistance and The Gerry Muller Fund).

Health and well-being continued

During 2023 the fund provided the following support to our current employees and retired employees.

	yoy change	2023	2022	2021
Holsboer vacations	▼	2 622	2 956	4 071
Holsboer education fund recipients	▲	2 092	2 056	2 143
Value of education fund support	▲	R5m	R4,6m	R4,3m
Holsboer medical benefit fund recipients	▼	867	890	877
Value of grants towards medical shortfalls	▲	R3,2m	R3m	R2,7m
Gerry Muller Fund beneficiaries	▲	303	262	269
Value of grants towards medical shortfalls	▲	R1,5m	R1,1m	R1,1m
Number of recipients of Nedbank tertiary study grants	▲	281	81	88
Value of grants awarded	▲	R13,71m	R1,1m	R1,2m

Holsboer vacations offer our employees and pensioners affordable holidays to over 100 select properties, both locally and internationally. A total of 2 622 employees and pensioners made use of the Holsboer vacations benefit (2022: 2 956).

Holsboer education grants assist employees who earn up to R486 000 per annum with a small contribution towards school fees for children in primary and secondary school.

Holsboer medical assistance grants help employees with costs towards medical expenses once their own medical aid savings have been exhausted.

The Gerry Muller Fund assists Nedbank pensioners with costs towards their medical expenses. A total of 303 Nedbank pensioners (2022: 262) were assisted with grants towards their medical shortfalls to the value of R1,5m (2022: R1,1m).

Nedbank tertiary study grants assist employees who earn up to R600 000 per annum with a grant payment towards tertiary education fees. In 2023 this grant was increased from R10 000 up to R60 000 per recipient. A total of 281 children of employees (2022: 81) were assisted with funds to study towards 1st-time degrees or diplomas to the value of R13,7m (2022: R1,1m).

R13,7m
was awarded in study grants to children of employees

Employee volunteerism

Many Nedbankers make a difference in society by giving their time, expertise, and resources, tangibly displaying our Nedbank purpose. We have aligned our workforce volunteerism efforts to support the Nedbank Foundation Green Economy Corporate Social Investment Strategy (focusing on agriculture, water, waste, and energy) and measure our impact according to identified key performance indicators.

Local Hero

The Local Hero Programme is for employees who volunteer in various non-profit organisations of their choice across the country. Nedbank sponsored these employees with R15 000 towards their chosen organisations.

66 Local Heroes spent
3 962
hours in communities

Our 66 Local Heroes (2022: 60) spent more than 3 962 hours in communities in 2023 (2022: 1 200), impacting 66 (2022: 60) communities through their projects.

Payroll giving

Through our payroll giving initiative, employees make regular financial donations to non-profit organisations through a structured programme. During 2023 a total of 3 679 Nedbankers participated (2022: 3 608), contributing R1 686m (2022: R1 628m).

Company organised volunteerism

As part of the Nedbank Volunteer Month programme, the bank commemorates Mandela Month every year with acts of volunteerism during July. Nedbank organises flagship green economy volunteering events during Mandela Month and invites employees to volunteer their time, resources, expertise, and passion in initiatives with Rise Against Hunger, FoodForward SA, and Habitat for Humanity. In 2023 Nedbank achieved a significant increase in the employee engagement rate, up by 22% compared with the previous year.

Team Challenge

Team Challenge is now the fastest-growing volunteerism programme in SA and NAR. In 2023 a total of 85 (2022: 46) teams took part in this life-changing initiative, with 63 (2022: 32) teams from SA and 22 (2022: 14) teams from across NAR. We donated an additional R320 000 to our top Team Challenge winners, who were celebrated at the Employee Volunteerism Awards at the end of the year.

85
teams took part in the Team Challenge



HR of the future

The Nedbank Way: Client obsession



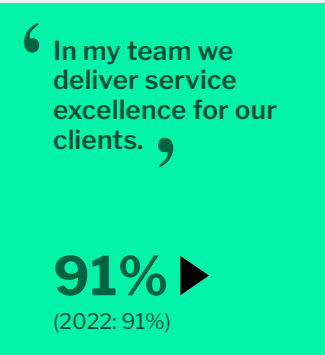
We deliver value to and through our clients. This is how we put our purpose into practice and achieve commercial success. We are obsessed about our clients; without them, we don't exist.

In our clients' eyes, we are Nedbank. We create value, practice care, connect, and build strong, meaningful relationships in every client interaction. We know that nobody cares how much you know until they know how much you care.

We keep our promises. We deliver. We delight the client every chance we get. Every client. Every time.

In today's ever-changing world, the need for speed, agility, delightful experiences, and new ways of working is increasing. Over the past years we have been on a journey of deploying technologies to reshape the future for our employees and to enable great employee experiences through reimagined people practices.

HR of the future enables all employees to take ownership of their careers and growth within the organisation. We realise that the workforce experience ultimately translates to the client experience, and this is just another step towards Nedbank being a great place to work and grow, and an employer of choice that attracts and retains talent.



Nedbank Pulse Survey, April and September 2023



Social impact

Considerations of good governance, value creation, and a shift in stakeholder focus on the triple bottom line (economic, environmental, and social) require businesses to think beyond traditional risk frameworks.

As part of our goal to contribute our expertise beyond banking, we embrace our community involvement by offering clients the ability to support a worthy cause close to their hearts — at no additional cost to them.



Human rights

As a financial institution, we can impact the realisation of human rights, through both our own activities as well as the activities of those with whom we do business. In line with our purpose statement, which is to use our financial expertise to do good for individuals, families, businesses and society, upholding human rights is an integral part of how we do business.

Considerations of good governance, value creation, and a shift in stakeholder focus on the triple bottom line (economic, environmental, and social) require businesses to think beyond traditional risk frameworks. Nedbank follows an integrated sustainability approach aligned with global social norms to do sustainable business. We see human rights as the fundamental rights to which every person is entitled, and reaffirm our commitment to respect human rights. The group's commitment to uphold the protection and respect of human rights is in line with our vision of being Africa's most admired bank.

By embedding human rights across our business strategies and activities, we align ourselves with the following global standards:

- United Nations Protect, Respect and Remedy: A Framework for Business and Human Rights.
- United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles or John Ruggie Principles).
- United Nations Global Compact.
- The United Nations Environment Programme Finance Initiative (UNEP-FI).
- The Equator Principles.
- The International Financial Corporation (IFC) Performance Standards.
- The International Labour Organization (ILO) standards.
- Various environmental, social and governance (ESG) external ratings indices.
- Universal Declaration of Human Rights.
- International Covenant on Civil and Political Rights.
- International Covenant on Economic, Social and Cultural Rights.
- International Labour Organization's core conventions as well as other international human rights standards.

We commit to, among other things, the following:

- **Respecting and upholding human rights** within our own operations and taking steps to prevent or mitigate adverse human rights impacts that are directly or indirectly linked to our operations, products or services, or through our business relationships.
- Ensuring **fair labour practices**.
- The **prevention and abolishment of all forms of modern slavery**, including forced labour (as defined by the International Labour Organization Forced Labour Convention and the UK Modern Slavery Act).
- The **protection of children's rights**, and the prevention and abolishment of child labour (as defined by the International Labour Organization Minimum Age Convention and the Constitution of the Republic of South Africa).
- The **prevention and abolishment of all forms of harassment, and unfair discrimination** on the grounds of race, gender (including gender identity and expression), sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground.
- The **protection of the rights of minority groups**, including indigenous persons and persons with disabilities.
- The **protection of the environment**.
- The protection of **whistleblowers**, including **human rights defenders**.

Governance of human rights

Guided by the United Nations Guiding Principles on Business and Human Rights, we aim to adopt a holistic and coordinated approach to managing human rights in business through embedding human rights principles across our various business policies, processes and activities. At board level, the ultimate responsibility for the oversight and governance of our human rights approach lies with the Group Transformation, Social and Ethics Committee (GTSEC) and, at the level of executive management, our Transformation and Human Resources Committee (Tahrco) provides oversight and approves all policies and groupwide initiatives relating to human rights.

The day-to-day implementation of human rights rests with several functions across the organisation, including but not limited to Procurement; Group Financial Crime, Forensics and Security; Anti-money-laundering, Combating the Financing of Terrorism, and Sanctions; Exchange Control; Reputational Risk; Conduct Risk; Legal; Occupational Health and Safety; Information Privacy Office; Group Sustainability; as well as our cluster-specific social and environmental managers.



Human rights continued

Over and above this, we have implemented a comprehensive system for coordination, oversight, and management of human rights within the Group Ethics Office. The Ethics Office is therefore responsible for, among other things, the following:

- Developing and maintaining all human rights statements, policies and frameworks for the group.
- Facilitating how the identified risk-based human rights assessments are conducted.
- Developing and implementing a human rights strategy and management plan.
- Providing ongoing advice and guidance to employees and business on the implementation of human rights as well as the impact on human rights, within all our operations and activities.
- Monitoring and reporting into the GTSEC, Trahrco and other relevant committees on the state of human rights within the group.


Our policy commitment

In line with Nedbank’s commitment to upholding and respecting human rights in business, our core policy commitments are contained in the following documents:

- The **Group Human Rights in Business Statement**, which indicates to our stakeholders our commitment to respect and uphold human rights, and outlines the measures taken by the group to manage its human rights risks, opportunities, and impact effectively. The statement includes Nedbank’s position on the extraction of conflict minerals, which is intricately linked to the prevalence of instability, widespread corruption, child labour, modern slavery and other severe human rights infringements. Nedbank recognises its role in taking

organisational responsibility by increasing its influence through its operations, business investments, and the value chain. In 2023 Nedbank released a revised statement. This statement is approved annually by the GTSEC.

- The **Group Modern Slavery Act Statement**, which gives an overview of the steps and initiatives taken to prevent human trafficking in our supply chain and our business. In 2023 Nedbank released a revised statement. This statement is approved annually by the GTSEC.
- The **Human Rights in Business Framework**, which is a document that was formally adopted and implemented in 2021. This framework aims to guide the implementation of the UN Guiding Principles on Business and Human Rights, and to align the various policies, processes and activities into a comprehensive system for oversight and management. This document will be fully reviewed and updated during 2024 to include key risk indicators and metrics for measurement and reporting.
- The **Employee Code of Ethics and Conduct**, which sets out the rules and behaviour we expect from our employees, in line with our values that should drive all decisions and actions. The code sets out our commitment to upholding and respecting human rights. It is also strengthened by The Nedbank Way, which was implemented during 2023, based on the desired values and behaviours expected from employees. These were reinforced by the launch of a set of recognition badges to positively impact employees who embrace and stick to these standards of behaviour. The recognition badges are Put purpose into practice, Client obsession, Play to win, Learn to grow, Different is good, Do the right thing and do things right, Stronger together, and Human-centred leadership. As our purpose and strategy rest on the foundation of ethics, values and human rights, these principles are embedded in all due-diligence processes, new-product approval processes, as well the Risk Management and Internal Controls Letter of Representation process.
- The **Supplier Code of Ethics and Conduct**, which sets out the rules and standards we expect of our suppliers and includes core commitments in relation to human rights. Suppliers are also expected to treat their own employees and contractors, as well as our employees, with dignity and respect; to create a professional environment free from harassment and unfair discrimination; and to comply with applicable labour laws and standards.



Code of Ethics and Conduct for Suppliers

Our Code of Ethics and Conduct for Suppliers (Supplier Code) sets out the rules and standards we expect of our suppliers. Our suppliers must acknowledge the Supplier Code, and the supplier, as well as their employees, must adhere to its requirements. **Failure to comply with the Supplier Code may lead to Nedbank terminating its relationship with a supplier.** The Supplier Code helps in ensuring that no employee uses Nedbank’s business relationship with a supplier for personal advantage or gain, or for the advantage or gain of a third party. The Supplier Code requires our suppliers to, among other things, do the following:

- Conduct their business activities and employment practices in compliance with applicable laws, rules and regulations, including employment laws in respect of their employees, anti-corruption legislation, tax laws, competition laws and broad-based black economic empowerment (BBBEE) legislation and codes.
- Avoid conducting themselves in a manner that is abusive or offensive to or that constitutes harassment of Nedbank employees.
- Comply with Nedbank requirements to maintain confidential information, including passwords and security and privacy procedures as a condition of access to the internal Nedbank network, systems and buildings.
- Comply with applicable environmental laws and regulations regarding the storage and release of hazardous materials, including the manufacture, transportation, storage, disposal and release to the environment of these materials.
- Comply with sanctions regimes adhered to by Nedbank.
- Conduct engagements with regulators and government officials with honesty.

- Conduct business in compliance with consumer protection, market conduct and fair competition laws, as well as with all laws applicable to the regions in which they operate.
- Adhere to Nedbank’s requirements for privacy and the protection of data and personal information.
- Treat their own employees with dignity and respect, recognise and respect cultural differences, cooperate with Nedbank in its commitment to a workforce free of all types of harassment, and avoid unlawful discrimination in employment practices.
- Provide a safe and healthy working environment for their employees and comply with applicable health and safety laws, regulations and practices.
- Avoid the use of child labour, forced labour, compulsory labour and labour considered to be modern slavery.
- Comply with applicable minimum working age laws and requirements.
- Comply with regulated applicable minimum wage laws.

- **Numerous other policies** relating to transformation, recruitment, remuneration and reward, performance management, disciplinary codes and procedures, learning and development, safety and security, and reporting channels, including protection against victimisation or reprisal.

Human rights continued

Partnerships and initiatives relating to human rights

Nedbank is a signatory to, and active participant in, various initiatives aimed at promoting respect for human rights in business. More information on these can be found in our Group Human Rights in Business Statement, which is available on our website.

Human rights due diligence

Due diligence is a core feature of effective risk management. Further to this, human rights due diligence enables us to contribute positively towards the creation of a sustainable society by proactively identifying, preventing, or mitigating against potential adverse human rights impacts by persons and communities affected by our operations.

We therefore believe that our due-diligence activities should drive a shift in thinking – away from traditional risk-to-business concerns and towards non-financial risk-to-people (salient human rights) concerns.

Our clients



We recognise that we can influence human rights positively and negatively through our product and service offerings, and that human rights impacts may occur through the direct activities of a client if the products or services that we offer have facilitated or enabled the human rights impacts to take place.

As a responsible corporate citizen, we take various steps to ensure that our lending activities incorporate not only the requisite levels of risk mitigation mechanisms to protect the interests of the group, but also the interests of our clients, affected communities, and the broader society. One process that underpins this is the New-product Approval Process.

In doing so, we follow stringent procedures regarding anti-money-laundering, counter-terrorism financing and related activities, counter-proliferation-financing and related activities, as well as managing sanctions risk. We conduct due diligence (Know Your Client) for all our clients, as well as enhanced due diligence for those clients regarded as being high-risk, to ensure that we can identify, assess, manage and monitor any risks associated with our clients, which include human-rights-related infringements.

Our approach to managing human rights in our interactions with clients goes beyond legal requirements to align ourselves with international best practice, including the Equator Principles and International Financial Corporation standards. In line with our commitment to the Equator Principles, Nedbank appoints an external service provider to conduct human rights impact assessments and climate change assessments on all projects falling in the scope of these principles.

Across our business we conduct social and environmental assessments in all high-risk or high-impact industries, in line with our Social and Environmental Policy and Social and Environmental Management System (SEMS),

to understand the challenges that may arise in the relevant industry, area or transaction. Our SEMS assessment process will be updated in 2024 to reflect a more in-depth view on modern slavery, child labour, forced labour, human trafficking, the use of conflict minerals and the ILO Conventions. All financing transactions in high-impact sectors must receive sign-off through SEMS before being considered by the Credit Risk Committee for approval.

SEMS assessments are conducted on all transactions within our CIB Cluster, and assessments in our RBB Cluster are done based on whether the client’s business is considered to be in a high-risk industry.

In 2023 the most significant application of the SEMS within our specific business units was the following: ESG

In our **Investment Banking and Client Coverage Divisions**, all new applications and credit risk reviews of high-risk transactions were included in the SEMS assessment process and assured externally.

A total of **579 deals** (2022: 610 deals) were assessed in CIB (excluding Property Finance), and **1 805** (2022: 1 345) deals were assessed in Property Finance.

During 2023 our **RBB operations performed 1 674** (2022: 1 410) SEMS client assessments in high-impact industries.

We have also adopted sector-specific policies to function as guidelines for financing activities in certain high-risk sectors, including mining, construction, chemical and oil, manufacturing, property development, agriculture, waste management and fuel service stations.

If actual or potential adverse human rights impacts have been identified, we endeavour to engage with our clients to address these concerns as a condition of financing, and we monitor the progress throughout the relationship or project life cycle. Transactional monitoring and adverse-media monitoring are existing controls that help identify whether the client participates in any unethical or illicit activities (including financial crime, child labour, modern slavery, human trafficking, and other forms of human rights violations). A good example in the SEMS process is where clients still have asbestos buildings on their premises and workers must work in these buildings. The Nedbank Sector Policy on Contamination and Hazardous Substances provides guidance in this instance. The client will have to provide a letter or declaration on the current state of the asbestos and any undertaking to maintain or remove the asbestos if it is in a bad condition. This will be monitored, and if the plans have not been implemented, further finance would be at risk.

Adverse allegations or findings against clients result in a review of the business relationship by Nedbank through its Group Reputational Risk Committee (GRRC). The committee is responsible for deciding whether Nedbank wants to continue its association with the client, considering all relevant factors, including factors relating to ethics and human rights. During 2023 the GRRC therefore ended relationships with 190 clients.

Human rights continued

Protection of whistleblowers

Nedbank is committed to the creation and maintenance of a culture of openness and transparency. Our Whistleblowing Policy outlines our commitment to, among other things, the following:

Maintaining procedures and processes that enable all persons to make full disclosure freely, voluntarily and without fear, favour, or prejudice.

Protection of whistleblowers in accordance with the Protected Disclosures Act, 26 of 2000, including the protection of employees against occupational detriment.

Nedbank does not tolerate any form of retaliation against whistleblowers, and employees are encouraged to report actual or suspected forms of retaliation through one of the channels outlined above. If an employee is found to have retaliated against a whistleblower, they will be subjected to disciplinary action.

If we have caused or contributed to adverse human rights impacts, we will participate in legitimate processes aimed at achieving fair and adequate redress.

Human rights assessment

In 2022 we conducted our second human rights assessment to assist in identifying adverse human rights impacts, as well as other key human rights risks and opportunities within and across our business. The assessment consisted of a questionnaire with 189 questions that was sent to relevant business functions across the group. The responses to this questionnaire were further supported by engagements with the relevant stakeholders to enhance the credibility of the outcome.

Nedbank performed well when benchmarked against other entities within the financial industry, but identified the following areas for increased focus:

- **Governance and oversight of human rights in business:** We identified some areas for greater enhancement to strengthen the implementation of human rights risk management into relevant decision-making processes. In addition to this, the process to identify and adopt our salient human rights issues is underway, which will then be used to implement and drive appropriate strategies and initiatives across the group.

- **Targeted capability building for relevant employees and functions in relation to human rights risk identification and management:** We have identified the need for improvement on this aspect and have committed to conducting targeted training and capacity development across all core functions during 2024.
- **While our due-diligence processes are well developed,** we will be conducting further risk-based reviews of existing policies and processes over the next 12–18-month period with a view to improving our ability to identify, prevent, and mitigate against adverse human rights impacts, in line with the 4 core components as defined by the UN Guiding Principles.
- **From a monitoring and reporting perspective,** we are committed to continually improving on the way that we track and communicate our human rights performance, both internally and externally. An overhaul of the existing Human Rights in Business Framework is underway, where we aim to enhance our approach by better defining our key performance and risk indicators and incorporating these into all relevant internal governance processes to ensure continuous improvement is possible. Indicators identified and planned for implementation during 2024 include the following:
 - » Human rights impact or exposure assessment every 3 to 4 years. The next assessment will be performed during 2024.
 - » Targeted risk-based annual human rights assessments.
 - » Ethics-, human-rights- and governance-related training to high-risk suppliers and employees.
 - » Enhancement and implementation of due-diligence procedures for high-risk clients and suppliers.
 - » Inclusion of the human rights assessment in the investment screening SEMS process.
 - » Annual review and update of the comprehensive Human Rights in Business Framework and related documents.
 - » Development, implementation, and use of cluster risk and control self-assessments to identify cluster-specific human rights key risk indicators and controls.
 - » Management and reporting of human-rights-related employee and stakeholder grievances, complaints, investigations and redress, as well as the implementation of root cause analysis and the development of controls to address risks.

Looking forward

Looking forward to 2024 and beyond, we will be striving to achieve significant advancements in our human rights practices to establish ourselves as an industry leader. The following key activities have been identified as focus areas:

- We conducted an internal human rights assessment for its South African operations in Q4 2022, and 4 core areas were identified for improved performance in 2023 to 2025, which are in various phases of progress. This plan is enhanced annually to provide for emerging risks.
- Increased training and awareness initiatives on human rights, with a focus on core functions within the business, suppliers and high-risk industry clients. In line with creating further awareness, there was a session in January 2024 covering modern slavery, human trafficking and protecting human rights, attended by 423 employees. This was the first instalment in the 3-part series for 2024. The #HumanRights the Nedbank Way human-rights-in-business week was held on 20 March to coincide with Human Rights Day. Topics on human rights, philanthropy, ageism as it links to human rights in business, and the role and function that the financial institution must play in environmental, social and governance (ESG) risk will be covered, among other things.
- Strengthened advisory and oversight function to ensure that human rights are adequately incorporated into all our business activities and decisions across the bank through enhanced resource planning to cater for the increased business focus. This will also be done in conjunction with our strategic risk management area, focusing on identifying and including related risks and controls in all business risk and control self-assessment processes. This will go hand in hand with identifying and implementing the tracking, monitoring and reporting of related ESG metrics. The case for human rights in business must also be made clear in the development and review of all group policies and processes, ie the new-product approval process, which supports the embedment of human rights in the way we do business.

Trafficking and protecting human rights, attended by

423

employees

Community and socioeconomic development

Nedbank Group CSI

Nedbank Group CSI investment by focus area	
Green Economy	R67,1m
Education	R47,5m
Community development	R26,1m
Sports	R3,3m
Arts and culture	R2,1m
Employee volunteerism	R7,7m
TOTAL	R153,8m





Nedbank Green Economy Fund

Nedbank’s commitment to sustainability and fostering a greener economy

Nedbank Group Corporate Social Investment (CSI) created the new Green Economy Fund aimed at supporting environmentally conscious start-ups in SA.

The Nedbank Green Economy Fund was established with an initial capital of R10m. Its primary objective is to financially support up to 45 start-ups operating in the waste, water, energy, and agricultural sectors. These sectors align with Nedbank’s broader Green Economy Strategy that seeks to create sustainable jobs and promote wealth generation, while advancing the United Nations Sustainable Development Goals.

The fund focuses on start-ups that contribute to a greener economy. By addressing critical areas such as waste management, water conservation, renewable energy, and sustainable agriculture, these start-ups play a vital role in building a more environmentally friendly and resilient SA.

Many start-ups struggle to secure conventional financing, leading to their premature closure. The Green Economy Fund aims to bridge this gap by providing a vital lifeline to eligible start-ups, until they are ready for mainstream funding.


Nedbank’s Green Economy Strategy goes beyond financial support. It aims to drive positive change by creating sustainable jobs,

especially for marginalised groups like the youth and rural communities. By focusing on impact measurement, Nedbank assesses the social return on investment (SROI) of its projects. This evaluation considers financial, economic, environmental, and social factors, including improved living standards and household income. SA’s challenges serve as opportunities for innovative solutions. Through initiatives like the Green Economy Fund, Nedbank contributes to a more resilient and prosperous future for the country.

The bank’s commitment to impact our communities

Nedbank Group is committed to CSI, which aims to make a positive impact on communities and society. Our approach to social sustainability is not only target-driven but centres around social and economic development (SED), which is integral to the bank’s transformation goals and community involvement.

Nedbank employs a SROI methodology to assess the impact of its CSI initiatives. SROI goes beyond financial metrics and considers social, environmental, and economic outcomes. The key steps in measuring impact include: identifying stakeholders and understanding their needs, quantifying both tangible and intangible benefits, assessing the social value created by the investment, comparing the value generated to the resources invested, as well as communicating the results transparently to stakeholders.




Investment in the education sector

Education is the foundation for growth, well-being and success in every society. We need to significantly increase quality education for all the people of SA.

Nedbank Group’s CSI responds to this need by funding a range of key education and skills development programmes.

The most critical yet unsung profession and calling in our country is teaching at all levels. From the first stages of a child’s life, to school and the tertiary level, and empowering them with all the skills required to be part of a functioning, prosperous society. The organisations, foundations, and institutions with whom we partner are deeply committed to this.



Community and socioeconomic developmentcontinued

> National Business Institute

Fostering skills development, economic growth, and sustainable practices

Between 2017 and 2019 the National Business Institute (NBI) and Nedbank Eyethu Community Trust collaborated to deliver demand-led installation, repair, and maintenance (IRM) skills, focusing on the plumbing and solar water-heating industry. These projects laid the foundation for the broader IRM initiative, aligned with the government’s post-Covid-19 economic recovery strategy that emphasises the re-industrialisation and growth of key sectors. The IRM initiative aims to expand job opportunities in IRM enterprises across various sectors in SA’s economy, particularly targeting small and medium enterprises (SMEs). The key objectives include unlocking demand for IRM skills and providing young people with the necessary skills and on-the-job training for employment, self-employment or further training. Implementation across 6 strategic sites involves building local collaborations, establishing IRM township hubs, supporting SMEs, promoting entrepreneurial learning, delivering skills training through technical vocational educational and training (TVET) colleges, and supporting young entrepreneurs. Notably, the Nedbank Eyethu Community Trust funded solar installers in Khayelitsha and Mamelodi as part of this initiative in 2023.



> GreenMatter

Collective efforts toward sustainable resource management

As the population increases, our natural resources will be put under escalating pressure. Professional management of our natural resources is vital, and can only be done if we have qualified and skilled leaders in the sector, who can develop and implement appropriate actions and policies.

SA is rich in biodiversity, but our natural resources and ecosystems are rapidly declining because of habitat destruction, pollution and climate change caused by people, as well as the infestation of alien invasive species.

Established in 2012, GreenMatter is a cause brand and non-profit initiative that addresses skills for biodiversity, environmental management, and the green economy. A focus area of the organisation is to develop graduate leaders who will become the next generation of decision-makers, and protect SA’s critical natural resources.

Nedbank, in partnership with the Water Research Commission (WRC), is helping to achieve this through a 1-year leadership and professional development fellowship for honours, master’s and PhD natural and environmental science postgraduate students. Our current emphasis is on the freshwater sustainability field.

Quality freshwater is a priceless ecosystem service and SA is currently experiencing severe water quality and quantity issues because of governance failures, pollution, inefficient use and wastage. It is essential to address these issues as freshwater sustains all life on earth. Without it, we cannot survive.

The students receive 1-year GreenMatter fellowship bursaries that commence during their postgraduate studies. The programme is aligned with the Biodiversity Human Capital Development (BHCD) Strategy, the Environmental Sector Skills Plan (ESSP) and the Department of Science and Technology’s Global Change Human Capital Development Strategy.

In 2023 and 2024 Nedbank supported 40 research fellows.



Community and socioeconomic development continued

TEACH South Africa

Efforts contribute significantly to SA’s educational landscape

TEACH South Africa (Teach SA) is a non-profit organisation that aims to respond to challenges in the education sector by recruiting, training, placing and supporting young exceptional science, technology, engineering and mathematics (STEM) graduates to improve the quality of education for every child in SA, irrespective of their socioeconomic background. TEACH SA was founded in 2009 as a response to the urgent need for quality teachers for gateway subjects such as Mathematics and Science. Over the past 15 years, we have placed over 760 ambassadors in over 416 schools across all 9 provinces of SA.

To address challenges faced by learners and learner performance in Mathematics, Science, Technology, and language learning in primary and secondary schools, TEACH SA attracts university graduates in these subjects for 2 years. Ambassadors are encouraged to pursue a career in education after graduating from the programme, and on completion of a postgraduate certificate in education (PGCE) during their teaching placement.

Nedbank’s partnership with Nedbank Eyethu Community Trust started in 2019.

In 2023, 45 STEM graduates were recruited as ambassadors, and placed in the Department of Basic Education’s paid postings at 30 under-resourced schools in 15 districts across Gauteng. In 2023, year 1 of their programme, they have reached 2 250 learners and will double this by the end of year 2. All the ambassadors are university graduates, most of them with BSc degrees, while 11 have honours degrees. The gender demographics are 58% female and 42% male.

Most of the current ambassadors are busy with their PGCEs, as encouraged by TEACH SA. A further 5 who have completed their PGCEs were given permanent postings by the Department of Basic Education at the beginning of 2023.

In 2024 and 2025, TEACH SA will place ambassadors in KwaZulu-Natal, North West and Limpopo.

Ikusasa Student Financial Aid Programme

Funding financially stressed students for high-demand careers

The Ikusasa Student Financial Aid Programme (ISFAP) was established in 2016 to create a sustainable funding model for SA’s ‘missing middle’ – families with a combined monthly income below R40 000 – to cover the high costs associated with tertiary education.

In 2023 Nedbank, through the Nedbank Eyethu Community Trust and ISFAP, contributed R10,5m to support the tertiary education needs of 23 students. This donation further strengthened the longstanding partnership between Nedbank and the programme, with a total of R46m donated since its inception.

ISFAP aims to secure the future of South African youth by providing needs-based assistance to students from poor and working-class families. Approved students receive funding covering tuition costs, accommodation, travel, books, meals, and a stipend. Additionally, universities offer academic support, social support, life skills training, and medical assistance when needed. Through these efforts, ISFAP promotes equal opportunity and equitable income distribution to all South Africans.

Community and socioeconomic development continued

The Nedbank Affinities

As part of our goal to contribute our expertise beyond banking, we embrace our community involvement by offering clients the ability to support a worthy cause close to their hearts — at no additional cost to them. The Nedbank Affinity Programme offers the choice of supporting the arts, environment, sport development, or the well-being of children, by simply banking and investing with Nedbank.

The Nedbank Green Affinity

Supports conservation, the environment, and climate-change-related projects through the WWF Nedbank Green Trust.

The Nedbank Sport Affinity

Supports sport development in SA through The Sports Trust.

The Nedbank Arts Affinity

Supports arts and cultural development through the Arts & Culture Trust.

The Nedbank Children’s Affinity

supports the well-being of the children of southern Africa through a partnership with the Nelson Mandela Children’s Fund (NMCF)

Over the past 5 years the total financial support delivered to caring causes by the 4 affinities has grown from R27m in 2018 to **R38,7** in 2023.

Green Affinity	Sport Affinity	Arts Affinity	Children’s Affinity
<p>The WWF Nedbank Green Trust</p> <p>R16,7m (2022: R16,5m)</p>	<p>The Sports Trust</p> <p>R5,8m (2022: R5,1m)</p>	<p>The Arts & Culture Trust</p> <p>R2m (2022: R1,9m)</p>	<p>The Nelson Mandela Children's Fund</p> <p>R13,4m (2022: R9,4m)</p>

The Green Affinity



Cofounded by Nedbank and WWF-SA in 1990, the WWF Nedbank Green Trust supports various nature conservation projects. Since its inception, the Nedbank Green Affinity, in partnership with our Green Affinity clients, has helped raise more than R350m for the funding of over 200 major conservation projects. Such community-based conservation programmes are key to preserving natural resources such as marine life, wildlife, and fresh water while encouraging land, environmental and climate stewardship.

- 20 years of enabling sustainable seafood choices –** With Nedbank’s funding support through the WWF Nedbank Green Trust, WWF’s Southern African Sustainable Seafood Initiative (SASSI) was founded in 2004 and has revolutionised consumer awareness regarding sustainable seafood choices, becoming 1 of the most successful sustainability campaigns in SA. WWF-SASSI’s flagship tool, the FishID app, makes it easy to identify over 33 seafood species from over 230 assessments, indicating whether the species is Green (‘Best choice’), Orange (‘Think twice’) or Red (‘Don’t buy’). SASSI has significantly increased sustainable seafood awareness, from 21% when it was founded in 2014 to 84% in 2023. Five of the Big 6 South African retailers, as well as major franchises, are part of WWF- SASSI’s retailer and supplier participation scheme and over 40 local chefs have committed to serving only green-listed seafood.
- Addressing waste disposal challenges in rural Eastern Cape –** Environmental and Rural Solutions (ERS), an NGO based in the rural Matatiele region of the Eastern Cape, has been at the forefront of addressing various challenges plaguing the area, including wattle invasion and inadequate waste disposal facilities (about 90% of residents do not have access to any waste disposal facilities). Single-use nappies were identified as an urgent waste challenge and with assistance from the WWF Nedbank Green Trust ERS has become the local awareness creator and distributor in the region of a new brand of washable nappy called BiddyKins. Furthermore, ERS has consulted with 32 villages about protecting their spring sites to help communities understand the environmental challenges posed by waste.

Community and socioeconomic development *continued*

Case study

Merely expanding SA's
protected areas is not enough

Since the early 2000s the WWF Nedbank Green Trust has funded the expansion of protected areas (including nature reserves and national parks) nationwide in an effort that aligns with SA's biodiversity stewardship programme. However, after land is declared protected, landowners and land managers need support and guidance to ensure economically sustainable environments. Nedbank provides critical management support post the declaration of these protected areas by partnering with Conservation Outcomes, which has been working with 8 diverse landowners and land managers to increase management effectiveness. Conservation Outcomes has supported over 25 declared communal protected areas in KwaZulu-Natal, including assistance with veld rehabilitation; water conservation; fire management; alien invasive vegetation control; sustainable cattle or game management; road maintenance; and anti-poaching systems. They also help landowners with their applications for tax benefits and rate exemptions. Without this support, expanding protected areas could risk becoming little more than a box-ticking exercise. Conservation Outcomes uses the Management Effectiveness Tracking Tool to assess the management effectiveness of the protected area sites — a standard tool used worldwide.



The Nedbank Arts Affinity

The Nedbank Arts Affinity, in partnership with the Arts & Culture Trust (ACT), enables clients to support the development of South African arts, culture and heritage, at no additional cost to themselves. Since the ACT started in 1994, Nedbank, together with its Arts Affinity clients, has donated more than R29m to the trust for over 800 arts, culture and heritage development projects in SA. In recent years projects supported and enabled by this funding have included the following:

- **ACT's Thuthukisani Programme** – This programme is funded by Nedbank to help grow businesses in the creative sector. The programme provides arts and culture entrepreneurs with a cash investment to develop their businesses and 1-on-1 mentorship with leading South African business developers to help them scale. Creativity could be one of SA's greatest economic and employment sectors and exports. According to the South African Cultural Observatory, which researches the country's cultural and creative industries (CCIs), they contribute more than R90bn to the national economy, 3% to GDP (the same as agriculture) and sustain 6% of all jobs in the economy.
- **Helping to fund the 'next Sarafina'** – The journey of the multi-award-winning musical Hlakanyana started in 2020 when Zolani Shangase and Michael William Wallace, both of Madevu Entertainment, received a National Arts Council grant and an ACT music development grant funded by Nedbank. The storyline explores challenges such as corruption and gender-based violence and 2 of the original cast members, Sibusiso Mxosana and Mphumzi Nontshinga, were finalists in the annual ACT scholarship awards, now called the ACT Nyoloha Scholarship Programme, sponsored by Nedbank and Sun International. Audience reaction indicates that the next phase for the production could be a national tour in 2024 and then taking it to the international stage in 2025. It might even become the next successful South African theatre export, following in the footsteps of Sarafina, according to Shangase.
- **The Nyoloha Scholarship Programme** – The ACT Nyoloha Scholarship Programme (NSP), a partnership with Nedbank, Sun International and Business and Arts South Africa, is a career-accelerator programme that creates opportunities for school leavers to pursue a tertiary qualification in the creative and performing arts. It offers 2 full scholarships annually – 1 for the performing arts and 1 for visual arts. 'Nyoloha' means 'to rise' in Sesotho, and the goal is to create opportunities for all the talented young people participating in this programme. The programme brings together talented, ambitious young people from across the country to take part in 6 months of activities introducing them to the world of professional arts, including an intensive week of training, talks and performances, culminating in a showcase and exhibition.

Case study

Empowering young creatives
to shine

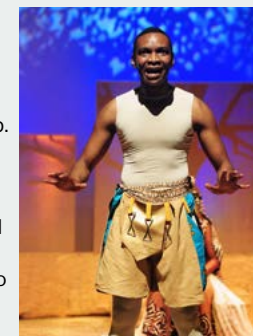
As winner of the 2023 Nyoloha Performing Arts scholarship, Naledi Lebelo is 1 step closer to becoming the artist she has always imagined herself to be. She will undertake a 3-year diploma at the Campus of Performing Arts in Midrand. Lebelo, who sings and plays the guitar and djembe drums, feels 'blessed and lucky' to follow her passion and hopes to inspire others not to give up on their dreams either.

Azanda Nyangintsimbi is the winner of the 2023 Nyoloha scholarship for visual arts. For him, the scholarship is a symbol of faith in his ability to make his dreams come true. Currently, his primary medium is charcoal, which he uses to express 'the complexities of identity'.

Thando Silinda is an example of how participating in the programme benefits even those who do not win a scholarship. She says the mentorship programme offered to all shortlisted applicants helped improve her musical and presentation skills for when she auditioned to study at 1 of the top music schools in Boston in the United States. She was accepted and is currently enrolled there – a dream come true.

The 2022 winner of the Nyoloha Visual Arts scholarship, Liam Rose, is studying digital arts and game design at Wits University. He describes winning the scholarship as 'changing the trajectory of his life'.

Marang Qhamisa Gwatyu is the 2022 winner of the performing arts scholarship. She opted for a 3-year diploma at the Luitingh Alexander Musical Theatre Academy in Cape Town and says the scholarship has given her the opportunity to live a life that she could not have imagined.



Community and socioeconomic development continued

The Nedbank Children's Affinity



The Children's Affinity supports the well-being of children in SA by donating to various Nelson Mandela Children's Fund (NMCF) projects. These projects focus on child survival and development, child safety and protection, youth leadership and sustainable livelihoods.

To date, the Children's Affinity has donated more than R137,1m in support of 2 481 projects. An example of the projects and initiatives enabled by the Children's Affinity funding include the following: Nelson Mandela Children's Hospital – The profound impact made by the Nelson Mandela Children's Hospital (NMCH) – to which Nedbank's Children's Affinity is linked via the NMCF – is illustrated in the story of Gabriella Tshilombo, an 11-year-old who had a tumour removed at the hospital, following numerous visits to various doctors. Gabriella's mother, Kanku Tshilombo, describes the warm welcome and care they received at the hospital making Gabriella feel at ease, including assistance from occupational therapists, physiotherapists and nurses. Kanku describes the atmosphere as a 'compassionate sanctuary', setting Gabriella on a healing journey.

Case study

Important early childhood development in rural KwaZulu-Natal

If children don't receive proper nutrition and stimulation during the first 5 years of their lives, it can result in delayed development of their bodies and minds. In 2022 the NMCF Child Survival, Development and Thriving Programme, supported by Nedbank, contributed funding to a well-established early-childhood development (ECD) programme called Khula Kahle Mntwana, run by The Valley Trust, a non-profit in the rural Valley of a Thousand Hills in KwaZulu-Natal.

Research by The Valley Trust found that of the approximately 6 million children aged 4 years and younger, 65% live in conditions of poverty. The Khula Kahle Mntwana Programme was established in 2013 after a study by the University of KwaZulu-Natal discovered that many young children in this region suffered from developmental delays. Khula Kahle Mntwana provides homesteads and ECD centres in the area with food parcels and assists people in establishing food gardens. Field workers equip parents, caregivers and ECD centre teachers with skills to stimulate the healthy growth of the minds and bodies of children under the age of 5.

The Nedbank Sport Affinity



The Sport Affinity provides financial support to The Sports Trust to help fund sports development, identify talent, and transform under-resourced communities. Since the programme was founded 30 years ago, over R46,7m has been raised in donations. Sports supported by the Sports Trust include cycling and soccer development projects. Some of the projects made possible by Sport Affinity funding include:

- The Youth Cycling Festival in Oudtshoorn**
This event took place in July 2023 and enabled the identification of talented cyclists who could be developed into future stars of professional cycling. Over 2 000 cyclists competed in various cycling disciplines, among them 25 cyclists selected from the Nedbank Sports Trust Cycling Development Programme. Nedbank and The Sports Trust have funded the programme for 18 years, since 2005. It supplies bikes and supports the training and participation of up to 200 cyclists annually from 12 under-resourced high schools in the Boland, Cape Metro and West Coast regions. The development cyclists performed well and achieved 3 3rd places. The goal is to have 200 cyclists participate in the development programme by the end of 2024.
- Piketberg Mountain Bike Challenge**
The event took place in October 2023 and 50 cyclists from the Nedbank Sports Trust Cycling Development Programme were among the 150 participants. The development cyclists were from schools in the West Coast region. The programme hosted the event in conjunction with various partners, including West Coast Cycling and the Bergrivier Municipality. The West Coast schools participating in the development programme are producing results, with 3 development cyclists having obtained podium placements – 1 1st place and 2 2nd places.

Case study

Nedbank partners with Coach Pitso to help create sport champions of the future

Funding from Nedbank, via its Sport Affinity programme, contributed to the development of a groundbreaking multipurpose sports court at the Lofentse Girls High School in Orlando East, Soweto.

The school has more than 1 200 learners and offers various sport disciplines. It is the first all-girls school to receive a Pitso Mosimane Multipurpose Sports Court.

Nedbank partnered with the Sports Trust's Soccer Development Programme and the Pitso Mosimane Soccer Schools and The Sports Trust. The partnership wants to facilitate sport development, identify talent and empower communities.

Legendary soccer coach Pitso Mosimane inaugurated the Pitso Mosimane Multipurpose Sports Court at the school. He pointed out that empowering young girls through sport builds their talents and confidence and he foresees that the sports court will help to build future champions. This sentiment was echoed by Minister of Sport, Arts and Culture, Zizi Kodwa, who believes that the sports court will not only help to develop the next generation of athletes but will keep youth active in the community.

The official handover was conducted on behalf of the Nedbank Cup 2022/2023 season winners, Orlando Pirates FC, in line with Nedbank's tradition of donating a multipurpose sports court to the Nedbank Cup winner's community on top of the prize money the winning club receives.

According to Khensani Nobanda, Nedbank's Group Executive for Marketing and Corporate Affairs, the bank's investment in the multipurpose sports court demonstrates its aim of using empowering partnerships to establish synergy between sport and community upliftment.

Since 2012, Nedbank, supported by The Sports Trust, has erected 8 multipurpose sports courts worth R2m each. These courts have a 20-year lifespan and can accommodate 5 sporting codes.



Supplier relationships and procurement

Overview of how we have used our financial expertise to do good by way of our strategic relationships and procurement practises and how we rank in relation to our peers globally and locally.

Enviromental, social and governance imperatives and principles that we have adopted into our procurement practices, processes, and supply chains.

Supplier relationships and procurement

Introduction

Nedbank Group’s purpose is to use our financial expertise to do good for individuals, families, businesses, and society. Closely linked to this purpose are the environmental, social and governance (ESG) imperatives and principles that we have adopted into our procurement practices, processes, and supply chains. During 2023 we participated in the CDP’s inaugural Supplier Engagement Rating (SER). The CDP SER evaluates an organisation’s engagements with its suppliers on climate change and recognises best practice in this regard, as well as aiming to accelerate global practices on supply chain or scope 3 upstream emissions. In our 1st submission, Nedbank achieved a B rating, which means that we are actively managing our supplier engagement which compares favourably with the C ratings that the Financial Services Sector achieved and the global average for corporates that participated in this rating. The report follows the pillars of ESG.



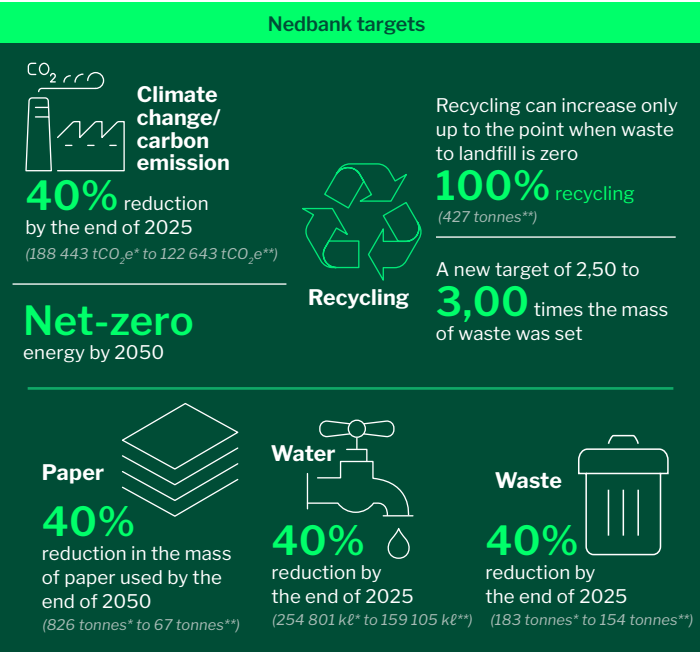
Environmental

The group’s Procurement Policy includes, as primary criterion in our assessment and selection processes (eg when issuing tenders), the assessment of the environmental impact of suppliers’ products and services. Suppliers are further required to complete a comprehensive Supplier Profile Questionnaire (SPQ) at the onboarding stage and suppliers are encouraged to update their profile at least annually.

We ask our suppliers a series of 10 questions specifically about environmental practices. We have 39,2% of our annual procurement cashflow spent with 18,4% of our supplier base that have an environmental policy in place. We aim to increase our spending with environmentally responsible suppliers to greater than 66% of our supplier base by the end of 2025.

We offer our suppliers support in the development of an environmental strategy and policy via quarterly newsletters, formal or informal engagements, supplier briefing sessions during tenders, and our Supplier Relationship Management (SRM) programme for strategic and critical suppliers.

As part of our branch refurbishment project, we replaced 256 generators with efficient inverter and battery systems. These are solar ready and comprise the next phase of deployment, depending on their suitability at specific sites. We plan to replace 52 generators in 2024. Further initiatives that have been implemented in the design specifications include the use of recyclable and reusable materials in the refurbishment of the branches. We were able to reuse or recycle 20% of our fixtures and fittings from our Branch of the Future (BOF) project. We are also pleased to announce that 100% of our water fittings are water reduction units, and our branch appliances promote energy efficiency. The targets that we have set for ourselves are illustrated below.



* Based on 2019 levels.
** 2023 levels achieved.

We are also very proud that 85% of our campus portfolio has a green-star rating. The group has contracted about 10% of its energy requirements from renewable sources. While we achieved 6% in 2023, there are measures being taken to improve this to between 14% and 16% in 2024.

We continue to measure our carbon footprint from a travel and paper usage perspective.

We are establishing baselines for our scope 3 emissions from our suppliers for high-impact products and services. These include courier services, cash-in-transit services, and cloud computing.

We are planning to introduce electric vehicles in courier services with a major supplier by the end of 2024. This also represents a significant funding opportunity within the group.

There remain different levels of maturity across industries from a carbon footprint measurement and reduction perspective.

Social

The group has achieved a level 1 broad-based black economic empowerment (BBBEE) status for the 6th consecutive year. Major contributors to this remarkable achievement were the performance in preferential procurement (PP) and enterprise and supplier development (ESD).

For the 1st time, we were able to exceed the elusive 18-point score for PP, coming in at 18,57 points (17,96 in 2022) out of a maximum of 19 points. This was largely attributable to increases in expenditure of R1,55bn (up by 9,82%) with empowering suppliers, R326m (up by 26,20%) with exempt micro enterprises (EME), R409m (up by 21,09%) with qualifying small enterprises (QSE), and R97m (up by 2,01%) with black-women-owned (BWO) suppliers. We aim to achieve the maximum of 19 points by the end of 2027.

The group engaged a total of 1 982 EMEs and 722 QSEs for FY23 with expenditure of R1,29bn (10,80%) and R2,10bn (13,00%) respectively. This makes the combined expenditure with small and medium enterprises (SMEs) (2 704 in total) R3,4bn, equating to 23,80% of our total managed procurement spend (TMPS). Of all expenditure with EME and QSE, we settled 83% and 78% respectively within our contracted payment terms. We spent R3,6bn with BWO suppliers, reflecting our continued commitment to spending with women-owned businesses.

Supplier relationships and procurementcontinued

Nedbank ESD implemented 20 different programmes in 2023. These programmes supported and uplifted 1 354 businesses across various sectors and industries. Some highlights were the Nedbank Supplier Development programme, as well as a programme for young farmers. The farmers were able to participate in an agricultural incubator that will see them completing their training and going on to purchase farms. They will continue to receive mentorship and market access. Nedbank’s ESD efforts demonstrate the strategic drive to facilitate economic activity in areas of massive unemployment and skills scarcity. The group achieved the maximum of 5 points in ESD.

There is a strong drive to create awareness of diversity, equity and inclusion (DEI), the United Nations Women’s Empowerment Principles (UNWEP) and ethical employment and social practices via codes and contracts with our supplier base with no tolerance for non-compliance. All suppliers must acknowledge the Supplier Code of Ethics and Conduct, when completing the SPQ. The code addresses key issues regarding labour practices, human rights, the advancement of women and overall gender equality, occupational health and safety, child labour, and fair conditions of employment, among other important considerations.



Governance

The group takes a strong stand on compliance and commitment to governance with regard to its procurement practices and supply chains. All systems, policies and processes have been designed with this in mind.

Suppliers are rigorously assessed during tender processes or at the point of onboarding. To ensure consistent application, we use a tool to classify them as high, medium, or low risk in terms of our Supply Chain Risk Framework. Based on this classification, the appropriate due diligence process is conducted. Suppliers are then contracted and onboarded if there are no findings. If findings were made, a framework is in place to address these findings and ultimately decide whether the relationship is to be entered into or not. This framework extends throughout the group from the Category Advisory Board, Supplier High-risk Committee (SHRC), Group Reputational Risk Committee (GRRC) and ultimately through to the Directors Affairs Committee (DAC), a board subcommittee, if the finding relates to a significant relationship or has a high impact on the group.

Post the onboarding process, the group has implemented ongoing monitoring which includes UN sanctions checks, media scanning and performance management. There are 12 902 suppliers that require monitoring, of which 11 206 (87%) are being monitored daily. The balance of our suppliers are in the process of being added to our monitoring systems, including our Nedbank Africa (NAR) suppliers that are in the process of being added to the platform. Once we have completed our ERP implementation and onboarded our Nedbank Africa (NAR) suppliers onto the platform. This is planned for the end of June 2024. Any alerts or findings through investigation follow a prescribed process in the group, within the framework referred to earlier. To date, since the establishment of the SHRC, we have terminated 27 supplier relationships identified through alerts or investigation with the application of the tipping point criteria. These suppliers are also placed on a do-not-engage list to ensure that they are not onboarded again unless they have undergone the untipping process. There is close collaboration within the group where suppliers also happen to clients where findings have been made.

Suppliers that pose a cyber- or privacy risk follow a series of additional initial and ongoing assessments and audits to ensure the safety of the group’s sensitive information and systems. There is a prescribed process to be followed on termination of a relationship to ensure that access to our systems is removed and that sensitive information is destroyed or stored securely, where applicable, for prescribed periods, and thereafter destroyed. Currently, there are approximately 1 400 suppliers in this category.

The Supplier Code of Ethics and Conduct also addresses important governance considerations.

The Supplier Relationship Management programme

Nedbank has established a Supplier Relationship Management programme. There are just over 50 strategic and/or critical suppliers that have been included in the pilot programme. All the elements of ESG are part of the agenda and performance and innovation are key aims of the programme. These suppliers represent about 20% of the group’s procurement spend. Plans are in place to increase the number of strategic suppliers that will be added to the programme and this will increase the spend under the programme to approximately 60%.



Client responsibility

Achieving fair client treatment through the demonstration of our client-centred differentiators: our purpose, strategic approach, business model and effective execution, all of which position us for long-term value creation for our clients.

Nedbank's unwavering commitment to prioritising clients is grounded in our mission to use our financial expertise to do good.

Introduction and background

Nedbank’s unwavering commitment to prioritising clients is grounded in our mission to ‘use our financial expertise to do good’. At the core of our operations, we adhere to essential market conduct principles that permeate throughout the organisation. Our clients occupy a central role in our strategic focus, compelling us to not only comply with applicable legislation and regulations but also uphold the highest standards of ethical conduct and best market practices. This commitment ensures that our clients consistently receive fair treatment in all interactions, reflected in our accessible, transparent, and unambiguous products and services tailored to their needs, delivered by skilled employees.

The Financial Sector Conduct Authority (FSCA), established under the Financial Sector Regulation Act, 9 of 2017, plays a critical role in fostering financial market efficiency and integrity, and protecting clients’ fair treatment. Aligning with the regulatory framework set by the FSCA, Nedbank prioritises achieving market conduct standards and fair client outcomes. Group Compliance, in collaboration with Group Market Conduct Risk, diligently monitors and assesses legislation, adjusting our practices in line with the group’s risk and compliance frameworks. Our commitment to continuous improvement led us to persist in refining and maturing our market conduct principles and processes, ensuring ongoing best practices aligning with the Conduct Standard for Banks, 3 of 2020.

Internally, our commitment to client protection is embedded in the Enterprisewide Risk Management Framework (ERMF), where market conduct risk is identified as a primary risk type. A specialised risk management framework articulates processes for identifying, assessing, managing, and reporting market conduct risk failures to senior management and the board. Established committees and governance structures empower employees and management to discuss concerns, raise questions, and deliberate matters related to fair client treatment and market conduct risk management practices. The integration and continuous delivery of market conduct principles form a golden thread woven into all our business activities, positioning us favourably in both client experience (CX) and regulatory compliance.

In recent years our driving principles have guided us in transitioning from a product-centred to a client-centred structure, with consumer protection at the forefront. Streamlining our policies and frameworks, we have enhanced agility, competency, and responsiveness to our clients’ needs. Our trained employees ensure a convenient, consistent, and informed experience for our clients.

The following encapsulates the key goals of our client-centred approach, fortified by driving principles that materialise these objectives:

Activate client-centredness

Driving principle: Breathe life into our strategic objective of client-centredness, ensuring that every aspect of our operations is geared towards understanding and meeting the unique needs of our clients.

Enhance segment value delivery

Driving principle: Prioritise client experiences over segment experiences, tailoring our products and services to align with client preferences and addressing specific pain points and gains throughout the client journey.

Achieve cohesion

Driving principle: Streamline and harmonise touch points across all client interactions, ensuring a seamless and cohesive experience that reflects our commitment to client satisfaction.

Unlock synergies across operations

Driving principle: Foster collaboration and synergy across all operational facets, leveraging shared resources and knowledge to enhance efficiency and effectiveness throughout the organisation.

Reduce organisational complexity

Driving principle: Embrace simplicity at the core, driving efficiency and effectiveness in our processes. A reduction in complexity leads to lower costs, greater agility in innovation, and quicker service delivery to our clients.

Eliminate duplicated effort

Driving principle: Remove redundancy across structures to boost organisational agility. Efforts should be streamlined and synchronised to eliminate duplication and enhance our responsiveness to market dynamics.

Enhance agility for distinctiveness

Driving principle: Cultivate agility as a cornerstone for remaining competitive and distinctive in a dynamic market environment. Adaptability and responsiveness to change must be ingrained in our organisational culture.

Improve executive accountability

Driving principle: Instil client-value-led accountability, ensuring that executive responsibilities focus on delivering value to clients throughout the entire value chain. Client benefits are the driving force behind executive decisions.

Distinct leadership accountability and mandates

Driving principle: Establish distinct leadership accountability and mandates, preventing overlapping in executive responsibilities and empowering leaders to make decisions within their specific areas of accountability. Clarity and focus are paramount to effective leadership.

Introduction and background continued

In 2023 we continued our ongoing transformative journey, transitioning from a legacy product-centred structure characterised by overlapping accountabilities, a solid digital foundation, and a need for enhanced agility, to a purpose-driven client-centred model.

	Previously	Current	Status
	Product-centred structure A historical focus, primarily on products and services, with less emphasis on understanding and meeting client needs holistically.	Client-centred structure A purpose-built structure that prioritises understanding and addressing the unique needs and preferences of our clients at every stage.	Achieved. Receiving ongoing attention.
	Overlapping accountabilities An organisational landscape marked by ambiguity and overlapping responsibilities, leading to potential inefficiencies and unclear decision-making.	Clear executive accountabilities Clearly defined executive roles and responsibilities, avoiding overlap and providing a focused approach to decision-making.	Achieved. Receiving ongoing attention.
	Solid digital foundation While having a strong digital foundation, it may not have been fully optimised to meet evolving client expectations and technological advancements.	Increased digital sales and service offerings Leveraging an enhanced digital infrastructure to expand our sales and service offerings, meeting the growing demand for digital engagement.	Receiving ongoing attention.
	Slow and costly response to client needs A culture that, at times, hindered a swift and cost-effective response to changing client needs and market dynamics.	Agile and responsive to client needs A commitment to agility, ensuring swift and responsive actions to meet the evolving needs and expectations of our clients.	Receiving ongoing attention.
	Complexity, fragmentation and duplication Operations characterised by complexity, fragmentation, and duplication, hindering agility, innovation, and a cohesive client experience.	Simplicity and efficiency A streamlined organisational structure that promotes simplicity and efficiency, reducing unnecessary complexities and fostering a more agile environment.	Receiving ongoing attention.
	Inconvenient, inconsistent experience Client interactions that may have been inconvenient and inconsistent, falling short of delivering a seamless and tailored experience.	Convenient, consistent experience Ensuring that client interactions are both convenient and consistent, providing a seamless and positive experience at every touchpoint.	Receiving ongoing attention.

This strategic evolution is poised to deliver a streamlined, efficient, and distinct client experience, leveraging increased digital capabilities and a clear focus on client needs. This is being achieved through a framework structured to support client-centredness, with a deliberate focus on enhancing areas that set us apart from our competitors. This includes prioritising features and services that align with our enhanced client-centred approach.

Milestones and accolades achieved – demonstrating exceptional market conduct practices and enhanced client experiences

Embarking on the voyage of 2023, we find ourselves reflecting on an extraordinary journey, 1 deeply rooted in the unwavering commitment to our purpose. The year has been a testament to the power of The Nedbank Way, a guiding principle that has not only steered us through transformative waters but has also laid the groundwork for a year marked by success and positive change.

‘As we review the chapters of the past months, the evidence of our distinctive approach resonates in the profound impact we’ve made and the milestones we’ve achieved. The accolades of 2023 overflow – each a testament to our dedication and a year shaped by purpose, innovation, and the resounding echoes of The Nedbank Way. This section captures a collection of key achievements that highlight our continued success.’

Retail and Business Banking (RBB)



Nedbank Retail and Business Banking

RBB received the following awards in 2023:

- Middle East and Africa Innovation Awards: Best Bank for Transaction Banking Services
- Global Banking & Finance Awards
 - » Best Retail Bank in South Africa
 - » Excellence in Innovation (Avo)
- Euromoney Awards for Excellence
 - » Best Digital Bank in Africa
 - » Best Corporate ESG Strategy South Africa
- ActiveOps Awards (London)
 - » Excellence in Operations (winner)
 - » Executive of the Year
- *Global Business and Finance Magazine*: Best Financial Institution South Africa
- The Asian Banker Awards: Best SME Bank in South Africa
- Qorus Reinvention Awards – MEA: SME Bank of the Year

Nedbank Wealth (Wealth)

Wealth received the following awards in 2023:

- ActiveOps Awards (London): Team of the Year (winner)
- Morningstar Awards
 - » Best Aggressive Allocation Fund (Nedgroup Investments Managed Fund)
 - » Best Moderate Allocation Fund (Nedgroup Investments Balanced Fund)
- Intellidex Awards: Top Private Bank [Nedbank Private Wealth (SA)]
- Global Private Banking Innovation Awards: Best Private Bank Africa
- City of London Wealth Management Awards
 - » PAM award for Total Wealth Planning – High Net Worth (Nedbank Private Wealth International) (winner)
 - » Voted Best Private Bank for the 9th consecutive year

Nedbank Corporate and Investment Banking

CIB received the following awards in 2023:

- Global Banking & Finance Review
 - » Best Bank for Client-facing Technology (global winner)
 - » Best Investment Bank in South Africa
 - » Best Sub-custodian Banks South Africa
 - » Best Sub-custodian Banks Namibia (winner)
 - » Outstanding Leadership in Sustainable Bonds
- The African Banker Awards
 - » Debt Deal of the Year
 - » Sustainable Bank of the Year
- Bonds and Loans Africa
 - » Sovereign Bond Deal of the Year
 - » Structured Loan Deal of the Year
 - » Syndicated Loan Deal of the Year
 - » ESG Loan Deal of the Year
- Environmental Finance: Sustainability-linked Loan of the Year (Africa) (winner)

Nedbank African Regions

NAR received the following awards:

Nedbank Zimbabwe

- Zimbabwe National Chamber of Commerce (national): Best Financial Institution Supporting SMEs
- Women In Governance, Risk and Compliance (GRC): Governance Risk and Compliance Team of The Year
- Top Companies Survey: Top Banking Institution of the Year
- Banks and Banking Survey: Environmental, Social and Governance (ESG) Award

Nedbank Mozambique

- Global Banking & Finance Review
 - » Best Trade Finance Provider
 - » Top Financial Innovations (UX)
 - » Best Digital Bank
 - » Best Trade Finance Provider
- » International Finance Awards: Most Innovative Digital Bank
- » Euromoney Awards for Excellence: Best Bank for Digital Solutions

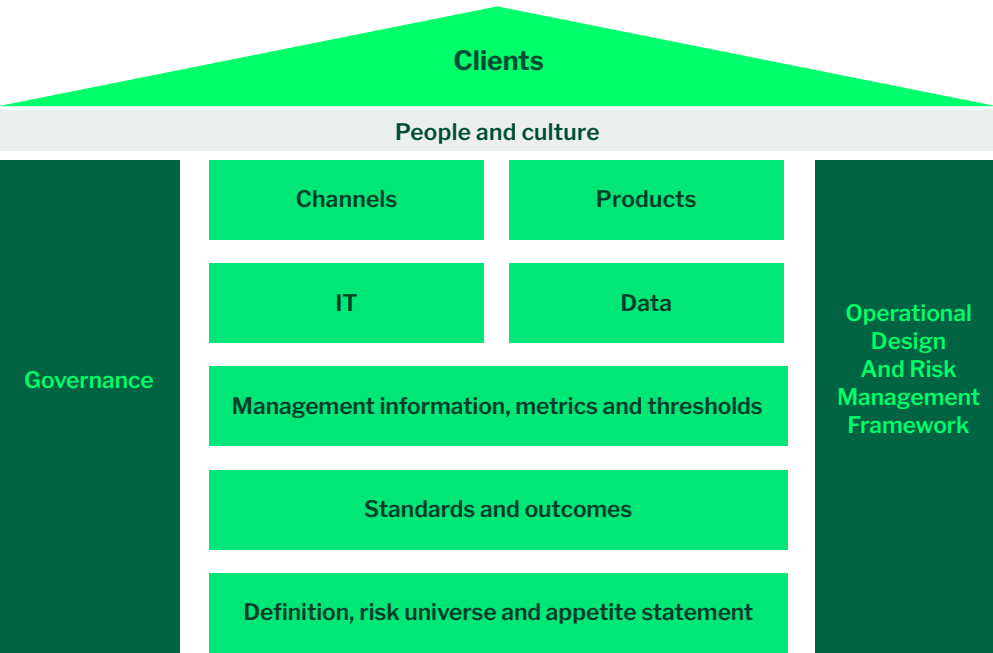
Our approach to fair market conduct

Our steadfast commitment to fair market conduct and client-centredness is deeply ingrained in our market conduct risk appetite, evident in how our strategic orientation and decision-making processes are meticulously aligned with the principles of fair market conduct. Our organisational design serves as a testament to our commitment, designed to be responsive, adaptive, and geared towards continuous improvement. Embracing a culture of learning from past mistakes, we rigorously identify root causes to prevent the recurrence of conduct risks and mitigate potential negative outcomes for our clients.

Our strategic focus extends across the entire value chain, ensuring a holistic approach to CX and client journeys. This encompasses a thorough examination of products and channels, an unwavering commitment to market conduct

risk and governance, meticulous management of information (MI) and metrics, and a persistent focus on nurturing a people-centred culture. Each component of this comprehensive approach is strategically integrated to ensure a robust and effective system.

The paramount objective of this rigorous and holistic approach is to guarantee that our clients consistently receive fair and positive treatment, irrespective of the product they choose or the channel through which they engage with us. This commitment highlights our dedication to creating an environment where fair market conduct and client-centredness are not just principles but are woven into the fabric of our organisational culture. Subsequent sections will delve deeper into the specific components of the value chain, offering a comprehensive understanding of our strategic initiatives.



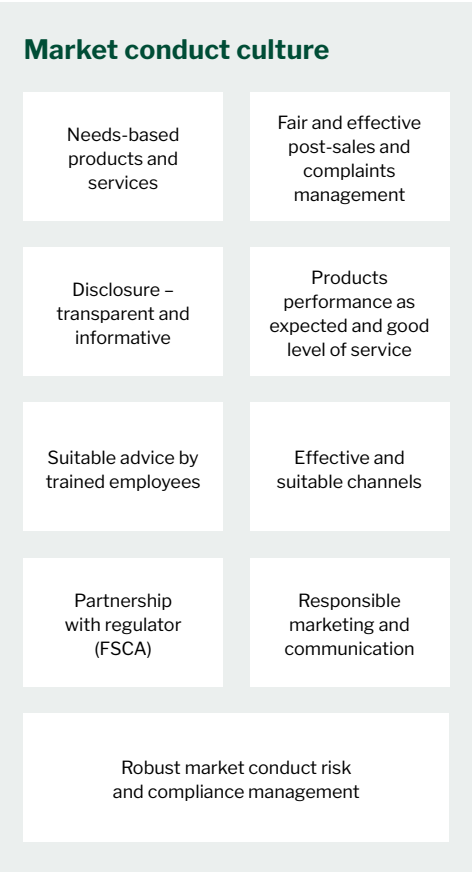
Sales and service

Sales strategy and Nedbank’s commitment to treating clients fairly

Our sales strategy is intricately woven with a focus on elevating the client experience, supported through our commitment to transparency, fairness, and a client-centred approach.

Our frontline employees play a pivotal role in this endeavour, analysing client profiles, conducting needs-based analyses, and actively listening to specific client requirements to ascertain the suitability of products. The advice provided is tailored to be suitable, accurate, understandable, and unbiased, consistently aligning with the client’s needs and goals. We are steadfast in avoiding conflicts of interest and any advice that may deceive or mislead clients, ensuring that, where applicable, all risks related to the financial product are transparently communicated throughout our client interactions.

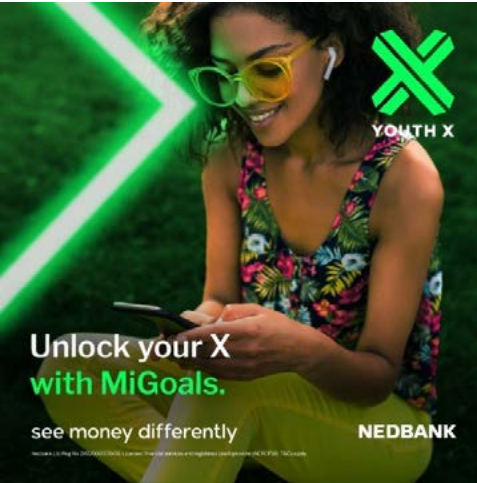
Transparency remains a guiding principle in our strategy, with a dedicated effort to ensure that clients fully comprehend the advice they receive. Our commitment to superior quality advice extends across all client segments, irrespective of financial education levels or vulnerability status. Importantly, our bankers are not incentivised solely on specific product sales targets but are evaluated based on the overall portfolio’s financial performance, with a significant weighting on independently measured client satisfaction.



Our approach to fair market conductcontinued

At Nedbank we leverage a diverse set of tools, including in-person client meetings and digital client portals, to provide a consistent and high-quality level of service.

To uphold our commitment to fair market conduct and client responsibility, each cluster has a committee dedicated to new and revised products and services. These committees govern the approval process for all new products and services and material enhancements to existing products and services. Setting out minimum requirements for due diligence, including strategic alignment, market research, and a robust business case, these committees ensure that initiatives align with client and market needs, reinforcing our dedication to transparency and client-centredness.



In May 2023 RBB launched the MiGoals product suite comprising MiGoals (a pay-as-you-use account), MiGoals Plus and MiGoals Premium, marking a brand-new suite of transactional products in 15 years. The suite was developed and informed by client needs and insights. It is segment agnostic, affording anyone a choice of the 3, based

on their financial needs. Price points are aligned to value, and the new products are simpler in terms of features and pricing. Sales channels include in-branch and self-service options via the web and the Money app, offering a combination of banker (face-to-face) and hybrid options. First, a financial needs assessment is done, whereafter clients complete their application through a tag-a-banker process on the Money app.

Service excellence is a key strategic objective and is one of Nedbank's key enablers to meet its aspiration of remaining #1 in client experience. We currently have

91%
(13 768 employees)
trained

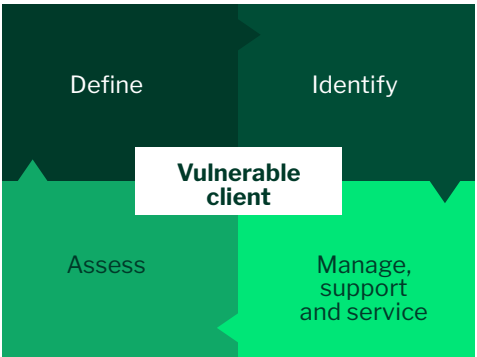
on their financial needs. Price points are aligned to value, and the new products are simpler in terms of features and pricing. Sales channels include in-branch and self-service options via the web and the Money app, offering a combination of banker (face-to-face) and hybrid options. First, a financial needs assessment is done, whereafter clients complete their application through a tag-a-banker process on the Money app.

Service excellence is a key strategic objective and is one of Nedbank's key enablers to meet its aspiration of remaining #1 in client experience. We currently have 91% (13 768 employees) trained, with 78% (776 teams) actively running check-point sessions across RBB, steering the intent of maintaining our #1 position in the Net Promotor Score (NPS) and widening the gap in 2024 and beyond.

At Nedbank Private Wealth (NPW) we believe in a globally integrated and advice-led approach to help our clients connect their financial decisions to their life goals and aspirations throughout the various stages of life. Our approach is centred around providing our clients with technical expertise, appropriate opportunities, global solutions, and services. Most importantly, we aim to connect our clients to personal and objective advice to help them make better life decisions and avoid financial hardship. We call this approach 'Connected Wealth, comprising a 6-step advice process that includes relationship building, gathering information, analysing, planning, interviewing, and reviewing our clients' investment performance. This process is coupled with a 7-stage client journey that includes awareness, consideration, commitment, transacting, service, deepening the relationship, and exit. Our goal is to provide our clients with the best possible service and advice to help them achieve their financial goals and aspirations.

Vulnerable clients

The Financial Conduct Authority (FCA) defines a vulnerable client as a person who, 'due to their personal circumstances, is especially susceptible to harm, particularly when a [financial services] firm is not acting with the appropriate levels of care'. Ensuring a thorough focus on client responsibility, particularly regarding vulnerable clients, is a cornerstone of our commitment at Nedbank. We recognise and prioritise the unique requirements of vulnerable clients and employ a multi-faceted approach to cater to their needs, aligning with our broader commitment to fair market conduct and client-centredness. Our ongoing commitment to identifying and supporting vulnerable clients is deeply ingrained in our processes. Frontline employees undergo comprehensive training to handle these clients with sensitivity and empathy, ensuring that their unique circumstances are approached with the utmost care.



In the pursuit of enhanced experiences for vulnerable clients, even within our 'Digital first; first in digital' strategy, we have implemented an exception process to accommodate clients who may be unable or unwilling to access their statements via digital platforms, respecting their choice to receive posted statements.

Furthermore, in our CIB business, a specialised credit risk team, the Special Portfolio, actively engages with clients in financial distress, complemented by dedicated legal-risk support.

Fortifying its focus on vulnerable clients is Nedbank's commitment to fraud prevention and awareness, which is underpinned by extensive efforts to educate clients. We provide a wealth of information on our website, including fraud awareness tips and details on various fraud categories such as schemes and scams, cybercrime, safe banking practices, and recognising fraudulent activities. This information is complemented by proactive alerts and awareness campaigns delivered through multiple channels, including email, SMS, in-app messages, and Online Banking tiles.

Year after year, we endeavour to further develop and improve experiences for our vulnerable clients. The RBB Vulnerable Clients Forum, established in 2022, meets once a quarter and has been the centre of reviewing and addressing design needs in the physical and digital realm, with specific attention to the elderly and differently abled people. In addition, a partnership with the National Council of and for People with Disabilities (NCPD) was also initiated, playing a role in how we consider, design and address the needs of people with disabilities.

Social media supports communicating frequent updates regarding branch wheelchair access and priority queueing for vulnerable clients, shining a spotlight on Nedbank living its purpose through various posts about people with disabilities (PWD) awareness campaigns, spear-headed by the NCPD.

Our approach to fair market conduct continued

Here are some examples of how we aligned our services to support PWD:

- **Digital services** support people with visual impairments.
- **Audio speech development** enables visually impaired clients to navigate through our web and app services (clients need their own devices to listen and give audio prompts).
- **ATMs, self-service kiosks (SSKs) and device monitors** have been reset to avoid screen glare and ensure creative pantones and imagery, taking people with partial visual impairments, epilepsy, and colour blindness into account.
- **Audio cards** are disabled on devices to protect clients from any risk and branch employees assist clients where needed.



- **Interior design, signage and merchandise** improve access and promote awareness.
- **Priority queueing** assists the elderly, parents with children, and people with physical needs.
- **Eclipse updates** flag clients with vulnerable needs.
- Free-standing **‘take-one’ stands** in branches have pamphlets, brochures and flyers about our digital services, products, etc.

- **Ergonomic principles** are applied across seating and all supporting furniture elements address seated and standing interactions.
- **256 branch ATM devices** have been lowered to accommodate short people and people in wheelchairs.
- We also offer **self-service zones, with visible signage and easy access.**

Our approach remains to acquire insights and drive effective changes to design in support of vulnerable people.

In our NAR business, system triggers have been instituted within Flexcube (a core banking system) to identify and service vulnerable clients. NAR strategically uses this information to support management in making decisions around products and services.

Nedbank Private Wealth’s training initiative was designed to ensure that our clients are treated fairly and equally in all aspects of our business. Our training material is designed to equip employees on how to manage vulnerable clients and the different kinds of vulnerabilities, for example hearing impairment, low literacy, physical disability, and visual impairment. Our training and awareness covered under ethical conduct clearly articulate our vulnerable-client process and approach. Our refreshed vulnerable awareness training commenced in October 2023 through our masterclass training initiatives. Our training material is available to our employees via our Digital Learning Platform.

Our aim is to empower our dedicated employees with expert knowledge and compassionate guidance, we forge an unwavering commitment to our clients and our mission, is to deliver exceptional service and strategic advice, guiding them through our comprehensive offerings.

Responsible lending

In recognition of the economic challenges that our clients face, we are committed to providing lending products that help them maintain their financial stability. This commitment extends to our comprehensive lending practices, including debt collection, debt consolidation, and restructuring, which are designed to guide and support clients, especially when they encounter difficulties in meeting their financial obligations.

Debt collection, consolidation, and restructuring

Our approach to credit risk management is underpinned by responsible lending practices across the group. The Group Credit Policy establishes overarching principles and standards, while each business entity formulates its credit policy based on these principles. Additionally, cluster-level credit policies and frameworks, such as the Retail Debt Counselling Credit Policy, further strengthen our commitment to client well-being.



Our approach to fair market conduct continued

To support clients in financial distress we offer various solutions such as payment relief, waiving financial covenants, reducing effective interest rates, and providing interest and principal forgiveness in certain circumstances. For home loans, we prioritise keeping clients in their homes, offering restructuring options and assisting in the voluntary or assisted sale of properties as a last resort. Our debt collection processes are guided by communication and contact strategies, debt assistance, and a commitment to the Nedbank brand promise.

Our debt collection activities align with the RBB Credit Policy, focusing on rehabilitating borrowers with deteriorating payment profiles. Various levers, such as account segmentation, prioritisation, campaigns, and comprehensive management information are used to drive efficiency and positive outcomes for our clients. The emphasis is on placing clients in the best possible financial position while adhering to ethical standards and regulatory requirements.

In 2023 RBB Conduct and Communications developed a debt assistance webpage as a minimum viable product (MVP) for clients to understand the various debt relief solutions. In January RBB launched a full-scale webpage with solutions per product, explanatory notes for each solution, and a call-me-back form to facilitate straight-through delivery to collections teams. Relationship banking enables us to offer lending solutions that are tailored to the needs and means of high-net-worth clients.

Debt consolidation

Debt consolidation is a key strategy in our Unsecured Lending portfolio, aimed at safeguarding clients' financial interests while

maintaining compliance with the National Credit Act, 34 of 2005 (NCA). We proactively identify clients in need, disclose relevant information transparently, and advise them to make informed financial decisions. Affordability and product parameters are central to determining eligibility for debt consolidation, ensuring responsible lending practices that prioritise client value.

Use of 3rd parties to collect debt and engagement protocols

3rd-party engagement is considered only when the efforts of Nedbank Debt Counselling and Recoveries Services (NDRCS) are unsuccessful. Managed through service-level agreements, this relationship adheres to professional standards and applicable laws, with a focus on conducting recoveries efficiently, attending to settlement account closures, uplifting repossessed assets, instituting legal actions when necessary, and providing legal advice.

Legal recoveries

RBB Recoveries supports the business by implementing recovery processes for non-performing loans. Complying with relevant acts, court rules, and regulations, legal recoveries focus on maximising recoveries through client education, rehabilitation, cash recovery, and realisation of assets.

Employee training on debt counselling

NDCRS and Recoveries employees undergo comprehensive training and development plans, covering topics such as business rescue and the administration of insolvent or deceased estates. Regular upskilling includes awareness of new or amended legislation and legal

procedures to ensure that our employees are well equipped to navigate the evolving landscape of responsible lending.

By consistently monitoring and analysing these lending practices, we gain insights into their effectiveness, enabling us to make continuous improvements. Real-world case studies and examples further illustrate instances where our commitment to responsible lending has contributed to ethical market conduct and the well-being of our clients.

At NPW our relationship bankers guide our clients through the entire loan application process:

- **Affordability tests** are conducted to ensure that our clients can cope with high-interest-rate scenarios.
- The **loan asset quality benchmarks** that reflect our risk tolerance inform our credit risk appetite.
- The **creditworthiness** of our clients is assessed according to credit policies and relevant tiered approval mandates.
- Credit committees review the **Wealth lending portfolio and credit risk appetite** every quarter.
- A dedicated **credit risk forum** also handles client requests to restructure their facilities in case of financial distress.



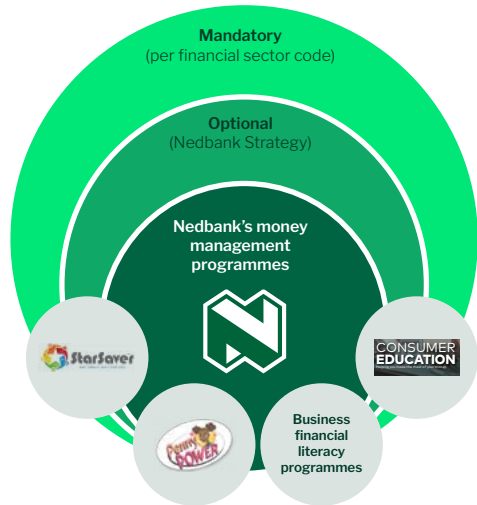
Our approach to fair market conduct continued

Consumer financial education •ESG•

Nedbank is dedicated to enhancing the financial literacy of our clients and the broader community, recognising the pivotal role of financial education in responsible market conduct. Our multifaceted strategy aims to empower individuals with the knowledge and skills to make informed financial decisions, contributing to their financial wellness and, subsequently, the prosperity of the economy.

Our Financial Wellness Strategy encompasses 2 key areas: consumer financial education (a regulated programme targeting previously excluded clients and communities without focusing on Nedbank-specific products) and financial fitness (a programme empowering individuals with skills for prudent personal financial management). These initiatives are aligned with our commitment to promoting financial well-being. Our programmes cater to a diverse audience and prioritise inclusivity, aiming to reach those who may have limited access to financial education resources.

Ultimately, the purpose of Nedbank’s Financial Education Strategy is to help consumers manage their money better by developing money management programmes that drive behavioural shifts to create a competitive edge in the market. Examples of Nedbank’s money management programmes include the following:



- **Starsaver** – A financial education programme that aims to help children become financially savvy by teaching them basic financial literacy concepts.
- **Penny Power** – An 8-episode financial fitness educational programme that teaches young people how to use money wisely.
- **Business financial literacy** – A programme catered to aspiring and newly established small businesses, offering valuable tips that can contribute to their success.
- **Consumer education** – Nedbank’s website includes information on topics such as maintaining financial health, budgeting for financial health, the importance of saving, understanding credit, banking products and services, CFE savings month competition, and money secrets.

We have 2 types of financial education:

- **Mandatory** consumer financial education in line with the requirements of the Financial Sector Code.
- **Optional** financial education to drive differentiation and commercialisation opportunities for Nedbank.

In 2023 RBB explored new channels for delivery



Live webinars

Real-time interactive video conferences to reach and interact with large audiences across different regions. Attendees can see and hear everything online and engage with the financial educator and guests through Q&As, live polls, and discussions.



Twitter/X Spaces

An audio-based feature on X that enables participants to join and participate in live audio financial education sessions. X Spaces offers an interactive environment for participants to connect and share ideas with our financial education facilitators.



Microsoft Teams and Zoom

Real-time interactive video conferences to reach and interact with large audiences across different regions. Attendees can see and hear everything online and engage with the financial educator and guests through Q&As, live polls, and discussions. One major difference when compared to live webinars is that live webinars are events recorded live in a studio and involve a financial educator and in-studio guests.

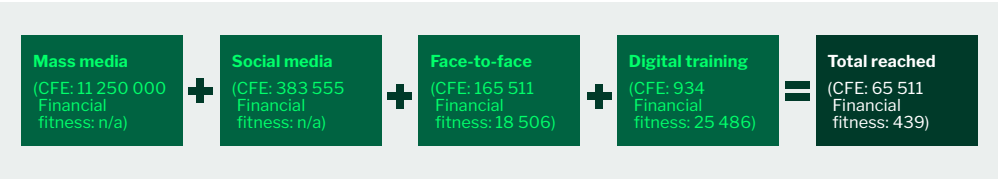


WhatsApp

WhatsApp in partnership with Digify Africa. This innovative approach enhances the way financial knowledge is shared and empowers individuals to make informed decisions about their finances. Through interactive quizzes, informative videos, and personalised tips, we create immersive learning experiences that captivate users and encourage them to adopt healthier financial habits. By leveraging the familiarity and convenience of WhatsApp, we reach a wider audience, breaking down barriers to financial education and paving the way for positive and lasting behavioural change.

Our approach to fair market conduct continued

ESG	Consumer financial education	Financial fitness
Mass media	11 250 000	n/a
Social media (Twitter Space)	383 555	n/a
Face-to-face	165 511	18 506
Digital training	934	25 486
Total reached	11 800 000	43 992



Furthermore, the Connected Wealth awareness campaign continued in 2023 through broadcast, out-of-home and digital channels. The campaign reached 63 444 people, 11 240 engagements on social-media platforms and 3 862 978 YouTube views. Alongside the Connected Wealth campaign, 17 digital and social-media campaigns were launched on various scales during the period. This resulted in an increase in website traffic of 21%, with 427 484 unique visitors to the website. We also saw an increase of 83% in social-media engagement on Nedbank Private Wealth channels. The purpose of our campaigns is to increase awareness of our products and services and educate consumers on various finance-related issues. In addition, 18 educational videos were created on our share trading platform.

Our Fiduciary Team also collaborated with the MoneyEDGE (Nedbank’s free financial education platform) Team to provide course material on estate planning and international investing.

Financial inclusion

Our Financial Inclusion Strategy aims to ensure that all clients have access to a range of affordable and appropriate financial products and services. It goes beyond mere access to bank accounts and encompasses the sustainable use of diverse financial offerings. By incorporating financial inclusion in our strategy, Nedbank empowers people to participate fully in SA's financial system, regardless of their income level or background. Key dimensions of Nedbank’s Financial Inclusion Strategy include, among other things, access to and the use of quality financial services. Our Financial Inclusion Strategy, coupled with fair client market conduct, creates a win-win situation – achieving our strategy while ensuring equitable access to financial services for all.

Detailed information about our financial inclusion initiatives is included in our Transformation Report on page 155.

Voice of clients

Analysis of client complaints and management of client feedback

In our unwavering commitment to client satisfaction and market conduct, we employ a systematic approach to capture and resolve complaints and disputes. Our transparent client-facing process ensures fairness, remediation, and continuous improvement. Our strategic focus on delivering exceptional client experiences drives a structured approach to pain point remediation. Client complaints undergo a thorough review to identify key challenges, and root cause analyses inform appropriate actions, with governance committees at cluster level overseeing resolution and tracking of implemented action plans. Continuous tracking of post-remedial action ensures the attainment of fair client outcomes.

Accessible through various channels, including our website and helpline, our detailed complaints procedure underscores our commitment to resolving client concerns promptly. Clients can contact us through multiple avenues, ensuring their voices are heard. And, if they are dissatisfied, they have the option to escalate matters to the Ombudsman for Banking Services.

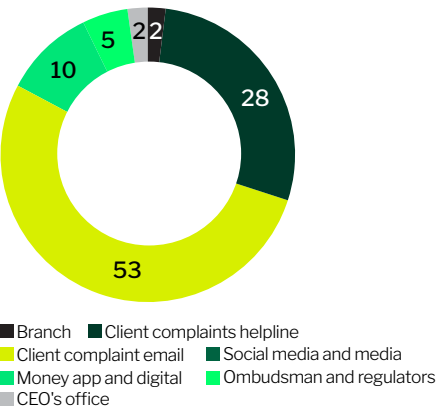
Effective complaints management is core to delivering improvement for our clients in our financial products, services, and practices. Not only does effective complaints management improve quality, but it also builds loyalty and trust. Complaints logged declined by 19% yoy. 96% of the volumes were resolved within the prescribed timelines and 2,27% of complaints logged were escalated to the Ombudsman for Banking Services. At the end of 2023, 30,24% of cases were resolved in favour of the complainant against an industry average of 24,38%. We use this metric as a key identifier for trends to be identified, addressed, and corrected through our various client-centred conduct forums. In addition, we settled R17,5m in goodwill and R3,6m through market conduct settlements.

30,24% of cases were resolved in favour of the complainant

ESG			Total resolved	
			Turnaround time #21 days	%
All complaints lodge	Total	%		
Source				
Branch	1 522	2	709	1
Client complaints helpline	20 131	28	17 303	25
Client complaints email	38 032	53	30 912	45
Social media and media	311	0	237	0
Money app and digital	6 851	10	6 381	9
Ombudsman and regulators	3 260	5	746	1
CEO's office	1 450	2	1 118	2
	71 557		57 406	83

Our approach to fair market conductcontinued

Source of complaints (%)



RBB complaints

In 2023 we improved the visibility of our internal complaints process by enhancing and simplifying the process on our website. In-branch monitors content on the complaints process and contact details were revised, and the Ombudsman process and contact details for escalations were included.

RBB also implemented a weekly Complex and Unusual Complaints Forum, where unique complaints are discussed so that resolutions are not delayed.

With consideration of digital fraud increases in 2023, exacerbated by capacity constraints, there was a concomitant impact on concluding investigations. As a result, digital fraud complaints were not resolved timeously, and clients were not informed of the delay or status of their complaints, thus increasing the number of complaints. In July 2023 a decision was

taken to reimburse clients who submitted fraud claims of R3 500 or less. The FSCA commended this decision in a formal letter to the RBB Managing Executive, as an act bearing testament to RBB’s ‘commitment to putting clients first and at the centre of everything it does’ (excerpt from letter dated 21 November 2023).

Wealth Management complaints

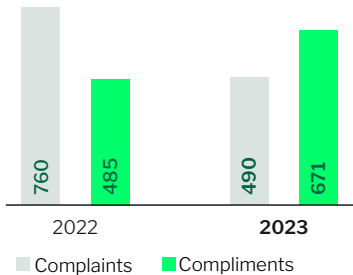
In 2023 Wealth Management SA clients completed 1 952 surveys with an overall satisfaction score of 77%. Our clients are fully aware of who their service contact person is, and we have measured the response at 96%. Wealth Management SA received 498 complaints in 2023, indicating a 76% decrease in complaints volumes since 2021 (2 051 complaints received) and 94% of all complaints were resolved. Of the complaints escalated for external dispute resolution, we had 4,22% of total internal complaints escalated to the Ombudsman for Banking Services. At the end of 2022 100% of the Nedbank complaints referred to the Ombudsman were resolved in favour of the bank. A total of 671 compliments were received during 2023, accounting for 58% of the total registered cases received during the year, meaning 1 161 cases (complaints and compliments).

Adjacent is a breakdown of the number of complaints and compliments received during 2023 across various channels. We have ensured that all complainants can access these channels during and outside of office

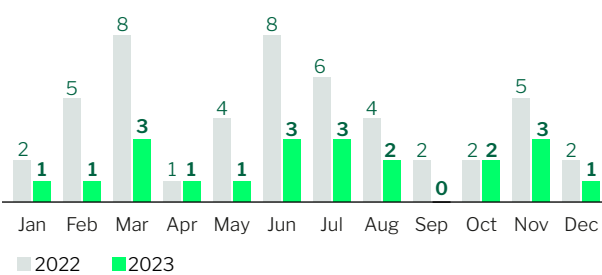
hours. Complaint operational improvements include a 2-hour service level for complaint registrations and clear communication at every stage of the process.

Complaints lodged at the Ombudsman and Regulator have decreased by 43% yoy, January to December 2023.

Complaints and compliments (Number)



OBS/Regulator complaints logged 2022 vs 2023 (Number)



CIB complaints management

NAR received a total of 6 056 complaints in 2023 (a 15% increase from 2022), with Mozambique recording the highest level at 59% of the total NAR complaints. This is a 109% increase in terms of total complaints received in Mozambique in 2023 vs 2022, mostly due to payment processing issues (transaction reversal requests for failed point-of-sale and ATM transactions are not sent to the core banking system).

Social-media and sentiment analysis

Client sentiment, tracked through social media, informs our understanding of client experiences, satisfaction, and concerns. Both increases and declines in sentiment are analysed, prompting

action to maintain high satisfaction levels. Social-media complaints are treated as formal complaints, logged, and tracked until resolution, mirroring our internal process.

In comparison to industry benchmarks, Nedbank has excelled, achieving 2nd place in clients’ experience of business operations, 2nd place reputationally, and ‘most positive digital experience’ among bigger banks. Nedbank’s consistent upward trend in CX performance has led to it reaching #1 in NPS (including Eswatini and Mozambique) and #2 in brand sentiment in all our NAR markets, leading in Lesotho and Zimbabwe. This reflects our dedication to delivering delightful client experiences. A gold-standard client journey management capability ensures ongoing enhancements to meet evolving client needs.

Our approach to fair market conduct continued

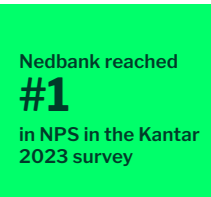
Client sentiments on an understanding of products, adequacy of advice received, pricing of products, value for money, and fulfilment of expectations in sales and servicing are tracked via social media. Increases and declines in sentiment are analysed to understand our clients’ sentiment towards various facets of the client value chain, including:

- Service delivery
 - Product-related delivery
 - Competitions and campaigns
 - Developments in news and social media such as industry watchdogs
 - Impact in terms of potential issues or non-compliance

The analysis drives action from our businesses to ensure that we maintain high levels of client satisfaction and an upward or stable trend. From a market conduct perspective, various business areas, as well as Group Risk, study trends in client sentiment to identify any material or emerging market conduct risks that may be detrimental to our clients and require further investigation. These may indicate the key areas of business that require stronger focus and/or remediation to avoid recurrence. Our complaints team tracks all complaints lodged on social-media platforms as formal complaints, as social media is a key focus area in the new connected world. Complaints are tracked until resolution via our complaints management system and are analysed in the same manner as complaints lodged internally, with a focus on a call to action to the businesses to drive remediation and root cause analysis.

Based on the South African Banking Index released by BrandsEye in December 2022, the banking industry experienced an improved net sentiment index over the past year, progressing from -7,5% to 9,4% between 2021 and 2022. Most banks achieved positive reputational net sentiment over this period, driven largely by campaign efforts.

In addition, we offered the ‘most positive digital experience’, compared with the bigger banks. Following a consistent upward trend in CX performance over the past 6 years, Nedbank reached #1 in NPS in the Kantar 2023 survey, tying with Capitec. Kantar survey results were driven by great service from employees, affordability, and trustworthiness.



Product Product design, approval and digital innovation

Nedbank places a paramount focus on developing financial products, bundles, and packages crafted to address the specific needs of distinct client segments. Our commitment to ethical market conduct and client responsibility is underpinned by robust governance structures operating at both cluster and group levels. These structures serve as a critical checkpoint, rigorously reviewing and approving new products before their launch to ensure alignment with the identified client segment. To enhance the client-centredness of our offerings, each business cluster engages in comprehensive client research to gauge the suitability of a product for a particular client segment and ensures that our products adhere to the principles of good market conduct. This commitment translates into delivering products that meet client needs and are simple to understand and use, in line with client expectations.

Our product design and development processes strictly adhere to the Risk and Governance Requirements for Products Policy. This policy serves as the guiding framework, ensuring a consistent approach to managing, monitoring, and controlling risk associated with new and amended products, services, and system initiatives. Regular assessments of existing products are integral to our approach, guaranteeing their continued alignment with client expectations. In cases where a product falls short or no longer meets client needs, well-defined processes are activated to withdraw the product. Clients are promptly advised of more suitable alternatives, reinforcing our commitment to client satisfaction and responsible market conduct. Client-centred value propositions are embedded across all clusters, ensuring not only the suitability of our offerings for targeted client segments but also demonstrating our proactive stance in responding to evolving client needs. This holistic approach signifies our dedication to transparent, ethical, and client-responsible product design and approval practices.

In March 2023 Nedbank launched PayShap, the Payments Association of South Africa’s low-value, easy and safe interbank digital payment service with real-time transfer capability. At its launch, Nedbank was the cheapest among participating banks to encourage participation in the new capability. In May 2023 RBB launched the new MiGoals transactional product comprising 3 unique offerings, namely MiGoals (a pay-as-you-use product), MiGoals Plus and MiGoals Premium. Back-book migration commenced in the latter part of 2023 and will continue into 2024 until all clients have taken up 1 of the new MiGoals products. The migration process follows a 60-day communication period and aligns with Section 9 of the FSCA Conduct Standards for Banks, 2020. Clients are notified of the decision to discontinue the back-book of the product options and directed to the migration webpage with information about all the options. Clients also receive reminder communication to choose the product that they prefer. Those who do not choose a product are migrated to the most appropriate product, closest to their current one.

Our approach to fair market conduct continued

Check point

Product design purpose and intention of the desirability gate

Nedbank has a very structured design and build approach in place, known as the Golden Thread. Golden Thread supports the realisation of Nedbank’s RBB strategy by prioritising and implementing the desired client and business value. A focus was placed on the introduction of client desirability within the Golden Thread to match the rigour applied to financial viability and technical feasibility. An enhanced focus on desirability helps to prevent rework, focuses the demand, makes spend more efficient, and ensures that we commercialise propositions that meet CX expectations. Various desirability gates occur along the way (from ideation and execution to release into the market), creating an opportunity for teams across RBB to obtain the required CX input and endorsement before moving to the next step in the process. This client-led outside-in approach gives us the confidence that there is a real client need for the product or solution and the robust process assesses whether the product build has adhered to the CX design for the intended experience.

The Chief Client Officer chairs the desirability sessions (twice a month) with a small and focused core group of invitees from across RBB. There is a structured agenda and a cover sheet for each submission, with guidelines for accompanying artefacts at each stage. An audit trail is also retained.

The CX desirability monthly sessions began in August 2023, with 13 products presented by the end of the year. Of the 13 products presented, 11 obtained full endorsement and 2 obtained partial endorsement. Partial endorsement requires the product team to present their product at the Desirability session again for full endorsement, taking into account

the recommendations made during the initial session.

In NPW and Wealth Management we track and report on cross-sell and the use of products at a household level. We also ensure that this is done not only for traditional banking products but also for products within our product and fund house, which include both internal and external product providers to the group.

Nedbank’s banking products follow the group product development methodology and governance process. All banking products are developed and managed on group systems. These products are adapted to our client segment based on client research and needs analysis emanating from engagements between clients and their relationship managers. Client complaints data, voice-of-client surveys and competitor research are used as part of ongoing product reviews and refinement. The performance of our products is monitored through monthly reporting against key performing indicators (KPIs).

In NPW specifically, there is a fund house view of approved products and product providers for our advice teams. Thorough fund, product, and platform due diligence is done before new additions are made to approved lists. There is also an Advice and Product Forum in place to review and approve new products, funds, and platforms to ensure the appropriateness of our approved products and funds and to approve advice house views to support the selection of these products and funds. Our Large-case Review Forum conducts regular reviews of advice and product recommendations made to clients to ensure that clients receive the best possible solutions to meet their needs.

Application of fair pricing (including simplified pricing)

Nedbank demonstrates an unwavering commitment to fair pricing practices, emphasising client responsibility and ethical market conduct. Transparent and client-centred pricing serves as a cornerstone, fostering trust and long-term relationships. Rooted in a client-centred perspective, our pricing strategies incorporate client needs, preferences, and feedback. The linchpin is transparency, achieved through simplified pricing structures. Regular pricing reviews ensure competitiveness, with comparative analyses against industry benchmarks. Simplification enhances accessibility, recognising varying financial literacy among clients. Beyond visible pricing, proactive measures combat hidden fees, preserving client trust.

Our annual pricing review (APR) adheres to fair pricing principles outlined in cluster-specific pricing charters. Clusters are actively simplifying pricing structures and related communications. We have designed a user-friendly 2023 pricing brochure, featuring simplified terminology and tools to promote client understanding and fee-saving strategies. The APR incorporates insights from client feedback on pricing, ensuring that any pain points identified are considered for continuous improvement in subsequent reviews. The MiGoals pricing further accelerates this journey, with simple, easy-to-calculate fees and the first-of-its-kind pricing brochure where fees were grouped by values and rendered in a portrait view for easier view and interaction.

Nedbank's dedication to fair pricing practices, transparency, and client-centredness exemplifies our commitment to responsible market conduct. Regular reviews, transparent communications, and simplicity in pricing structures underscore our unwavering commitment to fairness, impacting clients positively. Our application of fair pricing practices, with a specific emphasis on simplified pricing structures, stands as a testament to our commitment to ethical market conduct and client responsibility. This comprehensive approach ensures that Nedbank continues to be a trusted financial partner, fostering transparency, accessibility, and fairness in all its client interactions.

The Solidarity Research Institute (SRI) Banking Charges Report was released on 12 February 2024.

Overall positive feedback was given on Nedbank’s pricing as well as the ease of understanding its fees: ‘Nedbank’s progress regarding the competitiveness and transparency of its fees must be mentioned. It is not just the names of its accounts that have changed. Nedbank is the cheapest in the 30-transaction profile, with an easy-to-understand fees page on its website.’ In the category of higher middle-class income and sophisticated banking needs, Nedbank was placed 2nd, up from last place in the previous year. ‘At Nedbank, all transactions on the Solidarity assessment list, apart from sending cash to a cellphone number, are included in the monthly fee of R99 (MiGoals Plus Account)’.

Our approach to fair market conduct continued

Although Nedbank’s MiGoals Premium Account appears to be the more expensive, with a monthly fee of R240 compared to R230 per month for the other 3 banks, it easily wins this category as all transactions on the Solidarity assessment list are included. Nedbank has greatly simplified its offering and reduced the total cost.

In NPW our pricing philosophy and approach are underpinned by key client considerations – it must be easy to understand and easy to remember, demonstrated by fewer fee points, rounded amounts, and moving to a ‘per thousand’ or ‘part flat fee’ where relevant. All our pricing is compliant with this approach. Fees for all NPW products are published in our banking fee brochure.

Clients also receive an email and SMS 30 days in advance, advising them of the new fees, including a link to the NPW website where they can download the latest pricing brochure. There is also a banner on the home page notifying clients of new fees (effective from 1 January), and statements for the various products include the same message, directing clients to our website or service suite for more information. Pricing is based on client segment and behaviour and is aligned with the group’s approach to not be the cheapest in the market but rather offering visible value and a choice of products relevant to client needs. We also ensure a clear distinction between Private Clients and NPW while maintaining alignment for seamless migration, where possible, and conduct competitor and industry analysis by product and client segment to ensure alignment to the market.



Product delivery and performance (post 12-month launch review | New and discontinued products and services)

Nedbank's Risk and Governance Requirements for New or Amended Products Policy sets out the principles, roles, and responsibilities for obtaining approval for new and amended products, services, and system initiatives, or when engaging in new activities or entering unfamiliar markets or jurisdictions across the group. The policy aims to ensure that Nedbank follows a consistent approach to manage, monitor, and control the bank’s risk universe when it comes to new or amended products, services, and system initiatives on Nedbank-assisted and digital channels.

Our unwavering commitment to client responsibility is deeply ingrained in the strategic management of our product portfolio. We continuously review and assess product performance post-sale, ensuring alignment with client expectations and ethical market standards. Our proactive approach involves navigating our product offerings strategically, emphasising transparency, fairness, and client-centred values. During regular holistic evaluations, we scrutinise overall performance and individual components of product bundles and packages. Specific guidelines prevent cross-selling or upselling of unsuitable products. Clients have full visibility of their portfolios, and our recommendations prioritise their financial well-being, even if it impacts our revenue or profit. Legacy products also undergo periodic reviews to ensure ongoing suitability for clients. When a product is no longer appropriate, decisive actions regarding withdrawal or migration are taken. In case of product withdrawal, our comprehensive client engagement process ensures transparency. Clients receive information on alternative product options, facilitating a seamless transition aligned with our client responsibility principles. Our strategic management of the product portfolio reflects our commitment

to ethical market conduct, client responsibility, and a client-centred approach. Nedbank’s dedication to transparency, fairness, and continuous improvement underscores its mission to be a trusted and responsible financial partner for clients.

We handle clients in financial distress (or in arrears) with care, ensuring that they are treated fairly and are given suitable advice to help them alleviate their situation, including referrals to external support where appropriate.

Clients who are in arrears or financial distress are serviced fairly. Impairments were a challenge as the macroeconomic environment (a combination of interest rate increases, fuel price hikes and rises in inflation) placed financial pressure on clients. RBB established a weekly Impairments War Room to manage the impairments risk and improve collections and recoveries. The Collections and Debt Recoveries Division was established in October, with its key strategic objective to implement processes, procedures, and various strategies to improve payments and future-proof the organisation for impairments risks.

Communication was an important facet of the drive to improve collections. The governance process related to all new, updated, and improved communication to support the collections and payments efforts was signed off by Client Conduct, Legal, and Compliance. Communications were reviewed against the CX communication principles, which embody the principles of honesty and transparency. There were good learnings from the communication strategy, clients’ responses, and the experience gained from those communications, and 2024 will see a focus on all collection and recovery communications to balance the bank’s imperatives and client impact.

Our approach to fair market conduct continued

In Wealth Management SA we review the following:

- Our current product range and suitability to client needs.
- The effectiveness of the transition period during the discontinuation of services.
- Client communication strategies and advisory processes for both new product introductions and discontinuations.
- The advice given to clients and the products that they have chosen are reviewed annually to ensure they remain on track to achieve their goals and needs.
- Advisers are trained and must pass assessments on new products (ie product accreditation) before they can start presenting to clients.
- We also have access to product providers' broker consultants/business development consultants assisting advisers with

- presenting new products to clients.
- Clients who are invested in a product that is discontinued are notified and provided with suitable alternatives. Measures are taken to guide the advisers to have informed discussions with clients and to present clients with the options that are available to them, for example:
 - product to be surrendered; or
 - product can be continued with the addition of new money into the product being allowed or not; or
 - clients are reviewed annually to ensure continued suitability of the advice given and selected product and to ensure clients remain on track to achieving their goals and needs.

The NPW banking product

- Our banking products follow the group product development methodology and governance process.
- We follow the group's product portfolio management approach.
- The products are adapted to our client segment based on client research and needs analysis emanating from engagements between clients and their relationship managers.
- Funds are reviewed monthly to ensure that they meet performance expectations. We review client portfolios annually to ensure continued suitability.

Responsible marketing

The marketing and positioning of the Nedbank brand are anchored in our brand purpose of using our financial expertise to do good for our employees, clients, shareholders, regulators, and communities. Our brand architecture provides the blueprint and guardrails in terms of how the brand is communicated through its messaging, tonality, and visualisation. The marketing of our products and services contains fair and clear messaging that incorporates full disclosure of relevant information. In relevant markets such as local communities, township economies, and growth nodes, we aim to translate our positioning messaging into vernacular languages while still maintaining English as the standard business language. In crafting and developing our client value propositions, there is sufficient client and market research conducted to ensure that the value proposition is relevant and meets our clients' needs.

Our agile operational marketing environment connects the brand purpose, strategic business objectives, and marketing and advertising messaging into a single, coherent of the brand. This is achieved through client-focused, data-driven decision-making tools and capabilities that strive to deliver seamless and user-friendly experiences that delight our clients. These tools and capabilities, which include design, data, insights, target audience identification, and experience journey mapping, work together to ensure that the marketing and advertising messaging is placed with the right market and that our clients understand it.

All marketing and advertising communications carrying the branding of Nedbank Limited and

its subsidiaries must comply with applicable regulatory requirements and align with the Nedbank Code of Ethics and other internal policies stipulated and guided by the Enterprise Brand and Marketing Policy. The governance process in terms of reviews and approvals of marketing and advertising collateral and campaigns is overseen by the Enterprisewide Marketing Executive Committee, which is representative of all cluster and central marketing executives. The Brand, Client, and Conduct Committee (BCCC) mandate includes the oversight of all brand and marketing campaigns launched during the period under review, including the effectiveness of these campaigns, through integrated post-campaign measurements.

Our marketing initiatives are guided by a set of principles that prioritise transparency and accuracy. We recognise that marketing materials serve as a crucial channel for communicating with clients. Therefore, we ensure that our messages are clear, truthful, and aligned with our clients' best interests. Upholding the highest standards in our communications is non-negotiable. Accuracy builds trust and maintains the integrity of our brand. Our marketing strategies are inherently client-centred, and we deeply understand client needs, preferences, and feedback. Every piece of marketing material is carefully crafted to prioritise clear communication and avoid any elements that may lead to misunderstanding or misinterpretation. Our goal is to resonate with clients, align with their values, and contribute to their financial well-being. Clusters within Nedbank play a crucial role in executing responsible marketing. Our marketing material is designed to communicate

Our approach to fair market conduct continued

information in a manner that is easy to understand. Our commitment to truthfulness also prevents any potential harm or confusion that misleading information may cause. At Nedbank, responsible marketing extends beyond promotional activities; it reflects our commitment to enhancing client well-being. We recognise the impact of marketing on client decisions and therefore take proactive measures to ensure that our promotions empower clients with accurate information. Informed choices aligned with their financial goals are at the core of our approach. We embrace a culture of continuous improvement, and by integrating feedback, we refine our marketing strategies, ensuring they remain relevant, effective, and aligned with our ethical standards.

Through collaborative efforts between Group Marketing and individual clusters we uphold principles that align with client responsibility and ethical market conduct, placing transparency, accuracy, and client well-being at the forefront. In RBB we have a dedicated conduct and communications function within the CX division. The team reviews all marketing material to ensure fair and clear messaging that incorporates full disclosure of relevant information, including competition and promotional campaigns, from the concept stage to fulfilment. In 2023 the team reviewed collateral for 1 368 marketing campaigns.

Reviewed
1 368
marketing campaigns

The Connected Wealth external and internal awareness campaign continued in 2023 through broadcast, out-of-home, and digital channels. A total of 17 external digital and social-media

campaigns were launched during this period on various scales, with the purpose of increasing awareness of our products and services and educating consumers on various finance-related issues.

Channel
Channel distribution and digital innovation

Nedbank strategically manages its distribution channels, prioritising the client and adapting to the evolving landscape of financial services. Our commitment to a client-centred approach remains paramount, emphasising accessibility, inclusivity, and consistency in CX across all channels. All clusters oversee and optimise our diverse distribution channels to uphold ethical market conduct and prioritise client responsibility. We ensure that channels are appropriate for the products being sold, considering the complexity and target market. Client segmentation and tailored value propositions further enhance channel suitability, ensuring that each client receives personalised services tailored to their needs.

Our distribution channels encompass physical branches, digital platforms, and ATMs, providing clients with a range of options to engage with us. We maintain a strong focus on security measures, technology infrastructure, and digital transformation initiatives to innovate while upholding a secure client environment.

Our client strategy emphasises a relationship approach, adapting channels for service delivery tailored to client preferences, whether face-to-face or through digital platforms. We strive for a seamless online banking experience, catering to both personal and business needs. While progress has been made in digital transformation, client satisfaction and fair treatment remain key priorities. Complaints related to digital channels are investigated promptly, with root cause analysis conducted to enhance digital CX and remediate any client detriment. We continually analyse competitor performance to benchmark our digital capabilities

and ensure leading CX. Nedbank remains vigilant in addressing digital fraud, including losses and bank fault refunds. We analyse fraud patterns to identify areas for improvement and enhance controls to prevent further fraud. Our digital solutions prioritise client needs, proactively addressing potential negative outcomes while designing competitive products. Through personalised service, robust security measures, and continuous improvement initiatives we strive to provide exceptional CX across all channels.

Four of the pillars of the Digital Strategy are to bring efficiency, build and maintain trust, and offer channel stability and transparency for our clients. Overall, the digital banking channel platforms were stable during 2023. In the event of a sev1, our incident management communication process keeps clients informed and offers alternatives to continue banking. Digitally active clients have grown to almost 2,85 million yoy at December 2023, with Money app users now at 2,3 million. Clients using Online Banking spiked in 2021.

2,3 million
Money app users

However, this has started to plateau and is mostly used by our Retail Relationship Banking clients or as a backup digital option. Most of the Cellphone Banking (USSD *120*001#) client base sits in the consumer segment (95%) with the entry-level banking sub-segment holding close to 47% of that base. Most clients using Cellphone Banking are long-running main-banked clients (12 months or longer). Only 11% of Cellphone Banking clients use this service exclusively. Although Cellphone Banking has over 40 features, it is mainly used for basic banking services and checking balances.

Building trust with our clients is a core focus of the Nedbank Digital Strategy. Nedbank has deployed several features and supportive education to protect our clients against digital fraud. One of the key features is our liveness verification [selfie verification (IDVL)] capability. On the app, we use facial biometrics with cutting-edge facial recognition software in conjunction with direct facial verification from the Department of Home Affairs. This capability has also just been released on Online Banking. We also have behind-the-scenes capabilities such as Trusteer Pinpoint software on Online Banking. This tracks a client's general behaviour when using Online Banking and when the behaviour changes, it requires the client to authenticate themselves again. On the Cellphone Banking channel clients are protected through the SIM swap checks as well as registering for a 5-digit Cellphone Banking PIN.

Our approach to fair market conduct continued

To register for the 5-digit PIN, several credentials only known to a client are needed. There are education and fraud awareness campaigns on all self-service digital channels, and we are currently developing a cyberinsurance product to offer in the future.

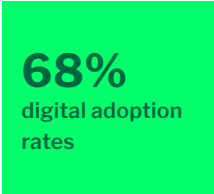
In addition, value-added services (VAS), which are offered across a variety of Nedbank digital channels, have shown good upward growth between 2019 and 2022, both in revenue (up by 132%) and volume (up by 105%). Growth between 2022 and 2023 decreased, but the VAS offering has several upcoming innovations in 2024, most notably expanding into non-traditional services.

The SitesFaction 2023 Survey found that Nedbank is associated with the positive leading.

NPW SA has implemented a streamlined client service model that aligns with strategic business objectives across Wealth Management SA. They segment their clients to personalise services based on different segments. Client segmentation occurs during onboarding and annually thereafter, ensuring relevance and suitable servicing in terms of review frequency, turnaround times, and specialist access in line with client needs. The NPW Client Strategy emphasises relationship-building, with channels adapted for personalised service delivery. While face-to-face interactions are predominant, extensive retail channels are also available online when needed. They aim to provide a seamless online banking experience for both personal and business needs, leveraging their personal and digital capabilities. Their globally integrated,

advice-led approach focuses on understanding individual priorities and goals, enabling clients to bank and borrow more effectively while being rewarded for their spending.

NPW has its own secure dedicated mobile app and online banking channels for clients. These offer integrated local and international banking and investment self-service capabilities. Our Digital Strategy includes regular enhancements to these properties to continue delivering secure and enhanced CX that continues to be rated highly by our clients. This has resulted in consistently high digital adoption rates (68%) and our app remains highly rated in the Apple and Google app stores, with ratings of 4,5 and 4,7 respectively.



Management of 3rd-party risks
Management of 3rd-party risks and the impact on clients

The management of 3rd-party risks is a critical aspect of our commitment to safeguarding the interests of our clients. Relationships with 3rd parties play a significant role in our operations, ranging from vendors and suppliers to service providers, each contributing to our ability to deliver quality services and products to our clients. However, these relationships also introduce potential risks that could impact our clients. Our approach to managing 3rd-party risks is rooted in our dedication to data security,

regulatory compliance, and transparent communication with clients. We recognise that any lapses in managing these risks could have adverse effects on our clients, including data breaches, service disruptions, or regulatory non-compliance. Therefore, we must have robust processes and systems in place to assess, mitigate, and oversee these risks effectively.

Our 3rd-party relationships span a wide spectrum, encompassing vendors, technology partners, consultants, and other service providers. Each relationship brings its own set of risks, requiring careful consideration, oversight, and management. To address this, the group has frameworks and policies in place related to outsourcing and managing 3rd-party risks, aligned with best practices and regulatory expectations. Through these governing documents, each cluster can tailor their risk management activities to their specific needs and risk profile. Client-facing clusters use a robust 3rd-party payment provider (TPPP) risk assessment to evaluate the potential risks associated with these 3rd-party relationships.

A focus on cloud computing and the offshoring of data services is also included in these frameworks and policies. The coverage also includes due diligence processes, contractual safeguards, and ongoing monitoring mechanisms to ensure compliance with market conduct standards and protect clients from potential adverse impacts from 3rd-party-driven disruptions and outages. Through these frameworks and policies, we aim to identify, assess, and mitigate risks at each stage of the 3rd-party relationship life cycle.

Before onboarding and contracting with any 3rd party, a thorough due diligence is conducted to assess their capabilities, ability to deliver, legal standing, reputation, and compliance with regulatory requirements. This includes reviewing their financial stability, security protocols, and past performance. Contractual safeguards are then implemented to outline service level expectations, responsibilities, right to audit, right of access and recourse mechanisms in case of breaches or issues.

Once a 3rd-party relationship has been established, ongoing monitoring and oversight are essential to ensure continued compliance and effectiveness. Any deviations from agreed standards are promptly addressed through remediation plans, with transparent communication with clients about the steps being taken to mitigate risks and ensure their well-being. In addition to reactive measures, we also take proactive steps to manage 3rd-party risks effectively. This includes staying abreast of industry trends and regulatory changes, conducting regular risk assessments, and investing in technological solutions to enhance monitoring and detection capabilities.

Key issues with 3rd parties are handled and escalated to the Supplier High-risk Committee, where matters and issues impacting the reputation, clients, and business of the bank are tabled and discussed to allow for informed decisions regarding Nedbank and its relationship with 3rd-party service providers. By staying proactive, we can anticipate and mitigate risks before they escalate, thereby upholding our commitment to client responsibility principles.



Our approach to fair market conduct continued

Our management of 3rd-party risks is guided by our dedication to protect the interests of our clients. Through robust risk assessment frameworks and policies, due diligence processes, ongoing monitoring, proactive risk management measures and a dedicated committee overseeing 3rd-party service provider issues, we strive to navigate 3rd-party relationships effectively while upholding the highest standards of ethical market conduct and client responsibility. Transparent communication and swift remediation efforts ensure that our clients remain protected and informed throughout their interactions with us.

3rd-party incident management communication process

The bank is committed to ensuring the well-being of our clients, even in the face of incidents arising from our 3rd-party relationships. Our incident management communication process is designed to handle such situations promptly and transparently, prioritising client responsibility and ethical market conduct throughout the incident life cycle.

As and when an issue becomes known, a meeting is scheduled by the product provider key account manager to align and address matters such as product, CX, projects and market-conduct-related issues.



Internal communication

Incident escalation protocol: It is important to have clearly defined internal procedures for escalating 3rd-party incidents promptly to the management levels. Thereafter we must establish a cross-functional team comprising representatives from IT, Legal, Compliance, and Client Service for a comprehensive response.

External communication

Client communication protocol: It is important to have clearly defined procedures for communicating with clients affected by 3rd-party incidents, emphasising transparency, clarity, and reassurance.

Regulatory compliance: There must be adherence to regulatory requirements regarding incident communication, ensuring that all communications are compliant with relevant laws and regulations.

Timely and proactive communication: We are committed to providing timely and proactive communication to clients, regulators, and other stakeholders to keep them informed about the incident and mitigation efforts.

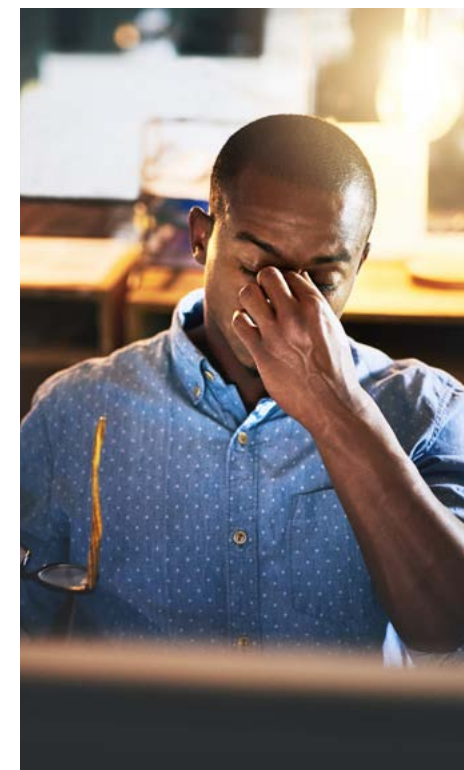
Nedbank's overall strategies

Incident documents: There must be thorough documentation of all incidents, including root cause analysis, actions taken, and lessons learned, to continuously improve incident response strategies.

Continuous monitoring and review: The implementation of continuous monitoring mechanisms is important to identify and address potential issues in 3rd-party relationships proactively.

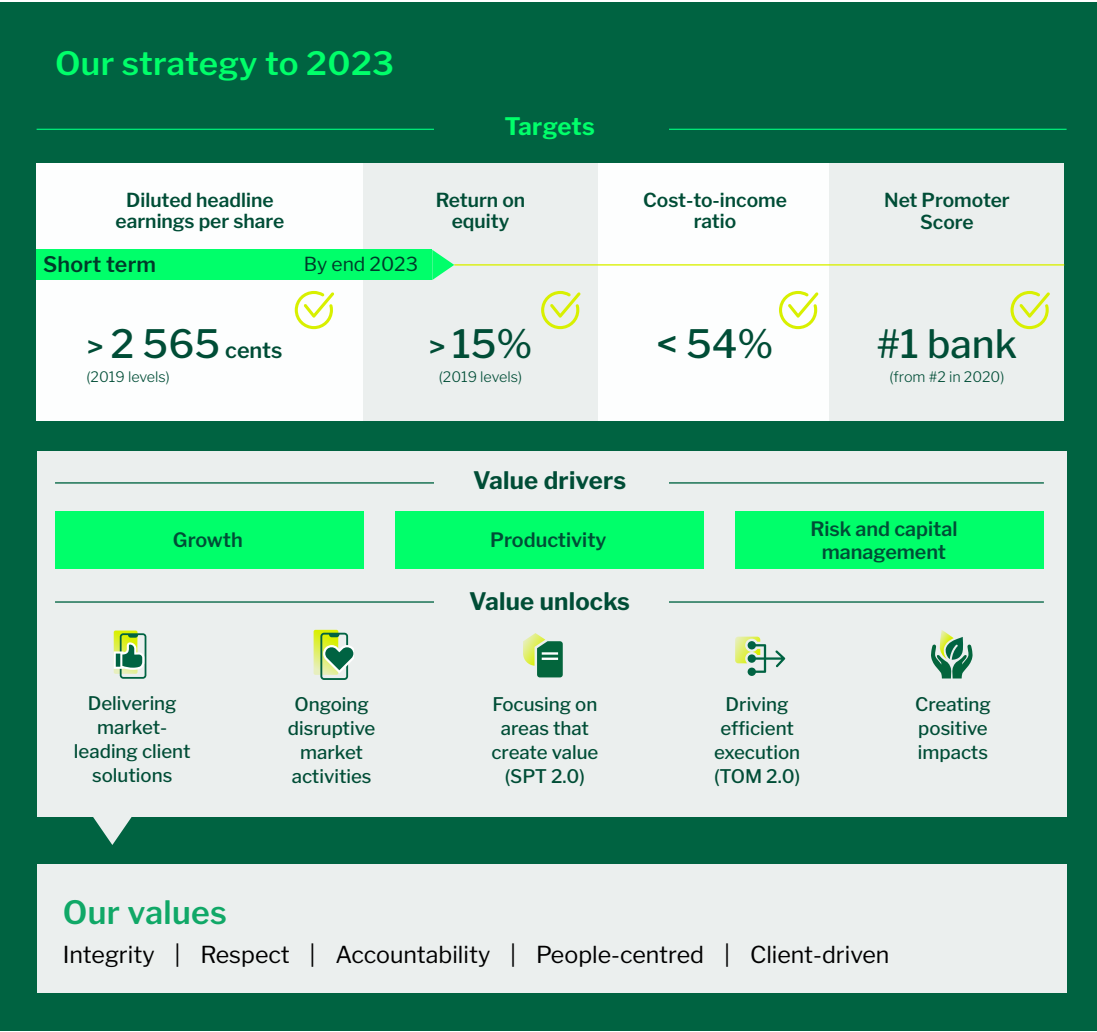
Board and stakeholder reporting: Reporting incidents and mitigation efforts to the board and other stakeholders demonstrates a commitment to governance and transparency.

Our 3rd-party incident management communications process is guided by the principles of client responsibility and ethical market conduct. By prioritising transparency, timeliness, and regulatory compliance in our internal and external communications, we aim to minimise the impact of incidents on our clients while upholding the highest standards of integrity and trust. Through proactive incident management and client support, we strive to maintain the resilience and reliability of our services, even in challenging circumstances.



People and culture

Nedbank culture



In 2023 Nedbank introduced a new culture strategy called The Nedbank Way, which is a purpose- and value-driven enhancement to our People Promise. The Nedbank Way is a set of 7 core principles that clearly describe the Nedbank culture and how things are done at Nedbank in a practical and actionable way.

These principles capture who Nedbank is, what we value, and how we succeed. Collectively, these principles define and focus our efforts and attention on what really counts. They serve as a guide for all Nedbankers to align their behaviours, actions, and decisions, and create winning outcomes.

Our purpose connects and unites us – it is how we create value and focus our attention and channel our efforts. Our purpose defines how we see our role in society – a catalyst for growth and an unstoppable force for good.



People and culture
 continued

We can't be a successful business in an unsuccessful society, and we know that purpose-led business is good business. We make tough decisions to balance short-term profit with long-term value. We have always been the green bank and our commitment to our purpose, people and planet is our key differentiator. We resolutely commit to a green economy and a thriving, vibrant, healthy, and sustainable African future.

One of the key elements of this culture strategy is client obsession. Nedbank is committed to delivering value to and through our clients. We are obsessed with our clients; without them, we cannot exist. In our clients' eyes, we are Nedbank. We endeavour to create value, practice care, connect, and build strong and meaningful relationships in every client interaction. We acknowledge that nobody cares how much you know until they know how much you care. To achieve our client obsession, Nedbankers are encouraged to continuously and consistently:



Employee training on market conduct principles

The clusters at the bank have adopted a comprehensive approach to educating and training their workforce on upholding market conduct principles and prioritising client responsibility. This ensures that all employees are equipped with the necessary knowledge and tools to fulfil their roles effectively while adhering to ethical standards.

The existing training curriculum encompasses a range of topics aligned with market standards, including market conduct principles, complaints management, conduct risk identification, and other relevant areas. These topics are integrated into existing and planned operational training initiatives, ensuring that all employees receive consistent and relevant education throughout their employment with the bank.

One of the key components of our training programme is the mandatory annual training on compliance with market conduct policies and procedures. This ensures that all employees understand and acknowledge our Market Conduct Policy, Complaints Management Policy, and other relevant documents. At the end of December 2023, 92% and 98% of our employees have acknowledged these policy documents respectively.

In addition to the mandatory training, market conduct awareness initiatives are rolled out throughout the year to further deepen employees' understanding and awareness of market conduct principles. These initiatives cover various aspects of market conduct and are designed to promote a culture of ethical conduct and client-centredness across the organisation.

We have also developed a comprehensive compulsory training programme for all employees, which includes specific modules on market conduct awareness. This programme aims to provide employees with the knowledge and skills they need to deliver exceptional service to our clients while adhering to ethical standards.

As part of our ongoing efforts to streamline training initiatives, we have introduced the Service Excellence Programme. This

strategic initiative focuses on empowering employees to create great CX and uphold a client-centred culture characterised by ethical conduct and fair client treatment.

Additionally, our Sales Skills Programme ensures that employees are fully trained on the products and services offered to consumer clients. This programme is part of a consolidated learning journey designed to enhance employees' sales skills and product knowledge, ultimately enabling them to better serve our clients. Through these training initiatives, we are committed to cultivating a workforce that is aligned with market conduct principles and dedicated to prioritising the well-being of our clients.

In the Wealth cluster, 87% of employees have completed training topics on market conduct with a pass rate of 80% and above, and we continue to encourage new employees to complete all relevant training. Training is tracked monthly to ensure we continue maintaining high levels of completion.

Whistleblower protection

Nedbank is committed to fostering a culture of accountability, transparency, and client responsibility by implementing robust mechanisms and policies to safeguard individuals reporting concerns or wrongdoing within the organisation. This commitment is underscored by our dedication to whistleblower protection measures.

Group Financial Crime, Forensics and Security (GFCFS) has embedded a Whistleblowing Policy that sets the minimum standards for the treatment of whistleblowers and outlines strict requirements for their ongoing protection.

Whistleblowing and anonymous reporting are enshrined in our Code of Ethics and Conduct, our Fraud and Corrupt Activities Policy and our Whistleblowing Policy, detailed further in our Fraud and Corrupt Activities Manual. These policies are acknowledged yearly by our employees, with the Whistleblowing Policy updated in June 2023. At the end of 2023, 95% of all employees have confirmed reading and acknowledging this policy.

People and culture
 continued

To facilitate anonymous reporting, we have established the Tipoffs Anonymous hotline, managed by an external vendor to ensure utmost confidentiality. This hotline enables individuals to report various matters, including conduct risk issues, while remaining anonymous. Reports are analysed and allocated to the appropriate risk area within Nedbank for further investigation and remediation, with escalation to the Group Market Conduct Risk Team when necessary.

Whistleblowing is also a key focus area of our training and awareness plans. Through these initiatives, we educate employees on how to report issues and follow the processes for escalation and tracking. We also share the legal protection they have once an issue has been reported. By empowering our employees with the knowledge and resources to report concerns, we strengthen our commitment to accountability and ethical conduct across the organisation.

Alignment of performance and remuneration targets

Nedbank's Remuneration Policy aims to incentivise employees to deliver sustained high levels of performance and excellent execution of the group's strategic priorities while preserving their well-being and being cognisant of the impact this delivery has on the risk profile and exposure of the organisation. This includes a focus on market conduct risk, ensuring that employees are incentivised to act responsibly and ethically.

Nedbank also implements, maintains, and independently monitors responsible sales practices by appropriately incentivising

frontline employees to sell relevant products to clients while focusing on more than just short-term sales. The bank has developed key conduct risk indicators to track any instances of misselling, which are prioritised for investigation and remediation. The Nedbank Performance Management and Enablement (PM&E) approach includes a regulatory compliance standard of measure, and underperformance, including non-adherence to market conduct regulations and principles, is identified timeously and corrected.

Ultimately, Nedbank's Remuneration and Incentives Policy has a strong focus on market conduct risk, ensuring that employees are incentivised to act responsibly and ethically. The bank's approach to remuneration integrates risk management and market conduct considerations, and the bank has implemented measures to monitor and address any instances of misselling or non-adherence to market conduct principles.

Approach to risk and governance
 Market conduct risk management principles

Nedbank Group's client-centred purpose is to use our financial expertise to do good, emphasising our commitment to ensuring fair treatment, appropriate financial services, and positive CX. Market conduct risk arises when inappropriate behaviour, culture, or poor judgement in carrying out business activities result in poor or unfair outcomes or detriment to clients, stakeholders, or the markets. Our definition of market conduct risk reflects our

organisational culture and values, promoting behaviours that drive good client outcomes while achieving commercial objectives.

To manage conduct risk exposure, we focus on fair outcomes for our clients and maintaining the integrity of financial markets. Our Market Conduct Policy outlines fundamental principles, but it is essential to consider and apply other groupwide policies, such as the Code of Ethics and Conduct, Enterprisewide Risk Management Policy, Privacy Policy, Reputational Risk Policy, Compliance Policy, and Complaints Management Policy.

With market conduct risk exposure increasing in the financial services industry, we prioritise key controls and operational resilience. Achieving fair client outcomes is paramount, demonstrating our commitment to the following:

- Cultivating a culture of fair client treatment.
- Providing clear, sufficient, and suitable advice and information about products and services.
- Keeping clients informed throughout their journey with us.
- Ensuring products and services meet client expectations.
- Targeting the right products and services to the right clients through needs-based segmentation.
- Minimising post-sale barriers and prioritising client needs in innovation, including digitisation.

Our market conduct risk analysis considers 7 key dimensions, enabling clusters to identify and remediate hotspots annually. A Conduct Risk Appetite Framework, underpinned by metrics at board, executive, and cluster levels, helps identify potential risk exposures.

We've embedded a Conduct Risk Management Framework, defining roles and responsibilities across 3 lines of defence. Conduct issues are assessed and rated according to a defined methodology, ensuring a holistic understanding of conduct risk exposure. Although NAR doesn't have a conduct-related regulatory framework, it subscribes to policy principles to ensure fair outcomes.

We track performance against conduct risk metrics and analyse client complaints and sentiment to gauge our effectiveness. The Group Conduct Risk function coordinates assurance activities with GIA and Group Compliance, conducting 36 assurance reviews in 2023. These reviews cover key market conduct risk focus areas, ensuring the implementation of required controls and regulatory standards.

Engagements with the FSCA reflect our commitment to fair treatment and positive outcomes. Despite external challenges, conduct risk remains well managed. We prioritise upskilling employees, updating policies, and ensuring effective conduct risk controls to minimise the impact on clients.

People and culture continued

Market conduct risk governance principles

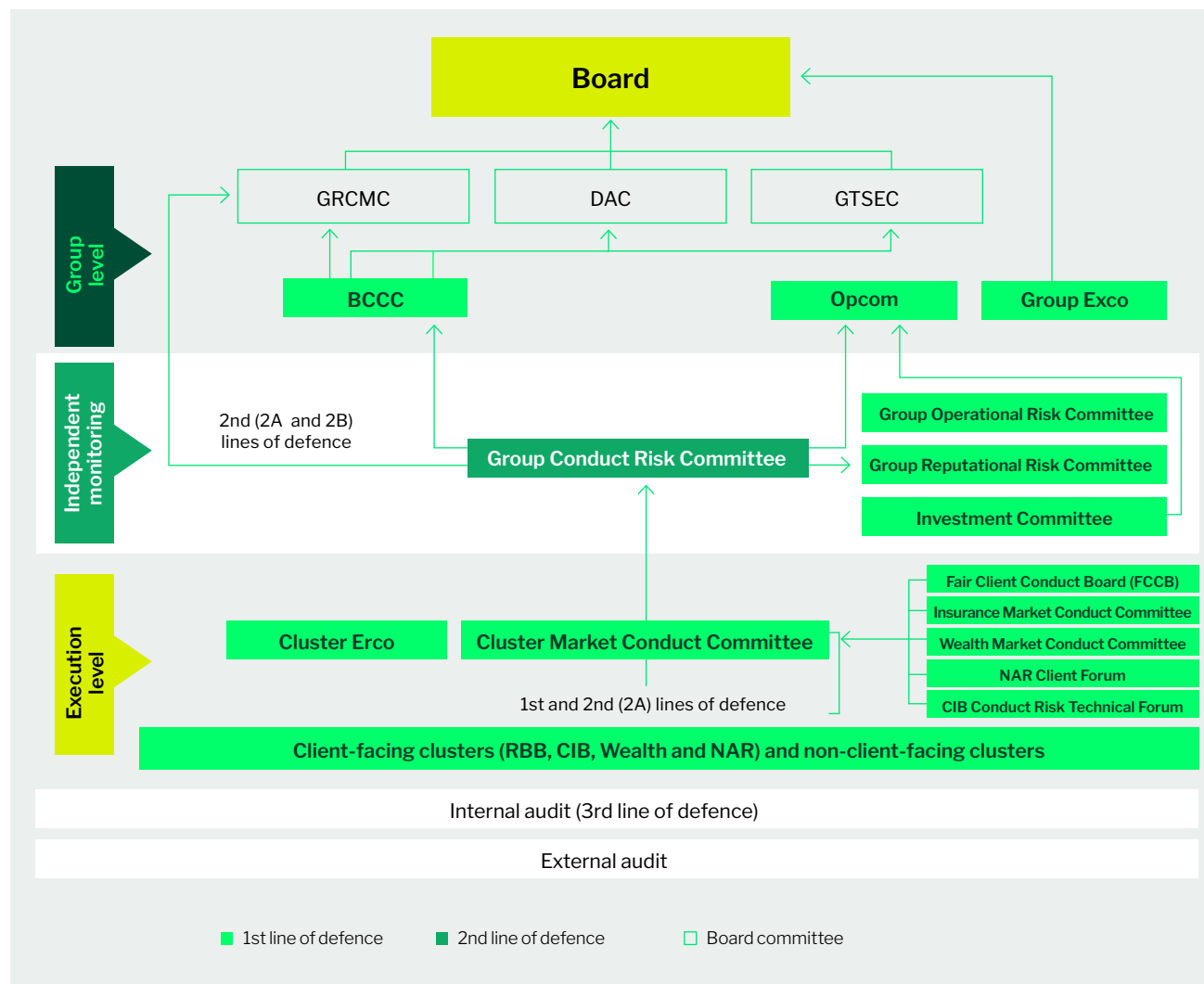
Our conduct risk management framework outlines the processes to identify, assess, manage, and report conduct risk failures to senior management and the board. It establishes forums and governance structures where employees and management can discuss concerns, raise questions, and address matters related to the fair treatment of clients and conduct risk.

Board and executive involvement, along with dedicated group executive committees, oversee conduct risk. Committee charters include responsibilities for overseeing conduct risk and reporting to the board.

Our governance structures ensure top management accountability for understanding, monitoring, and managing conduct risk, as well as for remediating any arising issues. Key developments and management actions undergo assessment and addressing at cluster-level market conduct committees. These committees provide tiered oversight across businesses. Monthly reports on conduct risk exposures are submitted to GRC, followed by quarterly analyses presented to the Group Conduct Risk Committee (GCRC). Issues are further escalated to BCCC at an executive level and finally to the board through the GRCMC.



While some cluster committees may be more mature than others, our focus remains on providing a reasonable level of assurance at cluster, group, and board levels. Key risks and issues are escalated through the governance process as appropriate and required.



People and culture continued


Digital fraud detection and cybersecurity

Digital fraud within the banking context poses significant risks to clients and the integrity of financial markets. Therefore, we have implemented robust strategies and cutting-edge technologies to identify and mitigate digital fraud effectively. Our approach to digital fraud detection encompasses a range of sophisticated technologies and methodologies designed to monitor and detect anomalous activities in real time. These technologies include advanced analytics, machine-learning algorithms, anomaly detection systems, and behavioural biometrics, among other things. By leveraging these tools, we can swiftly identify and respond to suspicious activities, protecting our clients from potential financial harm. Continuous improvement is integral to our digital fraud detection efforts. We regularly review and enhance our systems and processes to stay ahead of emerging threats and adapt to evolving fraud techniques. Metrics for effectiveness are closely monitored, enabling us to measure the success of our fraud detection measures and identify areas for further enhancement.

With the increase in financial crime due to the challenging macro and political environments and the complexity of increasing digital activity, we have a steadfast commitment to safeguarding our digital ecosystem and protecting client information from cyberthreats. In today's rapidly evolving cyberthreat landscape, ensuring the integrity, confidentiality, and availability of digital services is paramount to upholding client responsibility. We have introduced various

measures to mitigate the risk of cybercrime. Given the growing importance of fraud committed through electronic means, we maintain a resilient anti-cybercrime capacity and provide our employees and clients with various awareness communications focusing on phishing, smishing, vishing and SIM swops, and how to bank safely when using digital banking channels by protecting their personal information and never sharing their PIN.


Our robust strategies and technologies for digital fraud detection reflect our unwavering commitment to ensuring a secure and trustworthy digital banking environment for our clients. By proactively identifying and mitigating digital fraud, we uphold market conduct standards and prioritise the protection of our clients' financial assets and personal information.

 Further details on Nedbank's digital fraud and cybersecurity approach are included in the Governance Report.

Maintaining privacy standards

Nedbank has adopted core privacy principles to address every stage of the personal information life cycle, in line with the Protection of Personal Information Act (POPIA), 4 of 2013. Nedbank's Privacy Framework ensures that the bank (including its subsidiaries) is adequately prepared to comply with local as well as international privacy best practices. To support our commitment to protecting the personal information of our clients and employees, privacy governance structures

and privacy breach processes are in place to investigate and prevent unauthorised access or disclosure of personal information. All relevant privacy breaches are reported to the Information Regulator and impacted clients are notified accordingly. In addition, specific cybertools have also been adopted to ensure that all personal information is protected when in use, at rest or being transferred outside of Nedbank. Controls are also in place to guard against both malicious and accidental transfer of data outside of the Nedbank environment. Furthermore, 3rd parties that process personal information on our behalf are also required to undergo a robust cyber- and privacy due-diligence process, as well as sign formal contracts and data-sharing agreements before any data is given to them.

 Further details on Nedbank's privacy approach are included in the Governance Report.

Financial market integrity
Financial market integrity and money-laundering prevention

As a responsible financial institution, we recognise the critical importance of fostering transparency and trust within the financial system. Adhering to a robust regulatory framework is central to our approach to financial market integrity and money-laundering prevention. We operate in strict compliance with laws, regulations, and international standards, ensuring that our practices align with the highest ethical and legal

standards. This commitment extends across all aspects of our operations, from customer onboarding to transaction monitoring and reporting.

Anti-money-laundering (AML), combating the financing of terrorism (CFT), counter-proliferation financing (CPF) and sanctions resourcing continue to be maintained across the group to ensure the adequacy, effectiveness, and oversight of the control environment. This includes support across the ERMF and a specific focus at board level.

CA across the 3 lines of defence (3LoD) continues to be enhanced, with AML, CFT, CPF and sanctions being a main theme. Management actions continue to be implemented, including mitigants to close identified gaps, if relevant.

To facilitate compliance with the Financial Intelligence Centre Act (FICA), 38 of 2001, Nedbank continues to use a combination of interim or tactical and sustainable solutions while the remaining sustainable system solutions are in progress. While most interim and tactical solutions have been replaced with sustainable solutions, delivery of the remaining sustainable system solutions was reprioritised in May 2021 and will continue to be delivered into 2024. Progress on the delivery of the remaining sustainable system solutions is governed by the Client Journey Steering Committee, Enterprise Information Technology Committee and Group Information Technology Committee.

FICA requires Nedbank to provide initial and ongoing training to all employees to comply with FICA and our Risk Management and

People and culture
 continued

Compliance Programme (RMCP). All employees are required to complete the awareness training for AML, CFT, CPF and sanctions risk management. Face-to-face and specialised training related to AML, CFT, CPF and sanctions are also provided. The board is trained annually, with 2023 training provided on 27 October 2023. The ongoing identification, assessment, and management of AML, CFT, CPF and sanctions risk are tracked, assessed, evaluated, and reported through various governance committees across the 3LoD, including board committees. The AML, CFT, CPF and sanctions governance committees ensure the board is informed of AML, CFT, CPF and sanctions risk affecting the group to assist the board in discharging its risk management obligations. Over and above these business-as-usual processes underpinning the governance committees, Nedbank uses an enterprisewide risk assessment, together with key risk indicators, to identify and assess its AML, CFT, CPF and sanctions risk, enabling it to develop appropriate controls to manage and mitigate such risk exposure.

Our proactive approach to financial market integrity and money-laundering prevention underscores our dedication to ethical conduct and responsible banking. By adhering to a robust regulatory framework, implementing stringent AML and know-your-client (KYC) practices, deploying advanced transaction monitoring systems, and investing in employee training, we strive to create a transparent and trustworthy financial environment that benefits all our clients and stakeholders.

Market abuse

We are committed to taking all necessary measures to prevent market abuse in any form, including those defined in the South African Financial Markets Act, 9 of 2012, namely insider trading, unlawful publication of inside information, prohibited trading practices and publishing of false, misleading, or deceptive statements, promises and market forecasts. Similarly, we maintain the required vigilance and oversight in relation to market abuse regulatory requirements in all jurisdictions where we operate, and we implement the highest standard of protocols to identify, prevent and meet our regulatory and market conduct obligations regarding market abuse.

We have a zero-tolerance approach to practices that amount to market abuse. Market abuse is classified as a financial crime and falls under the broader definition of market conduct. As such, Nedbank has embedded various market conduct and financial crime policies, most notably the Market Conduct Policy, Personal-account Trading Policy, Conflicts of Interest Policy, Code of Ethics and Conduct Policy, and Outside Interests and Conflict of Interest Policy, all of which, among other things, address market abuse together with the prevention, detection and monitoring thereof. In response to suspicions of possible contraventions, investigations are undertaken by the business unit compliance function where applicable and, if necessary, investigations are escalated to GFCFS for a forensic investigation, which will be followed with disciplinary action and criminal proceedings against employees, if appropriate.



Financial inclusion

Using our financial expertise to do good for individuals, families, businesses and societies is our long-standing mission, and in 2023 we continued to integrate purpose into our activities across the group.

Nedbank has taken a diversified approach to driving impact in a meaningful manner that demonstrates our purpose. This multipronged, purpose-led strategy is anchored on tailoring relevant and applicable financial offerings to both individuals and businesses.

Using our financial expertise to do good through financial inclusion

Purpose is a key part of the work that we do and how we organise ourselves to deliver value to our stakeholders. Using our financial expertise to do good for individuals, families, businesses and societies is our long-standing mission, and in 2023 we continued to integrate purpose into our activities across the group. A 2023 MIT Sloan report shows that financial exclusion affects over 1,8 billion adults globally, leaving them vulnerable to debt, modern slavery, and shocks.

There are various reasons for financial exclusion, including limited access to the internet and financial service agents, unclear explanations of product offerings, lack of formal identification, and discrimination against marginalised groups. The structural realities, coupled with SA's history, further emphasise the magnitude of the role to be played by financial institutions. Financial institutions to bring about change that enables affordable solutions that are easily accessible

to underserved and unserved people and businesses, to directly improve their overall financial health.

Nedbank has taken a diversified approach to driving impact in a meaningful manner that demonstrates our purpose. This multipronged, purpose-led strategy is anchored on tailoring relevant and applicable financial offerings to both individuals and businesses. These customised value propositions are supported by a dynamic distribution model designed to respond to issues relating to access, especially in those geographies where the population is largely underserved by traditional operating models. These interventions run parallel with a rigorous strategic focus on financial health, which lays the foundation for interventions required to shift the behaviours of individuals and business and entrench and sustain our purpose in the societies that we impact.

Nedbank has expanded its products and solutions through codesign and cocreation with individuals and businesses that are tailored to suit their unique and unmet needs. We design for inclusivity, ensuring that customer value propositions are underpinned by concepts that highlight the need to cater for affordable pricing, remove complexity, pay careful attention to client–solution fit (desirability) and ultimately close the gap that exists in traditional banking, that continues to exclude the unserved and underserved. These solutions have been devised to cater to clients to equip them for easy transacting that remains safe, promote daily saving for a wide range of scenarios, improve borrowing by

designing for nuanced needs within segments, promote good financial planning with subsequent tracking, and protect livelihoods against unfortunate circumstances by insuring and going above and beyond banking. These are done to elevate the lives of clients so that they may thoroughly leverage financial services to fully participate as well as contribute to our society and country.

Technology and innovation plays a significant role in increasing access to appropriate financial services and creating products that meet the financial needs of the unbanked and underbanked. The proliferation of mobile phones (especially smartphones) in SA, the decreasing costs of data (though it is not yet fully affordable to most) and some public access to wifi together play a significant role in improving financial inclusion. There has been significant improvement around access to a bank account in SA, and multiple reports show that bank account penetration in SA is more than 90%. This poses a new challenge to banks, other financial services providers, non-traditional banks and fintech companies in how to solve for inclusive functionality and services beyond just access to a bank account.

This is crucial for both individuals and their micro, small, and medium enterprises (MSMEs) to unlock their full potential and participate in the economy.

In 2023 we continued to drive our market position, based on our philosophy of **‘Digital when you want it, human when you need it’**. We committed to offering a range of branches

and physical spaces for client interactions, with different strategic presence in the 218 micro markets that we serve. To increase access in important markets and optimise available space, we have strategically invested in a combination of physical points of presence, self-service kiosks, 24/7 contact centres that are open around the clock, and digital platforms.

Nedbank has invested in both urban and rural communities and has partnered with strategic stakeholders to diversify and increase accessibility. In addition, 4 345 businesses were reached through our business financial literacy programme, with 38 workshops held across the country. Furthermore, Nedbank provided approximately 305 000 small businesses with value propositions, including products, solutions, advice, as well as financial and business support to ensure that we contribute to the growth and development of our small businesses. Through our strategic partnerships, including the Township Entrepreneurs Alliance (TEA), we touched more than 24 individuals, with 850 youth jobs created. We also enhanced our partnerships, including SAPALS, PetroCONNECT, neXGro and others to further maximise our reach in both helping people manage their money better, and grow our inclusivity to not only unserved but also underserved individuals and businesses.

• ESG •
 4 345
 businesses reached through our business financial literacy programme

Using our financial expertise to do good through financial inclusion continued

We continued to drive our purpose-driven impact by expanding our reach of financial wellness and education services, with 11 million consumers provided with financial education. To date, our enterprise supplier development (ESD) programmes have had tremendous impact, touching both gender and sector challenges and promoting the development of both individuals and business growth. This includes our Proud of My Town (PoMT) initiative, Youth Entrepreneurs programme, Agripreneur programme and several others mentioned in the report. We have also ensured that we meet our clients where they want to be served through our vast network of touchpoints to maximise access and availability and to promote our ‘Digital when you want it, human when you need it’ strategic intent.

In 2023 we received several accolades globally, including Best Retail Bank in SA from the Asian Banker Awards, Best Bank for Transaction Banking Services in SA from the Digital Banker Middle East & Africa Innovation Awards, Excellence in Innovation for our Avo super app from the Global Banking and Finance awards 2023, and Best Digital Bank in Africa 2023 from the Euromoney Awards for Excellence. These awards show external recognition of innovation and our client-centred approach.

Furthermore, in demonstration of our impact as financial experts who do good, other awards we have received and that speak specifically to purpose are the following:

African Banker Sustainable Bank of the Year Award

2023 The Asian Banker Excellence in Retail Financial Services

2023 Global Banking & Finance Awards

Best SME Bank in South Africa (winner)

Best Corporate Sustainability Strategy South Africa (winner)

Nedbank's purpose statement



Helping South Africans to manage and improve their financial health

Why we care about financial wellness

At Nedbank, we leverage our deep understanding of the unique financial education needs of individuals and small businesses and our money expertise to foster financial wellness, defined as the capacity to meet immediate financial requirements while feeling secure about one's financial future. This goal is realised through our commitment to financial education within the communities we serve. By equipping individuals with crucial financial knowledge, we catalyse a transformation in financial behaviours, leading to well-informed decisions that not only enhance financial wellness, but also contribute positively to the broader economy and society.

Nedbank's approach to financial wellness is structured around 2 key pillars:

Consumer financial education: This pillar aligns with the Banking Association South Africa's mandate for consumer financial education. It offers a standardised and regulated programme, targeting previously underserved clients and communities, aiming at bridging the financial knowledge gap and promoting financial wellness and inclusion among individuals and small businesses.

Financial fitness: A meticulously tailored programme, drawing from extensive research into the specific financial challenges and opportunities that individuals and small businesses face. This bespoke approach ensures that the programme delivers relevant and impactful skills and knowledge, empowering participants to manage their finances effectively. It focuses on cultivating financial skills to enable sound decision-making, thereby fostering financial wellness and personal resilience.

Leading financial wellness knowledge with the 1st ever NedFinHealth Monitor index

As we navigate the complex landscape of financial aspirations amid ever-evolving realities and the impact of macroeconomic challenges facing our country, Nedbank aims to lead the way in further educating consumers by being a thought leader in creating actionable insights. It is in this spirit that we launched our 1st ever report to assess the financial health of our consumers with the NedFinHealth Monitor in 2023. This pioneering study offers an unprecedented glimpse into the state of financial health in SA, delving into the essence of what financial health means for the nation and the factors that influence it. We have noted significant interest from companies in assessing their employees' financial health using the NedFinHealth Monitor and benchmarking it against national averages. Additionally, we have assisted these companies in creating evidence-based financial education and wellness programmes tailored to their employees' specific financial health outcomes.

The NedFinHealth Monitor draws on a comprehensive survey of 1 503 South Africans, representing a cross-section of the nation's demographic landscape. This research provides a mirror to the current financial status, aspirations, and the hurdles that South Africans encounter in their quest for improved financial health. Through this report, we illuminate the prevailing conditions of financial health, examining the demographic nuances, financial behaviours, and socioeconomic patterns that underpin it, and offer concrete recommendations for all involved stakeholders to consider. Some of the key insights that came out of the report include the following broken down in the 4 key metrics elevated in the index of Spending, Savings, Borrowing and Planning:

- Saving overall score of 55%, driven by the following key drivers:**
 South Africans generally live within their means, with a score slightly above the midpoint, but some face challenges in spending. They also show good financial discipline in paying bills on time.
- Saving overall score of 50%, driven by the following key drivers:**
 South Africans have a score near 60, indicating understanding of emergency savings. However, a lower score (39) indicates a lack of confidence in achieving long-term financial goals, indicating a need for more confidence in saving.
- Borrowing overall score of 55%, driven by the following key drivers:**
 The majority of South Africans perceive their debt as manageable, with a prime credit score (47) suggesting room for improvement in creditworthiness.
- Planning overall score of 53%, driven by the following key drivers:**
 The study shows a split in confidence in emergency insurance policies and a slightly above-average score for financial planning, suggesting that while many South Africans are proactive about future planning, more needs to be done.

Overall, with a total score of 53, South Africans are just above the middle of the financial health spectrum. This implies that even while there is a solid basis for financial health, a sizeable section of the populace still has needs to improve their financial knowledge, practices, and habits. The 2 main factors that lower the overall score are having a top credit score and being confident in achieving long-term financial goals. The full detailed NedFinHealth Monitor Report can be found [here](#).



The NedFinHealth Monitor has not only provided a comprehensive understanding of SA's financial health landscape, but also sparked critical discussions at various levels. Our partnership with the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) and Her Majesty Queen Maxima of the Netherlands has fostered collaborative action at both global and regional levels, involving financial service providers, financial authorities, and civil society.



Helping South Africans to manage and improve their financial health continued

A key highlight was the address by Mike Brown at a **UNSGSA–Mastercard Financial Health Lunch in Davos**, where the findings of this report were presented to senior leaders in the private and public sectors. This report also served as the foundation for a roundtable on empowering financial health in SA that was co-chaired by our Retail and Business Banking Managing Executive Ciko Thomas and Her Majesty Queen Maxima. The roundtable convened senior leaders from industry, government, and civil society to explore collaborative strategies for enhancing the financial health outcomes of South Africans.

In addition, Ciko Thomas, Group Managing Executive: Retail and Business Banking, has accepted an invitation to join Queen Maxima's Financial Health Board. This board will guide Her Majesty's advocacy work on financial health globally, including her standing seat at the G20, over the next 2 years. This is a testament to the impact of the NedFinHealth Monitor and its role in shaping the discourse on financial health, both locally and globally. We remain committed to our mission of empowering financial health in SA and beyond.

Financial relief programmes to help our clients who are in financial distress manage their debt

As part of our enhanced efforts to understand our clients more intently and in response to the need for financial relief among our clientele grappling with fiscal strain, we have embarked on a decisive journey towards putting in place initiatives to help consumers bolster their financial resilience. This was a pivotal strategic

initiative aimed at augmenting client support. We have enhanced our debt management and recoveries strategy through data-driven and pre-emptive measures against delinquency, precise segmentation, prioritisation strategies, and the adoption of a champion-challenger approach. To validate concepts, we optimised our collections operational efficacy.

These strategic pivots have yielded tangible enhancements in how we engage our clients in difficult financial situations by utilising behavioural actions and other initiatives through an enhanced contact strategy, and adopting client-first protocols. We have invested in extensive coaching and training for the call centre agents, which will support them to be more empathetic when engaging with struggling clients.

Through our need to drive preventative actions for clients, we implemented predelinquency strategies and models to prevent clients from debt distress. The Client Contact Strategy was enhanced in 2023 through a lens of enhanced behavioural economics, the tone, frequency, and timing of engagements meticulously refined. This strategic recalibration has deepened client engagement and amplified Nedbank's capacity to proactively anticipate and mitigate financial challenges. We have used client behaviour analytics to provide solutions that will assist in helping our clients manage their money better. Behavioural economics has been a pivotal tool in our efforts to assist clients in managing their finances effectively during challenging economic times. We have harnessed its insights and experimental approach to transform our client interactions, including

the revision of our call scripts. These now incorporate behavioural cues, which enable our call centre agents to engage in more effective and personalised conversations.

Our credit assistance programme has also been revamped to facilitate clients' navigation of their credit options. Furthermore, we have tailored our communication strategies to resonate with our customers' specific circumstances and needs. These initiatives, rooted in behavioural economics, have enabled us to support the financial well-being of our clients.

We put further focus on contact strategy, and between November and December 2023, where over 1,3 million SMSs and call reminders were sent to our clients for upcoming payments, and offered early payments to help them manage their funds over the festive season, encouraging clients to use DebiCheck, a safe and secure medium, as their primary payment method and to eliminate the reversal of debit orders that can result in their defaulting on their responsibilities.

We work together with clients who default to arrange payments, restructure debt, offer debt consolidation, provide discounted settlements, and offer skip payments. We also work with Nedbank-assisted Sales for MFC and Home Loans to help clients sell their vehicles or property, and ensure they get the best price on the open market.

Concurrently, a suite of debt assistance initiatives has been rolled out to empower clients to navigate their financial challenges

and mitigate the risk of loan default. These include the following:

- **Enabling clients to extend their repayment period and lower monthly instalments for home loans and vehicle finance.**
- **Enabling clients to consolidate multiple smaller loans into 1, so that they can save on monthly instalments and fees.**
- **Providing clients the financial education, tools, and knowledge they need to make informed financial decisions. To this end, we created call-back and self-service options on the Nedbank website and the Money app to make it easier for clients to access debt assistance.**

Since inception, Nedbank has assisted 6 600 clients in keeping their homes, 47 000 clients in keeping their cars and an incredible 936 000 clients in completely rehabilitating their credit profiles. This concerted effort underscores Nedbank's unwavering commitment to proactive financial stewardship and client-centred excellence.

Helping South Africans to manage and improve their financial health
 continued



Touchpoints for extending our financial education and wellness impact

At Nedbank, we are dedicated to enhancing the accessibility of financial education for our target audiences. To achieve this, we are constantly innovating our delivery models, ensuring that both individuals and small businesses can easily access vital financial knowledge. Our initiatives span various platforms, including radio, MoyaApp, Canpro, social media, and digital tools like Nedbank MoneyEDGE, MoneyTracker, and Money Coach. Additionally, we are excited to announce the upcoming launch of financial education content for both individuals and businesses through WhatsApp.

Recognising the diverse preferences and needs of our audience, we aim to maximise our reach by utilising a wide array of channels. In 2023, in line with regulatory requirements for face-to-face consumer financial education and adapting to hybrid work models, we expanded our in-person and virtual sessions. Concurrently, we strategically scaled back on broadcast media, particularly radio, to align with these changes. This strategic shift in our approach has significantly broadened our impact, enabling us to reach an impressive 11,5 million people throughout the year.

At Nedbank, we acknowledge the importance of financial education not just for all South Africans but also for our employees, who, like any other South African, require ongoing guidance in this area. Recognising this

need, we have successfully hosted a series of events specifically designed to cater to various employee groups.

These events have seen remarkable participation, with a total attendance of 16 635 employees. This initiative reflects our commitment to fostering a financially literate workforce, equipped with the knowledge and skills to manage their finances effectively, both professionally and personally.

Nedbank financial education physical and digital reach in 2023

ESG	2023	2022	2021	2020
Broadcast media	11,25 million	29 million	15 million	15,5 million
Social media	83 435	78 681	455 049	1,4 million
Face to face	125 036	74 895	9 313	29 000
Virtual	23 722	13 700	3 993	5 003
Total reached	11,5 million	29,2 million	15,5 million	17,1 million

Radio remains a potent channel for communication in SA, serving as a key pillar in our strategy to disseminate financial education widely. By forging partnerships with radio stations, we not only extend our reach but also significantly enhance the impact of our financial education programmes. Our ambition is to be at the forefront of financial education and entertainment – edutainment – via radio, making complex financial concepts accessible and engaging to a broad audience.

Our approach to leveraging radio for financial education is deeply rooted in establishing and nurturing strong collaborations with local community radio stations. These partnerships are crucial as they enable us to connect with communities in a medium that is both preferred and readily accessible to them. We have successfully cultivated ongoing relationships with several radio stations, securing regular slots where our financial education content is broadcast, ensuring consistent engagement with listeners, and reinforcing our commitment to financial literacy.

Through these collaborations, we not only provide valuable financial education, but also create an interactive platform where listeners can engage, ask questions, and gain practical knowledge that can be applied in their daily lives. This initiative is a testament to our dedication to empowering individuals and communities across SA with the financial skills and knowledge needed to thrive in today's economy.

Helping South Africans to manage and improve their financial health
 continued



During 2023 the relationships we have built enabled us to reach rural communities through radio broadcasts that covered topics such as the following:

- Credit and debt management.
- Money management for stokvels (popular savings groups in SA).
- Building and maintaining financial wellness.
- Women and money.
- Couples and money.
- Raising financially savvy kids.
- Savings and investment.
- Money archetypes.
- Budgeting.

Our approach to social media leverages strategic content creation and sharing to engage our audience effectively. By crafting compelling financial narratives, we tap into the power of storytelling to make financial education both relatable and impactful. Our strategy is informed by a deep understanding of audience preferences for engagement, and

the principles of behavioural economics, guiding us in tailoring content that resonates across various platforms. We utilise platforms like X Spaces (formerly known as Twitter Spaces), Facebook, YouTube and LinkedIn, capitalising on their unique strengths to foster meaningful interactions and share financial education in ways that truly resonate with people from different walks of life. For instance, our collaboration with local influencers on X Spaces has allowed us to broaden our reach, connecting with diverse audiences that might not typically engage with traditional banking channels for financial education, especially the youth.

The engagements showed tremendous impact, and we used digital platforms to maximise reach, outperforming standard benchmarks as follows:

Maximising Nedbank's reach to extend financial education on X Spaces

	Nedbank X Spaces
Number of listeners	1 500 live listeners (868 post-live listeners)
Total impressions*	83 435
Engagements**	125 036
Engagement rate***	23 722
Number of likes*	1 853

* Number of times an X post is shown to a user.
 ** Total number of times a user interacted with an X post.
 *** The number of times an X post was loaded into someone's feed, divided by the number of engagements that X post received.



Nedbank financial education: Spending habits, on X Spaces



Nedbank financial education: Managing debt, on X Spaces

MoneyEDGE, Nedbank's financial education online platform, stands as a testament to our commitment to financial literacy, offering a free, innovative financial education platform that demystifies financial concepts.

With a rich repository of content, including articles, podcasts, videos, and courses, MoneyEDGE addresses a wide array of financial topics such as savings, wealth growth, debt management, and investment strategies. This initiative underscores our dedication to providing accessible and understandable financial education, empowering individuals to make informed financial decisions and achieve their financial goals.

Nedbank is a proud champion of the promotion of making sound financial decisions for our clients and the greater public. During July, the Savings Month, we set up a #NedbankXSpace# where we brought together industry experts to discuss specific, measurable, attainable, responsible, and time-bound (SMART) strategies for financial resilience in these challenging times.

The objective of this informative X Space discussion was to impart knowledge and share relatable stories that could potentially help listeners navigate these trying financial times.

Key insights from our discussions highlighted that crucial savings behaviour requires discipline, and that sometimes it is hard to separate the wants from the needs, so it is imperative that consumers look to strike a balance between treating themselves and staying financially responsible. These discussions put a key focus on the point that consumers need to move from **'crunch to controlling'** their financial situation.

Helping South Africans to manage and improve their financial health
 continued

Driving financial wellness through Women’s Month initiatives in 2023

The pledge of the 2030 Agenda of the Sustainable Development Commission is to ‘leave no one behind’ (LNOB), which acknowledges the need to fight inequality and poverty. The Banking Association South Africa’s 2023 Transformation Report analysed among other trends, women’s purchasing habits in 2023, which revealed a number of noteworthy developments.

- First, women’s economic strength and influence in SA were being increasingly acknowledged.
- Secondly, women were becoming more and more important decision-makers in the home, frequently handling budgeting and choosing items for their families to buy. The variety of women’s spending habits was 1 important feature. Some were more likely to prioritise discretionary expenditure on things like fashion, cosmetic goods, and leisure activities, while others were more likely to prioritise necessities like food, healthcare, and education. This variety highlighted how crucial it is to comprehend each person’s interests and financial objectives while offering financial education. Furthermore, there was a greater understanding of the financial difficulties that South African women experience, including factors such as the gender wage gap and restricted access.

Nedbank has placed added focus on ensuring that we exceed achieving the Sustainable Development Goals to leave no one behind. We have elevated our drive to ensure financial

inclusivity to empower women and reduce poverty. The initiatives we drove in 2023 were focused on providing financial education and elevating access to financial instruments for saving, borrowing, making and receiving payments, and managing risk. We note the importance of increasing women’s financial inclusion since women are disproportionately affected by poverty, which is a result of unequal labour division and limited control over financial resources. We have driven several initiatives during 2023 to capacitate women through our financial education programmes and extend reach to drive financial inclusivity both externally through sponsorships and internally. This included the following:

Annual Agenda Women Summit 2023

In celebration of Women’s Month, Nedbank participated in the Annual Agenda Women Summit and sponsored the financial wellness segment. Great insights were shared and numerous topics were covered, such as the money beliefs and behaviours that shape women’s financial journeys – that many women have grown up believing that financial independence is a distant dream and that these beliefs can lead to women avoiding financial discussions or not actively managing their money. The summit was attended by 400 people in person, with over 7 000 dialling in virtually.



2023 Agenda Women Summit. Nedbank sponsored the financial wellness segment.

Nedbank Women in Dialogue about Money employee webinar

In 2023 Nedbank held a successful Women in Dialogue about Money employee webinar, a focused discussion on women, money, and finance. The webinar enhanced the important role women play in their homes, families, and communities and to have the courage to have money conversations with friends and family for help developing good money habits and pruning bad ones.

Dear Colleagues

The courage of having money conversations with friends and family can help women develop good money habits and demystify bad ones so that we possibly move away from making them again. Given the important role women play in their homes, in their families and within their communities, we celebrate Women’s Month with a focussed discussion on women, money and finance.

10 August 2023 | 10:00 – 11:00

Join the event [here](#).

Speakers

Charmaine Moola - Facilitator
An expert in financial education and is well known for facilitating conversations at Nedbank.

Brigitte Ryder
She will help us understand why women need to have conversations about money.

Glynis Jardine
She will share her thoughts on the importance of financial literacy and how to improve it.

Zodwa Ngcamu
She will share her views on what contributes to the reluctance to talk about money.

Keshrie Pillay
She will share her money mistakes and what actions one can take to overcome them.

The Financial Wellness Team

Women in Dialogue about Money employee webinar

Helping South Africans to manage and improve their financial health
 continued

Partnerships for reaching rural and underserved communities

To maximise the impact of our financial education programmes, Nedbank has established and nurtured strategic partnerships and alliances with organisations deeply embedded within communities nationwide. One such key partner, African Response, plays a pivotal role in extending our reach, particularly into the deep rural areas of SA, where the need for financial education is both immense and critical. In these regions, individuals often face unique financial challenges, exacerbated by limited access to financial services and a lack of financial literacy resources. The demand for financial education in these areas is not only substantial but also urgent, as it can significantly enhance the financial well-being and economic opportunities for rural populations.

Leveraging the expertise of African Response, we have successfully engaged over 15 000 individuals in rural communities through face-to-face workshops, complemented by an innovative digital financial education portal. ESG This multifaceted approach ensures that we cater to diverse learning preferences and overcome barriers to financial education access in these communities.

Moreover, our collaboration with African Response has paved the way for the digital dissemination of consumer financial education, specifically tailored for rural communities.

By incorporating gamification techniques, we make learning about financial concepts engaging and interactive, thereby enhancing comprehension and retention. This creative approach not only demystifies financial principles but also encourages the adoption of online tools designed to empower consumers in managing their finances effectively. Through these initiatives Nedbank remains committed to bridging the financial literacy gap in rural SA, fostering financial inclusion and enabling individuals to make informed financial decisions for a more secure and prosperous future.

Driving financial inclusivity and wellness in collaboration with township communities

Nedbank emphasises the need for meaningful support and enablement for township communities, which are crucial economies in SA. This support goes beyond financial assistance but requires a comprehensive understanding of township economies’ workings and strategies to empower and maximise their success. We drive a broadened transformative initiative.



Face-to-face financial education workshops held in rural communities



Providing financial fitness education at workplaces

Nedbank is dedicated to amplifying the reach and efficacy of our financial education initiatives by forming and fostering strategic partnerships with a diverse array of organisations, including companies, non-profit organisations, municipalities, and government departments.

Our objective is to provide these organisations with comprehensive financial education, thereby equipping their employees with essential knowledge on money management and informing them about the Nedbank products and services that best cater to their needs. In 2023 alone we successfully engaged with 105 companies, illustrating our commitment to financial wellness at an organisational level.

Our engagement process with companies begins with a Nedbank relationship

manager collaborating closely with the organisation to understand its overarching wellness goals, with a particular emphasis on the financial wellness of its employees. This initial dialogue sets the stage for the development and delivery of a tailored financial education curriculum specifically designed to address the unique needs and objectives of the organisation and its workforce. Furthermore, we remain responsive to evolving needs, curating additional content as requested by organisations to ensure the financial

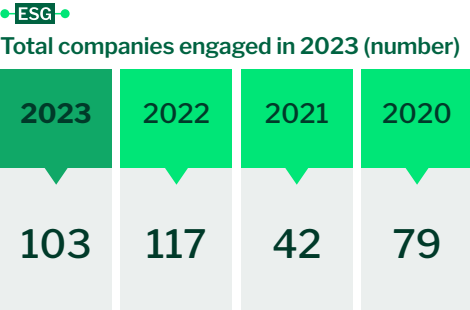
education provided remains relevant and impactful.

Over the years we have made significant strides in extending our financial wellness programmes to a broad spectrum of organisations.

However, the advent of the Covid-19 pandemic posed unprecedented challenges, impacting our capacity to engage with consumers through these programmes. Despite these obstacles,

Helping South Africans to manage and improve their financial health
 continued

2022 marked a period of recovery, as we began to rebound from the disruptions caused by the global pandemic and the civil unrest in July 2021. While we are witnessing a resurgence in demand for our financial wellness programmes, it is tempered by the ongoing adjustments to hybrid work models, necessitating continued adaptability in our approach to delivering these vital financial education resources.



Leveraging our Nedbank township branches to enhance financial education and wellness

Our Nedbank township branches have dedicated spaces where the community can learn financial and life skills. We offer workshops on how to start and run small businesses and side hustles, sessions on compiling a CV, and courses on personal money management. Furthermore, we leverage our new Agile Operating Model, which enables us to understand township community needs better and deploy our bankers where our clients need us. To date we have rolled out Community Zones at 13 branches, delivering over 400 workshops equating to more than 1 000 hours of training interventions covering financial education, as well as business guidance.

1 000
hours of training interventions covering financial education

Driving financial health for micro businesses through the Nedbank ESD programme

Nedbank’s ESD programme is underpinned by the philosophy that every business has a unique development path and needs. In line with this foundation, every member has a specially designed business plan that outlines their own growth route for development and expansion. The curriculum requires a broad mix of planning, marketing, and commercial skills. Additional support – such as specialised assistance with presentation skills, social media positioning, and content development in line with the broader business strategy – is also advantageous to the participating businesses. To ensure that the business and the businessowner are growing concurrently for a sustainable future, we further enhance the programme with business mentoring.

In 2023 the mentors of participating businesses began conducting comprehensive business health checks, followed by needs assessments of the business and then finalisation of the business development plan. Thus far, the participating suppliers have each completed 68 hours of various specialist training and received 390 hours of mentorship collectively. The key focus areas have been on marketing and sales growth. We are proud that the programme has yielded positive results, with some suppliers becoming profitable after having run at a loss for up to 1 year before they joined the programme.

68
hours
of various specialist training

Additionally, the programme interventions have yielded a 31% increase in turnover of the best-performing supplier and overall a 15% increase in jobs created. New potential revenue streams increased by 75%, demonstrating a more focused approach to growing market access and pursuing potential clients. These positive results demonstrate the impact of the programme, which will continue in 2024.

Looking forward

Recognising that the path to improved financial health should be accessible to all, Nedbank is committed to going beyond basic financial education. Our role as money experts who strive for the greater good encompasses offering more than just ordinary banking services like account access, card payments, and financial advice. We understand that financial health is intricately linked to overall well-being, especially in a context where managing finances is a major stressor in SA and globally.

Our financial wellness programmes enable informed decision-making, fostering financial independence and resilience. They are not just about imparting knowledge; they are about transforming lives through a curriculum that resonates with the real-world financial experiences of those we aim to serve. This commitment to customised financial education underscores Nedbank’s dedication to building a financially healthy society that is equipped to navigate the complexities of the modern economic landscape.

We continue to broaden the reach of our financial education programmes in 3 ways. Firstly, we want to expand our collaborations with organisations that have access to populations in need of financial education training to increase the number of people who attend our in-person seminars. Our dedication is demonstrated by the advancement of our workplace wellness and financial fitness programmes. Secondly, we intend to keep growing by utilising broadcast and radio reach. Thirdly, we will continue to collaborate with digital platforms that have scale so that we may use their resources to spread financial literacy widely. Through our debt management initiatives we will continue to enhance our contact strategies, leveraging data-driven and behavioural actions as well as insights that we gain from our financial education engagements. In addition, we will focus on preventative measures to reduce the rate of debt pressures on our clients and partners and engage with our clients who are in financial distress through the various initiatives mentioned.



Driving financial inclusivity for underserved and unserved individuals

We continue to put increased emphasis on enhancing and providing innovative products and solutions that consider the consumers’ specific needs as well as the cost impact, ease of access and onboarding. In as little as 5 minutes, consumers can open and access Nedbank products and services on the Nedbank Money app. In 2023 we enhanced our inclusive banking offerings and solutions, including transactional, savings, credit, and insurance solutions.

Transactional solutions

To ensure that we make our clients’ banking journey easier and more inclusive, we launched our MiGoals product suite, providing easy, value banking solutions that enable our clients to make better money choices. This product suite includes the MiGoals Account, a pay-as-you-use (PAYU) account that is specifically created to expand our reach to unserved and underserved individuals.

MiGoals Account

In 2023 we launched a day-to-day no-frills PAYU account with a limited number of free transactions, tailored for clients who do not transact at a high frequency and are looking for a cost-effective transactional account. The account includes the following features:

- Zero monthly maintenance fee, free card purchases, free in-app transaction notifications on the Nedbank Money app and free statements on the Money app (up to 3 months).
- Value-added services (VAS) and benefits: 50% off at selected Nu Metro cinemas (unlimited tickets) and free MyPocket account.

Since the launch of the MiGoals product suite, 680 000 MiGoals accounts have been opened, with 85% of those being the PAYU MiGoals Account. We also have migrated 1,39 million existing accounts and ensured that we educated and notified our existing PAYU clients with post-migration welcome messages, which we sent in December 2023. These offerings are further proof points of our added focus on enhancing financial inclusivity for the unserved and underserved.

MiGoals Plus Account for seniors and graduates

The MiGoals Plus Account offers great-value banking, with over 1% cash back on groceries and 25c cash back for every litre of fuel bought at bp.

In addition, the MiGoals Plus Accounts gives clients up to 2% cash back on debit card spend, up to 30% off flights, up to 10% off Apple and Samsung devices, a 50% discount on monthly fee for the spouse, free cash withdrawals and deposits of up to R3 000, as well as free electronic funds transfers (EFTs), debit orders, and VAS purchases.

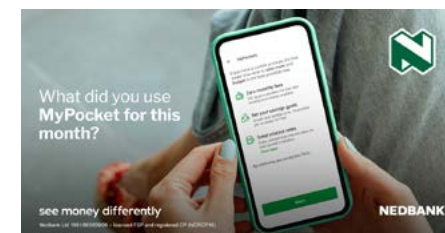
To ensure that we extend our products and solutions to the underserved, we provided added benefits to seniors and graduates, including the following:

- **For graduates:** All the above features plus 50% off the monthly maintenance fee for the MiGoals Plus Account, up to 105% finance on their home loan with R20 000 cash back, and 0,25% lower interest rate for their home loan.
- **For seniors:** Zero monthly maintenance fee if they maintain more than R20 000 in their MiGoals Plus Account, and an effective rate of up to 13% on term deposits for investments.

MyPocket

MyPocket enables clients to start saving from as little as R1, with a free Nedbank multiple-savings pocket that is linked to their Nedbank current account.

Each client can create as many pockets as they need, up to 10, to meet different savings needs while earning interest on them. Unlike with a regular savings account, there are no monthly fees on MyPocket. There are no notice periods when withdrawing from the MyPocket savings, and clients can make free interaccount transfers and electronic payments using the Money app, Online Banking, or Cellphone Banking. In 2022 the number of accountholders using this function increased to 1 306 924 (2021: 952 561; 2019: 373 198). In 2023 Nedbank contributed approximately 42% of PayShap volumes across the industry, and our PayShap payment volumes growth outperformed other banks in December 2023 (25% vs 18%).



Driving financial inclusivity for underserved and unserved individuals continued

Mobile banking solutions

Nedbank continues to bring simple but rich features and a delightful banking experience to our clients as we aim to be 'Digital when you want it, human when you need it'. We consider that many underserved and unserved individuals struggle to gain access due to the financial constraints of travelling to physical locations, the cost of transacting, network challenges and data affordability. Our Money app does not require data, which we see as a key detractor in driving inclusivity. This also enables consumers to be able to receive full banking services without the need to buy data or be in a location that has strong network accessibility. In addition to this, we have added rich new capabilities on our mobile and self-service platforms in 2023 to further promote inclusivity and protect our clients from fraud that arises from cybercrime, where criminals often target the vulnerable. Further offerings that extend our drive to provide an easy-to-access, easy-to-understand and safe platform for our clients to transact and access services on our mobile platforms include the following:

PayShap

Nedbank was part of the 1st cohort for the industrywide release of PayShap as part of the Rapid Payments Processing (RPP) initiative driven by the South African Reserve Bank (SARB). PayShap is a new cost-effective payment capability that enables users to make immediate payment with a PayShap ID. Users can make or receive payments from their mobile devices or computers, eliminating the need to deposit into an ATM, which reduces the transactional charges associated with cash deposits and withdrawals, enhancing security and minimising fraud linked to cash handling. Nedbank launched PayShap with the 1st cohort industry date in February 2023. Nedbank was the only bank to deliver PayShap on all of its primary self-service channels (Money app, Online Banking and USSD) at the same time, to ensure that we created holistic inclusivity for all our clients who may use different channels to transact.

Nedbank PayShap capability enables clients to send money for as low as R1



PayShap provides ease of immediate transacting for our clients who require instant payments or deposits. In 2023, 2,5 million PayShap payments were made and payments to the value of R2bn were made since the launch.

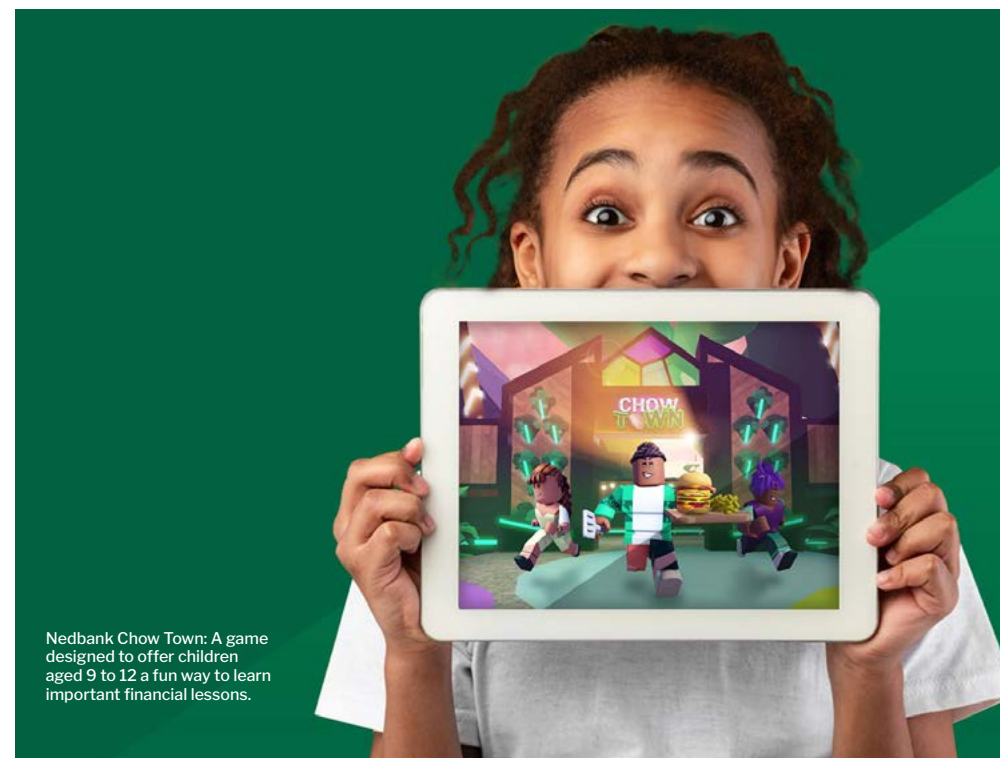
Kids banking solutions enhance our financial inclusivity

Nedbank is committed to promoting financial inclusion and education among young people. As a result, we have developed a digital value proposition specifically for the under-16 client base. Children under the age of 16 can now download the app and access basic banking services such as checking their balances, making payments to existing beneficiaries, and purchasing allowed VAS. However, they are restricted from any activity that could cause financial harm, such as playing the LOTTO, creating their own beneficiaries, and opening new accounts. They are also linked to parental control via the parent app.

In addition, Nedbank has become the first major African bank to enter the gaming world with the launch of Chow Town, an entertaining game in the

Roblox metaverse. This game will help develop aspiring young gamers' entrepreneurship and money management skills. With Chow Town, kids aged 9 to 12 can have fun while learning valuable financial principles. The game involves establishing, growing, and running a virtual eatery. Roblox and Nedbank prioritise the safety of minors who play online. To ensure a safe and regulated environment for younger players, the game integrates strong online safety protocols such as age verification procedures, secure chat capabilities, and content moderation. Parents can relax knowing their kids are safe while enjoying Chow Town and acquiring managerial and financial literacy at a young age.

The game teaches kids financial decision-making, investing, and budgeting, providing them with the knowledge they need to make wise financial decisions as they grow older. By exposing children to actual business challenges in an engaging virtual environment, it stimulates their interest in entrepreneurship. Budding entrepreneurs are encouraged to think creatively, solve problems, and develop a strong entrepreneurial mindset. Players must oversee all aspects of the financial operations of their virtual restaurant, including stock management and investment choices, through interactive gameplay. Thanks to this practical approach they can have an enjoyable gaming experience while gaining vital financial management skills.



Nedbank Chow Town: A game designed to offer children aged 9 to 12 a fun way to learn important financial lessons.

Driving financial inclusivity for underserved and unserved individuals *continued*

MobiMoney Wallet

With the continued impact of the high cost of living, data costs, inflationary pressures on smartphone devices and network deterioration over the years, we continue to expand our ability to reach unserved and underserved consumers through our MobiMoney Wallet. It is a mobile wallet-based product that facilitates payments and withdrawals as well as stores value, providing simple transactional banking functionality without requiring a smartphone, mobile data or internet connectivity for transaction. The MobiMoney Wallet promotes inclusivity in various ways, including the following:

- It is easy to set up and requires only the client's name and cellphone number, identity number, occupation, and source of funds.
- Clients do not need to visit the branch to take up or use the wallet. All they need is a cellphone on which to access the USSD channel by just dialling *120*002# and following a few steps to access the wallet.
- To deposit or access the funds in cash, clients do not need to visit the branch. They can visit a participating retailer like Shoprite Group, Pick n Pay or Walmart Group SA, which are spread throughout the country and easy to access.
- Clients do not need data and are not impacted by power outages or lack of network access.

The functionalities include the following:

- Buy VAS (airtime, LOTTO, prepaid electricity, etc).
- Pay their bank-defined beneficiaries.
- Deposit vouchers into their digital wallets.
- Use the wallet as a savings mechanism by making deposits and withdrawals at Nedbank ATMs and participating retailers.

Since being launched, the MobiMoney Wallet has proven very successful in broadening options for consumers to access solutions, which make it easier for them to transact. We are proud of the impact the MobiMoney Wallet has had in enabling consumers to save and

manage their money. At the end of 2023 a total of 1 513 214 wallets had been opened (up by 510%), with closing balances of R48,3m (up by 282%) since the launch in 2019.

Enbi

Enbi, our cheeky chatbot, was significantly expanded in 2023 and took on 77% of all digital client queries. Enbi was further expanded to include voice-to-text functionality, bringing a new level of accessibility to the chatbot experience.

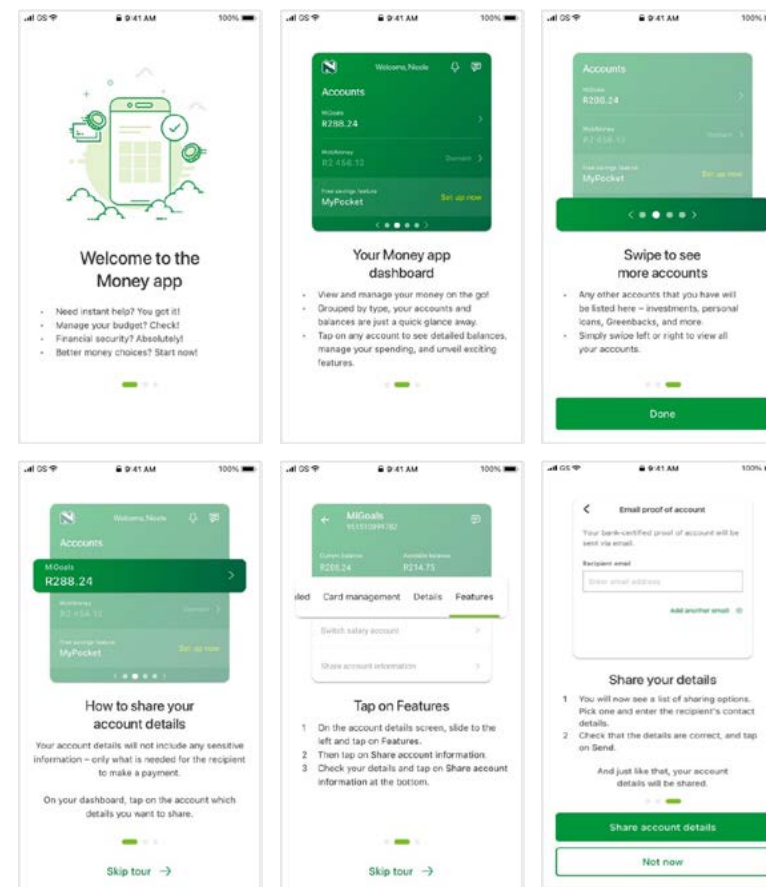
Self-remediation

The year 2023 brought the power of ongoing due diligence and compliance updates, including in respect of the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS), into the Money app and Online Banking. Clients are now alerted when they need to update their compliance status and given the ability to do so in the comfort of their own homes, irrespective of the type of account they hold with Nedbank. This decreases the need for our clients to visit a branch or call the contact centre, further providing added benefits and solutions to extend inclusivity to our clients who may have accessibility challenges and for ease of usage.

Digital unboxing education

Nedbank delivered a welcome tour capability to assist and make it easier for new-to-app and existing clients who would like further guidance on how to navigate the Money app and enhance self-service capability to be able to transact and access other features anytime, anywhere. This has enhanced the ease of use for clients who have previously not utilised the Money app or have limited digital know-how. In addition, promoting inclusive utilisation of all channels that are available to all Nedbank clients.

Nedbank Digital unboxing education for new app clients for ease of navigation and usage



Security and compliance features

The safety of our clients, especially the most financially vulnerable clients, is paramount to Nedbank. Over and above technical enhancements to tighten security such as account restrictions in line with FATCA/CRS, our Online Banking and Money app channels have also been enhanced with help flows to guide clients to relevant contact numbers such as the Nedbank Fraud line, compliment-and-complaints line, as well as the ombudsman contact details.

Driving financial inclusivity for underserved and unserved individuals continued

We deployed our trusted facial biometric authentication services to our Online Banking digital platform. This created a further security mechanism for our Online Banking clients and increased our 2-factor authentication capability.

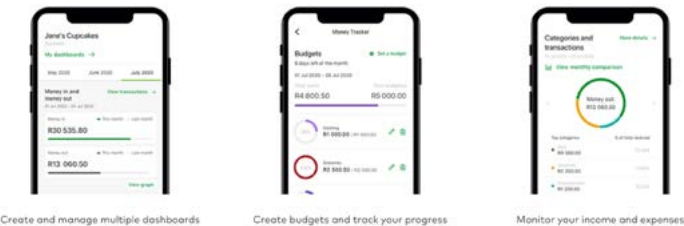


Budgeting and savings tools

We understand that in the tough macroeconomic environment, the most vulnerable of consumers are most impacted. With rising interest rates, and inflationary pressures, we realise the importance of providing our clients with budgeting and savings tools that will enable them to budget effectively and save where possible. We have enhanced our tools which are free and can be accessed on our digital platforms including the Money app with simple and clear instructions and usability.

MoneyTracker

MoneyTracker is a free money management tool available on the Nedbank Money app and Online Banking. The tool enables clients to create up to 8 dashboards to track their individual finances, create budgets and monitor the progress made against their budget goals.



Credit health tool

Nedbank provides free and unlimited credit scoring checks for consumers with added benefit of regular tips on ways they can improve their credit health and personalised expenses or debt, that are pulling down their credit scores. In 2023 Nedbank increased subscriptions to over 470 000, taking the total subscribers to over 1 million since inception, with roughly 30% of clients returning each month to view their credit health.

Savings solutions

- Nedbank Stokvel Account**
Before we launched the stokvel proposition, we found that many South Africans who are members of community-based savings groups were not participating in the formal banking system. Our Stokvel Account has proved to be a popular vehicle to enable members to continue saving communally as they have always done, but with the added benefits of security features. This is a standard group savings account with additional benefits such as funeral cover for R10 000 per member at R25 per member per month, competitive interest rates, and new access to zero-monthly-maintenance-fee banking, as well as discounts on groceries and school supplies at selected Nedbank partners. Nedbank is the market leader in the stokvel product category and the first service provider to enable clients to open an account digitally via the USSD string *120*001#.

Since the Stokvel Account was launched in September 2018, more than 4 400 accounts have been opened and 155 000 lives insured through its innovative funeral cover solution.



And since the March 2019 launch of the USSD functionality to open the Stokvel Account, we have received 6 239 applications through this channel, of which 21% was successful. The account also offers discount rewards to stokvels who continuously save at selected retail partners, helping their savings go even further. The most popular types of stokvels are savings stokvels, grocery stokvels and funeral societies. New digital features to help stokvels conduct their business with the bank will be launched in 2024.

- Nedbank Club Account**
To ensure that we also provide inclusive solutions for societies and group savings club, the Nedbank Club Account enables individuals and groups such as NGOs to club together to achieve their money goals.
- Unit trusts**
With our tax-free savings account, consumers can save up to R36 000 per annum (R500 000 over their lifetime, tax-free with a R500 deposit, while enjoying zero monthly fees and access to their money with 24 hours' notice). Nedbank strives to put money back into its clients' pockets and offer peace of mind as investments are risk-free, ie investments are

guaranteed, so consumers always get more out than what they put in due to our competitive interest rates and can earn higher interest rates the more they deposit. This has seen clients shift their behaviour to saving, even some clients with reduced incomes who realised they needed to save for rainy days.

- Deposits**
We placed added focus on ensuring that our clients can put more money back into their pockets, offering a best-in-market rate of up to 8,75% and ensuring access to these benefits by increasing our marketing spend campaign to reach our clients.

We provided further solutions for our seniors in our Electronic Optimum Plus Account, which enables them to secure their retirement savings money with a once-off investment at an exclusive online interest rate. In addition, we provide a competitive rate of 12,30% for our seniors on their 60-month fixed-deposit accounts, which is the second-best rate offer in 2023.

Driving financial inclusivity for underserved and unserved individuals continued

Credit solutions
Extending access to credit

At Nedbank, we are committed to providing safe and responsible lending solutions that meet the needs of our clients.

As a responsible lender, we apply careful assessment criteria to ensure that our clients can comfortably repay their loans. Our policies align with internal risk policies and legislation such as the National Credit Act, 34 of 2005, which sets out the requirements that credit providers must follow to prevent over indebtedness and the extension of reckless credit. We take our role as a responsible lender seriously. That is why we follow the regulations outlined by the National Credit Regulator when conducting affordability assessments. We calculate and validate our clients' abilities to service debt by assessing their existing financial means and prospects, their necessary living expenses, and their debt repayments under a credit agreement. This ensures that our clients are not borrowing more than they can afford to pay back. We believe that transparent lending practices and clear communication are essential for building trust with our clients. That is why we are committed to providing lending solutions that are safe, fair, and accessible to all. In 2023 we granted loans to low-income persons to the amount of R827m (38 519 loans).

Innovative short-term loans

We have refined our short-term loan offerings to ensure that our clients gain access to funds they need, when they need them, with competitive and flexible repayment terms and

added lifestyle rewards that put value back into clients' hands. This includes the following short-term loan offerings:

- Zero-interest 1-month loan
We offer a 1-month loan to Nedbank clients, which offers consumers the option to repay it on the day of their next salary. It is a zero-interest account offering a best-in-class 8% initiation fee of the loaned amount with no other costs or fees. Clients can apply through Online Banking, the Money app or Cellphone Banking. In 2023 over 14 000 short-term loans were taken up.

Image of a smartphone displaying a 'Good news!' message about a short-term loan offer. Below the image, text reads: 'To qualify for these offers'. It lists requirements: 'You must be 18 years or older', 'You must be permanently or self-employed, on contract or a pensioner', 'You must have a monthly income of R5,000 or more', and 'Your income must be paid into your Nedbank account'. It also states: 'Check it out on the Money app, Online Banking or Cellphone Banking. Zero-interest 1-month loan'.

- Personal loans
We offer personal loans through our branches, Contact Centre, website, partner merchants, Money app and Avo Super app platform. Since 2019 we have seen a 17% increase in personal-loan disbursements to R12,1bn in 2023.

- Gold Credit Card
With our best-value Gold Credit Card, clients can enjoy up to 55 days interest-free and optional needs-based value-adds such as rewards, travel insurance and credit life. Clients pay a competitive fee of only R40, with the minimum income required to qualify reduced to R5 000 per month. This demonstrates our commitment to enhancing our inclusivity, as does delivery of a complimentary card to clients, and a personalised interest rate to suit their needs.
- Continued student loans provision to further elevate our inclusive purpose
We provide accessible and affordable loan facilities for young people, people with no credit history, and others who have previously lacked access to loans. Nedbank sees the importance of walking the journey with our youth in their educational journey. Over the past 3 years, we have funded 2 484 students to the value of R196,5m. This facility provides students with peace of mind and allows them to focus on their studies, with loan repayments due only once they have completed their studies.



Nedbank Student Loans

Medium to longer-term credit solutions

- Affordable housing
In 2023 the Financial Services Charter (FSC) revised the affordable-housing income threshold to a gross income of R29 600, which remained unchanged. With Nedbank, affordable-housing clients will also receive a R5 000 cashback into their Nedbank transactional account, which they can use towards paying their bond registration fees, as well as a 50% attorney discount on these fees if they are a first-time homebuyer. Despite the rising interest rates, we managed to finance home purchases for 5 094 clients in this market to the value of R2,93bn. This is an increase from the 4 786 clients provided with finance in 2022 (to the value of R2,88bn).
- Inclusive first-time homebuyer offering
We strive to expand access to home loans for the underserved and unserved. Given the challenges of affording a home and related costs such as transfer and bond fees, we offer FTHBs access to additional credit to cover upfront costs for a home purchase. We revised our FTHB offering, where affordable-housing clients can access a home loan of up to 105% of the purchase price, with the loans starting from R100 000. FTHBs can also get the added benefit of the initiation fee being included in the purchase price and not deducted from the additional 5% loan amount. The maximum-age requirement has also been increased from 35 to 40 years, which further demonstrates our drive to increase our financial inclusivity. The FTHB solution is also available for medical professionals, including those who serve underserved and unserved communities.



Driving financial inclusivity for underserved and unserved individuals *continued*

- **First-time home finance subsidies**

The Department of Human Settlements developed a once-off housing finance subsidy, called First Home Finance, for permanent South African resident clients earning between R3 501 and R22 000 a month. Nedbank has taken a step in support of this subsidy through its FTHB offering, by partnering with the department to offer this subsidy to clients earning between R38 911 and R169 265. The benefit of this subsidy aids in reducing the initial loan amount, making the monthly payments more affordable for our clients.

- **Solar energy funding for all**

Over the past few years we have made solar installations easily accessible to our home loan clients by enabling them to fund the equipment via a readvance or further loan on their Nedbank home loan, ensuring that these homeowners benefit from the low interest rates that a home loan typically provides. In 2022, based on the popularity and success of that solution, we made solar energy funding available to all South Africans, even those who are not Nedbank clients. Our new asset-backed solar finance solution, provided through MFC, is available to anyone wanting to install a solar energy solution on their property. In 2023 we added the approval of a 96-month payment term extension on asset-backed loans for solar. Clients can also get 110% loans (up to R300 000) for their solar solution when they purchase a property and benefit from enjoying the same interest rate that they get on their home loan. This has an added benefit of a 65% discount on the attorney bond registration fee (home loan amount

plus the amount for the energy solution).

This further demonstrates our ability to provide sustainable and accessible add-on features in areas where access to power generation may be a challenge, and to reduce electricity costs through solar and other power generation solutions for all.

- **Vehicle financing solutions**

The South African taxi industry is still deemed the most reliable and preferred mode of transport for the vast majority of South Africans, due to ease of access to most localities in SA and the ability to reach remote and urban areas with relative ease. In addition, the minibus taxi industry employs well over 650 000 people who work as drivers, queue marshals, vendors and car washers alongside about 150 000 owners. Due to its relative importance to the economic ecosystem of SA, Nedbank sees this industry as key to the growth and development of the country. In 2023 our taxi portfolio book grew by 50%.

- **Step Up Payment Plan**

We further looked at how we can expand our inclusivity to enable consumers to qualify for vehicle finance options with the MFC Step Up Payment Plan. This product was launched in October 2023 and enables our clients to access a step payment plan that is more affordable, so that they can purchase vehicles and other motoring-related products through our MFC channel. On the plan, clients pay reduced instalments for the first 2 years as well as reduced balloon payments, which often come with vehicle finance, further showing our drive to assist our clients in reducing their debt burden.

- **Payment holidays**

Our clients face increased budgeting challenges during the festive season. We therefore introduced a payment holiday plan for our vehicle finance clients whereby they skip their December and/or January repayments. This extends their repayment period and helps them use the freed-up cash towards other necessities.

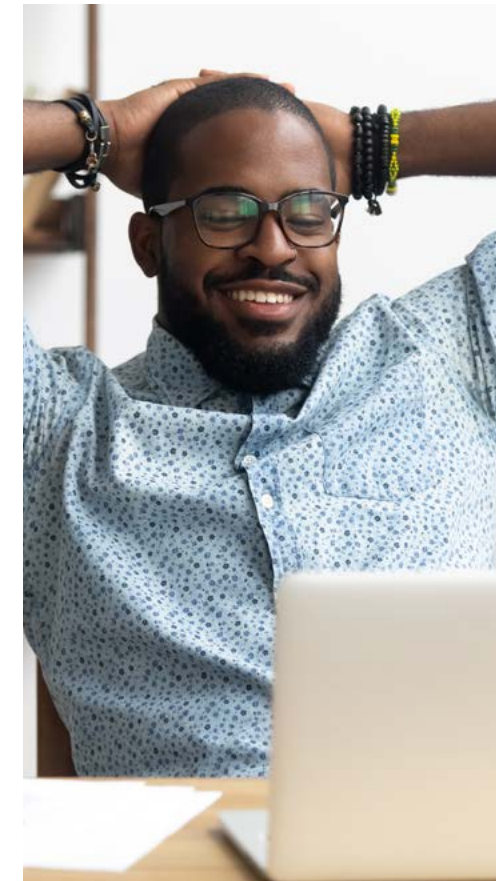
Loan consolidation and rehabilitation

At Nedbank, we understand that challenging times can impact clients' financial stability. That is why we offer a range of tailored debt assistance solutions to help our clients regain control of their finances. In 2023 we rehabilitated a total of 936 000 clients, showing our added focus on ensuring that we walk with our clients in times of distress. Here are some examples of how we assisted clients:

- **Loan restructuring:** If clients are struggling to make payments, we can extend their repayment period, reducing their monthly instalments. This provides some breathing room for them to meet their financial obligations. Restructures are available for home loans and vehicle finance.
- **Debt consolidation:** If clients have multiple smaller loans with different creditors, they can consider consolidating them into 1 loan. This simplifies their payments, allowing them to make a single monthly payment and save on fees.
- **Short-term payment relief:** For clients facing immediate financial distress, we offer short-term relief by allowing them to pause debt

payments for up to 3 months. We remind clients to keep in mind that interest will continue to accrue during this period, but they can catch up later when their finances stabilise.

- **Assisted sales:** If clients need to downscale or sell their homes or vehicles, we are here to help them get the best possible price.



Driving financial inclusivity for underserved and unserved individuals continued

Self-service channels •ESG•

We have also expanded channels through which clients can access loan offers. In addition to branches and the Money app, clients can now apply for predetermined loans at ATMs and self-service kiosks (SSKs).

Our more than 500 SSKs available at branches enable easy self-service for clients. We have also deployed a card-dispensing service for selected new and blocked cards, a service for taking up predetermined loans, as well as printing services on our kiosks. Another example of how we strive for seamless integration across our channels is introducing, in 2023, the ability to block a card on the Money app and collect the replacement card at a self-service kiosk at any time.



Insurance solutions

- Nedbank MyCover funeral plan**
Nedbank MyCover funeral plan offers a market leading funeral cover that allows consumers to protect themselves and their loved ones against life’s eventualities. This product aims to drive inclusivity through its affordable pricing with the plan starting at R30 per month for R10 000 cover and offering R30 000 cover for the family at R90 per month, making it the cheapest on the market. In addition, Nedbank offers 20% off My Cover funeral when a consumer takes the product up digitally and is banked with Nedbank, further enabling inclusivity. My Cover funeral also offers product features such as a free grocery benefit and free transportation of the deceased, together with 30-day grace period to make payment if you were unable to pay your premium in the month, 1 free month of full cover when you pay the full premium for 11 months in a row and 2 free months of full cover when you pay 10 premiums in advance, all product benefits that are aimed at supporting consumers and enabling inclusivity.

Value-added services

In addition to driving financial inclusivity, we have expanded our offerings of value-added services (VAS), which can be accessed through multiple channels across the bank. The introduction of our brand new and enhanced Money Transfer service enables clients to send money to any cell phone in SA with a few simple clicks and allows the recipient to withdraw the money within 30 days not only at a Nedbank ATM, but also over 100 000 retailer distribution points across the country including Shoprite, Checkers, Pick n Pay, Boxer, Kazang, and OTT. With these enhancements and the expansion of the redemption network we have seen an 80% increase yoy in 2023 volumes, hitting record numbers in December 2023 as we processed just below R1,5bn in money transfers and a total of 16,5% of money transfers being redeemed at our physical partner locations in urban and remote areas that enhance access and availability of channels for our clients to redeem their money.

Value-added services and partners

Category	Partners
Prepaid airtime and data	
Prepaid electricity and water	
Money Transfer	
Lottery and other betting	
Digital vouchers	
Gift cards	
Bill payments	

Our VAS platform catalogue is expanding through continuous additions of new products and services to drive inclusivity. We have in excess of 500 unique products and offers currently available and are managing multiple providers.

New offerings added during the past few years include Daily LOTTO purchases, bill payments, prepaid water purchases, and various new entertainment vouchers. These VAS and products not only complement the full array of financial products Nedbank offers clients, but also make our clients’ day-to-day lives easier with convenient payment methods. Through our ongoing efforts to drive financial inclusivity, clients can easily top up, buy and share our products via the Money app, Online Banking, Cellphone Banking or SSKs. During 2023 we saw a high demand for VAS from clients, which resulted in 28% growth yoy in revenue, 27% growth yoy in volumes processed on the platform (138 million in 2023), and a growth in the VAS client base of 14% yoy to 1,44 million, predominantly in the entry-level banking and youth segments.

Driving financial inclusivity for underserved and unserved individuals continued

Nedbank Avo super app

Avo is a super app we launched in 2021 that offers clients a one-stop shop where they can access goods and services at the tap of a button. It is the digital place that has all the essential goods and services. Consumers do not need to be Nedbank clients to access the super app. Since inception the Avo super app has signed up over 2,5 million clients and has shown incredible momentum, with growth of 315% in gross merchandise value from 2021 to 2023. In addition, the Avo super app promotes sustainability, providing access to solar solutions to clients through Avo Solar, which was launched in 2023 and has enabled over 100 installations, 70% of which were financed. In addition, Nedbank clients on the Greenbacks programme converted R450m in Greenbacks to Avo Points that can be redeemed on Avo to be utilised to make purchases of their choice. We also ensure that we protect our consumers to ensure that our clients receive the best quality when it comes to the condition of the goods received, with 8 000 insurance policies on goods taken up in 2023.

Avo super app has signed up over **2,5 million** clients

We expanded our offering in 2023 with Avo Home, through which clients can purchase several products for their home, and Avo Solar, through which consumers can purchase renewable energy products. Consumers took up our 1st tranche of tier 1 solar stock at highly competitive pricing through 5 unique solar packages for small businesses that were available either at full price ranging from R77 000 to R240 000 or in monthly instalment for increased access.



Driving financial inclusivity for underserved and unserved individuals continued

Further maximising our reach to our communities – Proud of My Town (PoMT)

The PoMT initiative was formed in partnership with Ranyaka Community Transformation, and focuses on addressing the unique needs of each town’s stakeholders, seeing obstacles and possibilities, and creating collaborative plans to accomplish goals through teamwork. Nedbank’s purpose aligns with the need to drive inclusivity as part of the key pillars that underpin how we serve our communities. Through our township economy initiatives, we have elevated the need to drive holistic community partnerships and active involvement. As reported in 2022, this was the 1st initiative of its kind for corporates in SA.





Driving inclusivity for small, medium and microenterprises

SMMEs are powerful engines of job creation in SA. In 2023 they generated about 34% of the country’s GDP and employ approximately 60% of its workforce. On a larger scale these businesses are key drivers of business activity in SA, making up 90% of the approximately 700 000 formal businesses in SA. According to the 2024 State of the Nation Address, there were between 2,4 million and 3,5 million SMMEs in SA. Despite their evidenced importance to contributing to the South African economy, SMMEs face a myriad of challenges to remain sustainable. According to the S&P Global 2024 South African Banking Outlook, higher inflation and interest rates will impact SMMEs, with subdued loan growth set to continue in the short-to-medium term due to asset quality and the willingness of banks to extend credit lines and access to funding. As at 2023, SA’s failure rate of small businesses was one of the highest in the world, with approximately 80% of small businesses failing in the first 5 years due to challenges that include lack of access to tools and technology, skills deficit, market access and funding.

Nedbank provides banking services to SMMEs with a turnover of up to R30m per annum. At the heart of our relationship banking value proposition is a personalised, flexible, and proactive approach with added digital services to support everyday activities. Our 508 (2022: 500) dedicated small-business bankers, located in 200 locations across the country, supported our 305 000 business clients across their transactional, payment, investment, and financing needs. This included offering specialised services to the medical, franchising, and agricultural industries.

A total of
508
small-business
bankers

To enhance ease of access and inclusivity, we have introduced an innovative approach to helping SMMEs streamline their banking processes. Now, with the click of a button using our digital channels, SMMEs can open a transactional account instantly and hassle-free. This service is available to sole proprietors and proprietary limited companies with up to 3 directors. This allows businesses to quickly and easily onboard themselves and start banking instantly without any delays. In addition, all small-

business clients can perform self-service banking through these digital channels. This enables them to manage their investments and apply for credit and merchant point-of-sale (POS) solutions, all from the comfort of their homes or offices. With just 1 set of login credentials, businesses can seamlessly toggle between their different business and personal profiles, making it easier for them to manage their finances. For added assistance and advisory services, Nedbank has a broad array of dedicated relationship bankers with a national footprint who are always ready to provide hands-on assistance and guidance, ensuring that each business receives the support it needs to succeed. Nedbank offers inclusive transactional, lending, savings and insurance touchpoints to SMMEs.

To further extend our reach to the underserved and unserved SMMEs, Nedbank piloted Islamic banking products in 2023. The development of these products has created an opportunity to establish essential governance structures in the form of the Nedbank Shariah Supervisory Board, segregated Islamic products and an accompanying treasury solution that generates shariah-compliant commodity trading.

Transactional solutions

Nedbank offers a choice of banking bundles for clients ranging from start-ups to medium businesses, as well as business rewards.

• Startup Bundle

Our Startup Bundle is a business account that offers 6 months of zero fees, 20 free digital transactions for single directors, no charge for eNotes, a dedicated relationship banker, 24/7 access via free digital channels, and beyond-banking services to support the early phases on business. Since its launch at the end of 2020, over 25 000 (2023: 12 000) new Startup Bundle accounts have been opened.





Driving inclusivity for small, medium and microenterprises *continued*

- **Business PAYU or Business Enabler Current Account (for the credit-impaired)**

As we are a client-centred bank that aims to support each business at every step of its growth journey, we have migrated business clients who are credit-impaired to a business PAYU account or the Business Enabler Current Account. For only R70 per month this account provides affordable, easy access as well as added support through our beyond-banking services. In addition, a dedicated relationship banker and 24/7 access to Nedbank’s digital channels are also available.

- **Cross-border transactions**

Small businesses can make international payments via the Money app and through our Trade Finance solutions, which makes it easier for them to manage their foreign currency flows. To receive an international payment, clients simply accept the quoted exchange rate and upload the relevant exchange control documents. We are looking to implement international payments in early 2024 to ensure that we can provide a full suite of solutions for businesses looking to make international payments.

- **Payment guarantees**

For businesses clients who are looking to import goods into SA, Nedbank offers letters of credit as assurance that goods will be paid for on delivery.

- **Invoice discounting**

Businesses experiencing cash flow challenges arising from their debtors book can finance up to 80% of their debtors book to unlock cash flow through our invoice-discounting solutions.

Savings solutions

Businesses also have access to a range of investment solutions that have competitive returns so that they can meet and sustain their working capital and liquidity capital requirements. These include notice, fixed and hybrid investments. Businesses can also take advantage of our tax-free savings account, which is similar to that for consumers, as well as immediate-

savings accounts such as the Money Market Investment Account. Businesses also have access to savings and money management tools to assist them in their growth journey and put money away for rainy days.

Lending solutions

Nedbank offers tailor-made services through our Small Business Services (SBS) unit to support over 305 000 businesses with an annual turnover of up to R30m. Demonstrating Nedbank’s commitment to serving all businesses and being a partner that cares about their growth and sustainability. SBS continues to provide the business support that their small-business clients have come to expect from Nedbank as financial experts who do good. Funding support to small businesses (in line with Sustainable Development Goal 8) saw R4,0bn in asset payouts over 2023 (2022: R4,2bn) to fuel further business development. The decrease in advances was due to a highly pressured macroeconomic environment with rising interest rates and high inflation.

Our team of credit assessment experts is dedicated to serving the needs of SMMEs. We understand the complexities of this market and are skilled in supporting our bankers to deliver the most suitable credit solutions. In addition to standard lending solutions such as overdrafts, asset-based finance, property finance and term loans, we also offer products that are tailored specifically to the needs of the SMME market.

- **Nedbank Small Business Credit Card**

The Nedbank Small Business Credit Card is the ideal card solution for start-ups and sole proprietors with a minimum annual turnover of R150 000. Personalised to clients’ individual needs and affordability, the solution promotes Nedbank’s drive to extend inclusivity solutions to businesses that are simple and convenient. Businesses pay a monthly service fee of only R57, and it is suitable for businesses who are looking for a line of credit with flexible payment options suited to their needs, a revolving credit facility that enables them to pay only the minimum outstanding balance, 55 days of interest-free credit, and added rewards through Nedbank’s Greenbacks programme.

- **Nedbank preapproved overdraft and instant small-business loan**

In 2023 we launched our small-business loan as part of our drive towards financial inclusivity. The loan enables small businesses to unlock the finance they need to improve monthly cash flow, free up working capital, cater for unforeseen events or purchase products and equipment to grow their business. In addition, we disbursed R109m in preapproved overdrafts that are linked to the business current account and come with personalised interest rates and no fixed monthly payments.

- **Nedbank Rewards Revolve Card**

Businesses with a minimum annual turnover of R360 000 can access added benefits on their spend with a Nedbank Rewards Revolve Card for a monthly fee of only R53. This revolving-payment facility rewards businesses on their spend, and they pay no interest if their card balances are settled in full every month, and can earn double Greenbacks rewards when they use their American Express Card to spend. In addition, businesses enjoy up to 55 days’ interest-free credit, 24/7 digital banking and beyond-banking services such as SimplyBiz.

- **Nedbank GAP Access**

Nedbank recognises that businesses may need to grow without putting undue pressure on their cash flow. With Nedbank GAP Access, business clients have access to additional funds to support their business and operational needs without the burden of a traditional loan. Gap Access provides a cash advance for businesses based on historical sales volumes obtained from their POS device transactions history and provides an easy-to-use and cost-effective way for businesses to unlock their cash flow. Businesses can access an advance of between R30 000 and R1 500 000, depending on their turnover. Gap Access charges only up to 15% of the value of the advance, and there are no interest charges as it is an advance and not a loan, further elevating our drive to reduce the pressure on small businesses that stem from added costs and interest charges.



Driving inclusivity for small, medium and microenterprises *continued*

Since its introduction GAP Access has seen phenomenal uptake, with over 80% of businesses that signed up for the offering requesting a further advance after having reached the minimum repayment threshold. Businesses have easy access to a readvance once they have repaid 60% of the previous advance. To date through GAP Access we have advanced a total of R1,2bn, funding over 2 200 businesses.

- **Finance for EDGE-accredited buildings**
EDGE-accredited buildings are designed to save users up to 20% on water and energy expenses every month. To further drive market affinity for sustainable residential developments, Nedbank home loans offer clients a 25 bps rate reduction on all new EDGE-accredited property purchases. In 2023, we registered R399m in credit towards sustainable green EDGE-accredited buildings financing.

Innovative payment solutions for SMMEs

In today's fast-paced world, where transactions are an integral part of our daily lives, it is essential to have access to reliable, secure, and cost-effective methods of payment. That is why we offer a set of innovative payment solutions that cater specifically to the needs of SMMEs, entrepreneurs, NGOs, informal traders, spaza shops, and other individuals and organisations. Our cutting-edge solutions are designed to enable our clients to transact with ease, wherever and whenever they need to.

To ensure that our clients get the most out of our offerings, we require our merchants to become ambassadors for our solutions, and

we make sure to educate them on their use. This approach empowers our merchants to enhance their financial inclusion by applying for additional banking products and services, thanks to the increased availability of data collected from their day-to-day business activities. At our core, we believe that every individual and every organisation deserve the opportunity to thrive in their respective field. That is why we are committed to driving broader socioeconomic upliftment in communities that need it the most. By adopting our accessible payment solutions, clients will not only enjoy the ability to make convenient and hassle-free transactions, but also make a meaningful contribution to the growth and development of their community. In 2023 Nedbank focused on commercialising payment solutions for its business clients to further enhance inclusivity and access to solutions that will ease the receipt of payments, including the following:

- **Nedbank PocketPOS**
Nedbank recognises that genuine financial inclusion necessitates accessible banking services for all South Africans. As part of our Small Merchant Acquiring initiative, we are committed to providing informal traders and sole proprietors with the means to participate fully. They can now apply for the PocketPOS acceptance solution via our Nedbank Money app for a nominal fee of R499 (excluding value-added tax). Additionally, clients will receive a digital QR code, empowering them to accept payments anytime and anywhere while they wait for their device to be delivered. This ensures active participation in the financial ecosystem. As a trailblazer, Nedbank will

become the first traditional bank to provide merchants with an end-to-end payment solution entirely via a digital platform.

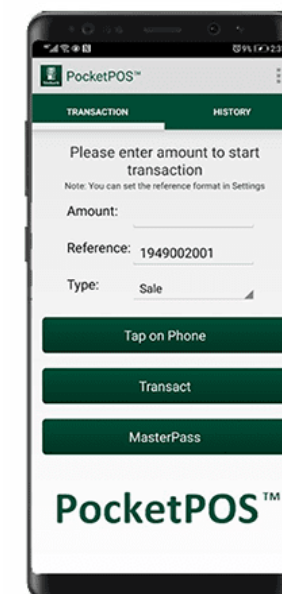
This entire process and distribution will be completed within a remarkable 48 hours. Furthermore, Nedbank will generously offer a full rebate on the device purchase price to merchants who settle payments into a Nedbank account and meet a turnover minimum over a 3-month period. Moreover, merchants using a Nedbank account will benefit from same-day settlement. These strategic measures not only encourage financial inclusion but also drive adoption within the broader economy, allowing all participants to engage cost-effectively.

The 2023 TEA Kasi Business Workshops held across the country proved to be a game-changer for township businessowners as they discovered the perfect solution for their payment needs – our Nedbank PocketPOS. The response was overwhelming, and we are delighted to have contributed to the growth of these businesses.



- **Tap on phone**
Tap on phone is a card acceptance solution that converts a mobile device to a card machine. In 2022 Nedbank added DebiCheck transaction acceptance to the feature list for tap on phone. Businesses can enable DebiCheck acceptance on their staff and client-facing apps. The end user just needs to tap the device and enter their card PIN to accept the DebiCheck mandate. This is an attractive value proposition for businesses that contract with their clients, for example as with cellphone and insurance contracts.

In addition, the tap-on-phone PocketPOS solution is a card acceptance solution for merchants with Android phones. Launched in 2020, it facilitated about 40 000 transactions in 2023.



Tap-on-phone PocketPOS further extends payment solutions to our businesses

Driving inclusivity for small, medium and microenterprises *continued*

• Scan to Pay – Powered by Ukeshe

In partnership with Ukeshe, Nedbank's easy-to-use, zero-fee solution that enables consumers to pay our business clients using a QR code and their smart devices to further increase access to payment solutions for our businesses and reduce the risks associated with holding cash when receiving payments. The payment solution is suitable for small businesses and can be accessed as a stand-alone product or through the Nedbank PocketPOS application.

• Nedbank - neXgro Strategic partnership to future proof agriculture in SA through digital innovation

neXgro is a data-led, insight-rich agritech platform focusing on the trading of grain (Phase I). The aim of the platform is to facilitate trading between buyers (offtakers) and sellers (producers) in a transparent bid-and-acceptance process (the farmer must achieve the required margin). The platform has the potential to be scalable across various agrisectors. Nedbank was requested to develop B2B payment and escrow capabilities, which we achieved by developing a closed-loop, prefunded, virtual card solution.

Beyond-banking services

Our beyond-banking services offer a comprehensive selection of resources, business tools, and financial solutions for businesses and their employees. These include the following:

• SimplyBiz

SimplyBiz® is a free business development support platform that is open to all entrepreneurs (whether Nedbank clients or not) and offers practical support based on the life stage and needs of their business. Covering ideation, start-up, growing, and established businesses, the platform aims to equip their approximately 47 000 registered businesses to operate efficiently and sustainably. We offer a range of services, including the creation of business pitch decks, business

profiles, advertisements, crowdfunding assistance, practical guides, and 1-on-1 coaching from specialists, making relevant and authentic business information more accessible for diverse entrepreneurs.

In 2023 we showcased 98 businesses and had 3 600 businessowners participating in our programmes. We also created 56 topical articles, ranging from sustainability guides to tax preparation checklists, 223 social posts and 39 videos (including market maker advertising, training, SimplyBiz promo video and content on financial ratios and how to register a company, including from the *Nedbank Essential Small-business Owners*), as well as ran 3 competitions that included a 30-day wellness challenge, an inverter competition, and the topic of how to get procurement-ready.

Insurance solutions

• A wide range of insurance offerings

We provide comprehensive and personalised insurance solutions to support small businesses. Our direct business cover is suitable for SMMEs and large businesses. Our services include professional analysis and advice, customised product design and implementation, ongoing servicing management, and 24/7 claims management and administration. We understand that every business has unique requirements, so we have created a range of insurance solutions, including general business insurance, agriculture insurance, construction and engineering insurance, heavy-commercial-vehicle insurance, and marine insurance. These solutions cover the risks associated with local and global transportation of goods. We also offer debtors insurance and retail fuel insurance cover for small businesses in the fuel retail sector. Furthermore, small-business clients can access liability cover such as general liability, professional liability, as well as directors and officers liability cover. Our aim is to provide all our business clients with inclusive and extensive insurance solutions.





Driving inclusivity for small, medium and microenterprises *continued*

SimplyBiz successfully engaged and used subcontractors to deliver on strategic initiatives, opening their small business supplier pipeline to opportunities. Notable interventions in the past year include the following:

Get into Gear Guide: This guide was converted to a podcast series with the author of *Everyday Speak*, Melusi Tshabalala, and is available in IsiZulu, Sesotho, Afrikaans and English. This initiative covered 8 steps from ideation to having an executable business plan. In support of driving awareness, marketing initiatives driven through partnerships saw over 4 million people exposed to this content, with 80% of the audience in Living Standards Measure (LSM) 3–7 and 53% being female and 47% male.

Nedbank's partnership with Xero Accounting (global accounting firm):

Nedbank launched the 1st direct banking feed in SA so that SMMEs can automate their banking data flowing to Xero, free of charge. This means no 3rd parties, no manual document uploads and no delays, which saves businessowners time and puts them in control of their banking data.

Sponsorship of 12 local markets: We created 2 specialist Powershot Cafés, which provided marketing and social media masterclasses to guide market vendors on how to effectively run a market business beyond the event and increase attendance. Sponsorship of the markets was based on the specific needs identified by the market organisers and their makers, and included stall fee subsidies, maker tents, payment of entertainment artists, signage and advertising, and vouchers to encourage consumer spend with the makers. Through this initiative approximately 1 300 diverse makers were impacted.

SimplyBiz Pricing for Profit Café partnership with the Young African Entrepreneurs Institute: The project involved subcontracting for various events in locations including Duduza, Nigel; Fort Hare; Bloemfontein; Polokwane; Kimberley; Cape Town and Umhlanga. There was a diverse audience, totalling 1100 attendees in 7 provinces including females (45%), township and rural residents (85%), existing businesses (65%) and job seekers (10%) with 25% new ideas stemming from the discussions. In addition, buses were provided to bring people from townships or their outskirts to the venue.



Art of Storytelling Hub: The facility ran for a 2nd year and takes 4 creative small-business owners through a 1-year internship so that they can become digital content creators. The programme provides access to cameras, editing software and business development support, and unlocks additional opportunities.

SimplyBiz Trading in Africa Toolkit: Created with research house In On Africa, the toolkit is a response to requests for more guidance on accessing more markets and trading beyond South African borders. It provides this information, which is not readily available to entrepreneurs, to SimplyBiz users in a consolidated and actionable manner in the form of data-driven insights, thought leadership content and practical strategies for accessing 54 African markets.

Avo Business

Our market-leading super app, Avo, allows registered businesses to offer their products and services on the e-commerce platform on Avo Business to Business (B2B), which is a marketplace that makes it easier for business buyers and sellers to connect, anywhere, anytime, on a secure platform, supporting their growth. In 2023 over R100m Avo B2B stock financing applications were assessed, with the majority being from non-Nedbank business clients, further demonstrating our drive to promote extended inclusivity to SMMEs across SA. In addition to launching Avo B2B in 2022, Nedbank launched Avo Auto in 2023, which hosts over 900 accredited MFC car dealers. Furthermore, in 2023 our Avo embedded finance transactions increased by 9% and unsecured loans distributed through the API_Marketplace increased by 45%.

AVO Solar solutions for businesses

In 2023 we launched our Avo solar B2B offering for solar aggregators and installers and in addition, launched our B2C offering to the greater public in late 2023. To drive this initiative, we established several partnerships across the renewable energy supply chain, with a particular focus on the solar value chain in respect of procurement, sourcing, supply, installation and service. This has led to several opportunities for businesses to participate in the value chain and gain access to both consumers and businesses from the marketplace. A total of 150 solar aggregators and installers attended our B2B launch, for which we received positive feedback. As part of the offering, we curated 5 unique residential and small-business solar packages ranging from R77 000 to R240 000 with monthly repayment options, further elevating our drive to provide affordable solar solutions.

Driving inclusivity for small, medium and microenterprises continued

Leveraging partnerships to support SMMEs
Township Entrepreneurs Alliance (TEA)

In 2022 Nedbank maintained its commitment to creating shared value by partnering with TEA to offer TEA Kasi Business Workshops nationwide. These workshops aimed to provide township entrepreneurs with the essential business skills, tools, and financial assistance to thrive. In 2023 we successfully completed the 1st season of our Kasi business workshops, with 15 workshops held in collaboration with TEA. The 15 workshops were attended by 23 641 individuals, prospective businesses, start-ups, and businesses, with 47% female representation recorded. To further drive inclusivity, the TEA workshops were broadcast across social media platforms, garnering 71 461 online views throughout the 1st season.



Kasi Business Workshops held in 2023 in Partnership with TEA

Each workshop had a different theme in different townships for ease of access and together featured 61 speakers (both Nedbank and external influential people). To further demonstrate the impact of these workshops, 20 business deals were ignited through the networking and sharing of ideas and 845 youth jobs were created as a result of both direct and indirect engagements. To show our commitment to developing small businesses, Nedbank awarded the 15 1st-place small-business entrepreneur prizewinners R50 000 based on their businesses pitch, and the 2nd-place and 3rd-place prizewinners won R10 000 and R30 000 each respectively.

• Proud of My Town (PoMT) Building Business Programme

Our partnership with PoMT continues to support small businesses through the Building Business Programme, which is an enterprise development initiative that enables local inclusion for small growing businesses from under-resourced areas by increasing accessibility, providing training, and offering support. PoMT is an ongoing initiative that supports not only the building of individual enterprises but also the development of a thriving local economy with quality business and consumer services and products, safe business and shopping environments, and education of community members, in general, so that they can manage their financial obligations better.

Beyond the ongoing support provided to the small enterprises, other PoMT programmes – eg Safe Communities, Fix Your Space, People Development and Sports, Arts and Culture – ensure that the Building Business Programme’s positive impact will continue. In addition to SMMEs who have been onboarded onto the Building Business Programme, small-business owners in the various towns where PoMT is implemented have access to a wide range of general support services. These include consumer financial education and other financial literacy sessions presented by Nedbank as well as free general business management training sessions and workshops.

Year to date, 2 015 stakeholders have participated since 2023, with new nodes launched in Tembisa (Gauteng) and Pacaltsdorp, George (Western Cape), where a dedicated local team of change agents are

already driving change. In addition, Nedbank Investment circles were held in Gauteng, KwaZulu-Natal (Umlazi, KwaMashu, Inanda and Ntuzuma) and the Eastern Cape (Zwide and Motherwell) with internal stakeholders from different business units to collaborate on a provincial level. We showcased the PoMT investment in each province over the past 3 years and shared investment opportunities with social impact to help SA flourish. Major focus areas include the green economy, property and agri-collaboration projects, and we will continue to work with our internal partners to bring these to life. These will become quarterly engagements moving forward.

The programme aims to benefit small businesses and impact the broader community indirectly. A wide range of businesses benefited, including enterprises from the tourism sector and the general services sector, eg hairdressers, small-household-goods manufacturers, artisans, and financial service providers. Enterprises from the clothing and catering sectors were also well represented. Funded by Nedbank’s Enterprise and Supplier Development Department, the programme implemented its training and support services in 3 PoMT nodes in 2022/2023.

These nodes are Mamelodi, Umlazi and Stellenbosch. A total of 52 small and growing enterprises participated in the business support project and 272 in the general training project. Nedbank invested R2,4m in the programme, which was well

Nedbank invested
R2,4m
in the PoMT
programme

Driving inclusivity for small, medium and microenterprises continued

received and will continue. The general programme is implemented nationally in 8 provinces across the country and includes communities in Umlazi, KwaMashu, Zwide, Stellenbosch, Boitekong, Mamelodi, Khatorus and Mankweng. Benefits to the community included better service provision from small enterprises and a more comprehensive range of quality products and services that they can access. The indirect benefits include a general increase in business development and confidence in the areas where the benefiting enterprises do business. Some of the enterprises are already giving back to the community by supporting community-based initiatives. Giving back and supporting your community is a value that the programme instils in all its participants. The 52 business support participants in the programme created 102 new jobs, and they either were or became Nedbank clients. The overall outcome improvement was 70%. The improvement was driven by 73% of the participants increasing their customer numbers, 86% showing an increase in turnover and 58% showing an increase in their asset value.

Nedbank branches were also represented at some of the

sessions to ensure continued support for the enterprises after the programmes initial phase has ended. The programme also expands Nedbank's brand positioning in the township communities and attracts new retail and small-business clients.

• Pitch & Polish Competition sponsorship in partnership with ENGEN

This annual competition has been running for 13 years and is sponsored by title sponsor Engen, and co-sponsored by Nedbank and organisers Raizcorp.

Pitch & Polish is a blend of competition, mentoring and learning. While contestants compete for the ultimate prize and honing their business pitches, the programme's main aim is to impart entrepreneurial skills and knowledge – both to the contestants and to viewers who learn alongside the 16 starting

contestants. Gauteng's Tshireletso Mokate – 'The Camping Guy' – who walked away with the prize worth R1m, R650 000 in cash which will be paid out



Pitch and Polish Competition Winner – Tshireletso Mokate



Pitch and Polish Competition Sponsorship

over 2 years as he achieves the business milestones he laid out in his pitch, as well as a bursary worth R350 000 for a full 2-year Raizcorp business-development programme.

• Nedbank Business Ignite Sponsorship

The Nedbank Business Ignite sponsorship property in partnership with Primedia Broadcasting is SA's longest-running business mentorship programme and the campaign sought out the best small to medium-sized business across the Western Cape and Gauteng, and targeted businesses that have a turnover of between R2m–R5m in annual revenue.

Nedbank Business Ignite aims to refuel small businesses, to enable growth and help them reach greater heights. The campaign forms part of our longstanding efforts in unlocking the SME sector's potential, and our contribution to economic growth and job creation in SA.

The initiative is a programme aimed at supporting and empowering small businesses on their respective journeys towards success. Through intentional initiatives and resources, the aim is to provide valuable support to entrepreneurs, assisting them to navigate and thrive during challenging economic times with each of the 6 winners receiving a comprehensive package of support valued at R140 000, including a R30 000 cash injection, business coaching, and advertising airtime on 702 and Cape Talk worth R100 000.



Business Ignite powered by Nedbank 2023 Winners

86% of PoMT participants increased their turnover

Driving inclusivity for small, medium and microenterprises continued

• Nedbank Innovate_Hackathon

Nedbank is committed to supporting small businesses in SA by leveraging the transformative potential of technology. To this end, the bank has partnered with Make.dev, a spinout of OfferZen that focuses on creating developer experiences and opportunities for the South African developer community, to host its 2023 Innovate_Hackathon. The event took place on 1 and 2 December at the Nedbank campus in Sandton.

The hackathon was focused on building innovative artificial-intelligence (AI)-powered financial tools that can help local SMMEs address challenges such as tracking their income, expenses and profits, and providing them with faster and safer payment alternatives that prioritise transactional ease. Participants will have access to Nedbank’s banking application programming interfaces (APIs), including its PayShap API, to develop their solutions. Overall, the hackathon represents a tangible delivery of Nedbank’s commitment to fostering an environment of creativity and practical solution development for the South African developer community. It provides a unique opportunity for developers to collaborate and collectively build impactful SMME solutions.



2023 Nedbank Innovate_Hackathon

Extending our inclusion through Youth Changemakers

• YouthX by Nedbank Changemakers

Nedbank YouthX is an initiative aimed at helping South African youth realise their potential by providing them with access to resources, inspiration, and an online platform for exchanging ideas. This platform aims to help them find a career and succeed in something they are passionate about. The initiative was spearheaded by 6 prominent changemakers, all under the age of 35, including Rich Mnisi and Sho Madjozi. They created 6 categories (Business & Finance, Sports & Wellness, Fashion & Beauty, Arts & Entertainment, Tech & Innovation, and Social Good & Sustainability) to provide free guidance and support to those interacting with the platform. YouthX Live, a series of live virtual events representing each category, offered free access to learn from the changemakers and industry and financial experts. The platform also included an app called YouthX Change, which provided exclusive content related to each category and formed the always-on element of the initiative.

The YouthX Awards and YX23 are initiatives driven by Nedbank’s commitment to provide financial education to young people. The winners were announced on 18 November 2023 at Constitution Hill during the annual YX23 event. YX23 is the culmination of the YouthX journey and offers an immersive experience that includes inspiring discussions and interactions with youth-owned brands. It is a celebration of the youth and their aspirations, and a platform for recognising their contributions to society. The winners were chosen based on their outstanding contributions, innovation, and impact in their respective fields. From the final 10 nominees, the 4 winners received a share of R245 000, which includes support from a financial adviser, tech bundles, and a mentorship programme. The overall winner received a curated experience valued at R125 000, in line with their winning idea.



Nedbank YX23 Changemakers Winner: Wihan Joubert, founder of Drip Markets, a sustainable fashion provider of second-hand clothing



Driving inclusivity for small, medium and microenterprises *continued*

Driving inclusivity through ESD

In 2023 we relentlessly pursued various initiatives aimed at driving economic activity and fostering the growth of SMMEs. Our approach to achieving these goals was built on the foundation of close collaboration with relevant stakeholders and role players. This enabled us to actively drive transformation and promote economic inclusion, which are both vital for the growth of any economy. We successfully implemented the following key programmes that have put us on the path to achieving our goals:

Agriculture

The agricultural sector plays a major role in the South African economy by contributing to primary production and adding value to the supply chain. It is also vital for ensuring food security and creating job opportunities in the country. As a purpose-driven financial institution, Nedbank is committed to promoting the inclusive growth of the agricultural sector and bringing its mission to life.

We aim to achieve this by leveraging partnerships, innovation, and climate risk management to enhance the sector's inclusivity and contribute to the sustainability of SA's agricultural industry. By providing loans, we believe that Nedbank can play an essential role in driving positive change.

• Partnerships and innovative solutions

Agriculture is a unique sector as it is 1 of the largest contributors to climate change, while also being 1 of the most affected by its effects. At Nedbank, we prioritise climate change and sustainability, making it a core part of everything we do. Our focus on water, energy, and soil health are examples of how we encourage our agriculture clients to transition to sustainability through our lending. However, we believe that our role extends beyond financing the transition. We use our banking expertise and understanding of the sector to raise awareness about climate risk and the business case for sustainable farming. We also have frank discussions with our clients to advise them on future-proofing their businesses and to provide funding solutions tailored to their needs.

We continue to use all our sponsorships, both in-person and virtual events, national and regional platforms, and networks,

to promote sustainability and the need for clients and the sector at large to build climate-resilient farming businesses. We believe that through our lending and advocacy for a just and inclusive transition, leaving no one behind, all banks can be part of the solution that transitions the South African agricultural sector to a resilient future.

• Inclusive climate risk management

Agriculture is a sector that contributes significantly to positive climate change while also being one of the most affected by its consequences. At Nedbank, we believe that sustainability and climate change are fundamental to our work. We are dedicated to supporting our agriculture clients in transitioning towards sustainability through our lending by focusing on water, energy, and soil health. But we do not stop there. We use our banking expertise and knowledge of the sector to raise awareness about climate risk and the benefits of sustainable farming. Our clients benefit from open and honest conversations about future-proofing their businesses and funding solutions that cater to their needs. We proudly promote sustainability at all our sponsorships, both in-person and virtually, as well as through national and regional platforms and networks. We advocate for climate-resilient farming businesses and believe that all banks can play a part in transitioning the South African agricultural sector to a sustainable and resilient future, leaving no one behind. Join us in building a better future for all.

• Supporting transformation in the agricultural sector

Nedbank in its strategic thrust of driving transformation in the agricultural sector partnered with PALS, a transformation driver within the agricultural sector and signed a cooperation agreement for 3 years, coming to an end in 2025. The agreement entails enterprise development funding of R10m to PALS. Included in the R10m is an amount of R1m per annum for training and mentorship of farmers. Nedbank provided R3 500 000 in 2023 to enable Pals to support the emerging black farmers with training, support and development. This support will contribute building capacity and expansion of PALS so that they can deliver on their framework of creating partnerships between existing white commercial farmers and existing black commercial farmers. The goal of this initiative includes the establishment of successful black farmers in partnership with white commercial farmers, while involving the

whole community in an inclusive process. PALS ensures that all aspects of the value chain are included to ensure sustainability and extends the initiative to agricultural related industries and beyond. This includes training and mentorship as well.

PALS as an organisation resonates with Nedbank's transformation values and objectives. The PALS framework represents a radical departure from post-land-reform models and is based on sound business principles, solid legal structures, mentorship and training of emerging black farmers to become successful commercial farmers. The PALS framework includes access to land (ownership or long-term lease), skills and management capabilities, capital for inputs and development, markets for inputs and selling of produce, dispute resolution mechanisms and an exit strategy. Through this initiative Nedbank can be a catalyst for change to drive transformation within the agricultural sector.

Nedbank developed a transformation solution for agriculture. A differentiated approach is followed when transformation applications are accessed. Nedbank and PALS provide a differentiated financial and non-financial solution. PALS hosted more than 30 training events in the Western Cape, Mpumalanga and the Free State as a result of the ED support received which benefited 337 beneficiaries. In addition, Nedbank is also providing access to banking products and services and funding to the farmers. Nedbank has received deal flow to the value of R690m that are at various stages of assessment. Thus far R37m was approved and an expression of interest for R44m provided.



Nedbank and SAPals Partnership

Driving inclusivity for small, medium and microenterprises continued

• The Green Agripreneur Programme

Nedbank provided R6,5m for 20 farmers to participate in the Green Agripreneur programme. The Green Agripreneur Development Programme is a comprehensive 12-month programme consisting of 2 training phases, Activate and Accelerate, followed by placement on own land.

The Activate Phase is an intensive 3-month on-site practical training in technical and business skills; 20% to 30% in class, and 70% to 80% in the field. The Accelerate Phase is a 9-month practical implementation phase, where the trainees practically apply their learnt agripreneur skills for one growing season under guidance, to demonstrate that they have understood how to start and run a successful agribusiness.

The farmers on the programme grow, market, and sell their own produce to identified market outlets. In other words, they EARN while learning. This is to get them ready for successful operations on their own land once they graduate from the programme.

During the programme, the candidates gain access to land on which they would be settled once they complete the programme. They also get assistance with connection to suitable funders, suppliers of farming infrastructure and farming inputs, coaches and mentors so that they can produce to the highest standards, sorting, processing and packaging, and access to markets.

The programme is well aligned to Nedbank’s goals to promote social and economic opportunities through relevant, quality and accessible education, training and development in primary and secondary agriculture, in conjunction with other stakeholders in agriculture. The Nedbank team will engage with the farmers across the business value chain, providing guidance and expertise, products and services as well as facilitate access to funding.

Transformation funding

Nedbank promotes inclusivity by extending reach through facilitating partnerships of big corporates with small businesses in various sectors to drive transformation and inclusive growth in SA.

• Driving transformation in the fuel sectors

In the fuel sector, Nedbank engaged with PetroCONNECT, a solutions-driven company formed by 2 experienced fuel retailers, Sbonelo Mbatha and Mr Mark Harper. After having been through various challenges themselves, they have a clear understanding of the pressures that face an entrepreneur in the industry with 1st-hand experience of the barriers facing new entrants. They founded PetroCONNECT with the vision of playing a proactive role in helping all players in the industry, ie the new entrant (black entrepreneur), the oil companies, industry bodies, government and the bank.

PetroCONNECT’s readiness training programme gives qualifying entrepreneurs (some of them fuel site managers aspiring to own their own sites) an opportunity for on-the-job training. The training extends to all aspects of running a fuel site: being a petrol pump attendant, managing the fuel store, and financial management of the site. Since 2019 our partnership with PetroCONNECT has been helping to advance transformation in the sector. Over the past 5 years, more than 1000 candidates from all walks of life have attended the programme. To date, Nedbank has provided funding for 65 of these candidates, who have since become fuel operators. Nedbank financed these operators through our differentiated banking solutions with the support of the Nedgroup Mogale Trust. We continuously strive to refine and evolve our transformation funding solutions through applying a more robust approach that is still underpinned by sound credit lending principles.

During 2023 Nedbank provided funding of more than R50m for 16 different transformation deals within the fuel industry, with an additional R21m that is work in progress. This stakeholder value chain approach has resulted in a proposition that provides a sound

Provided
R50m
for transformation
deals in the fuel
industry

foundation and sustainable approach to transformation transactions in the industry.

• Food Network programme

The PoMT Food Network consists of community-based and cross-sectoral groups of individuals and organisations working to help communities meet their food and nutritional needs, create economic opportunities, and contribute to the building of more sustainable, resilient and inclusive communities and towns. The programme aligns with Nedbank’s Green Economy Strategy, a corporate social investment (CSI) strategy that is aimed at helping us contribute towards the realisation of a low-carbon, resource-efficient economy as well as the development of jobs and emerging enterprises in agriculture, waste, water, and energy projects.

The Food Network intends to comprise community gardens, small farmers and food factories covering the entire supply chain – from training, planting, harvesting, selling and processing to reporting. It will use the latest energy, water, waste and digital technology that supports precision farming at all levels of the value chain.

In 2023 Nedbank invested R433 420 in the programme. A total of 274 individuals, garden clubs and agripreneurs across all nodes have undergone garden training. Over 3 tons of crops have been produced across all nodes, and 90% of our existing greenhouses are fully functioning, with 10% still needing more support. Over 5 000 beneficiaries have benefited from the Food Network programme. The gardens are also selling produce at PoMT-arranged markets in Mamelodi, Umlazi and Magaliesburg. Currently, the programme consists of 47 gardens in 7 provinces with most located in Mamelodi and Magaliesburg and the balance in Umlazi, Zwide, Stellenbosch, Paarl, Kanyamazane and Mankweng.

Invested
R433 420
in the Food Network

• Business Development Programme in Mamelodi, Umlazi and Stellenbosch

Nedbank provided support to businesses and communities during the pandemic, looting and floods. Following this, the bank implemented a business development programme in Mamelodi, Umlazi, and Stellenbosch. The participating businesses were selected from Nedbank’s socioeconomic development interventions. This programme demonstrates the bank’s commitment to supporting SMEs in their journey from socioeconomic to enterprise development. These businesses are from communities that face immense challenges and obstacles on a daily basis. The programme provided training and support, including addressing governance and compliance essentials, which are key to doing business.

Driving inclusivity for small, medium and microenterprises continued

The main goal of the programme was to enable economic inclusion for local small and growing businesses. This was achieved by increasing accessibility to affordable market-centred trading spaces, needs-based training, and business support services. The businesses also benefited from locally based mentors and access to supply chain opportunities. The programme was supported by a contribution of R2,64m, which resulted in 220 businesses receiving training, of which 55 are being incubated and mentored. As a result of the support received, these businesses were able to create 33 jobs.

- Nedbank and the Northwest Province Youth Entrepreneur Programme**
Nedbank provided R2m for Phase 2 of an Entrepreneurial Programme and implemented an entrepreneurial development programme with 80 youth in the Northwest province. After successfully completing Phase 1 of the programme 63 graduates opted to participate in Phase 2 of the programme to receive 18 months of mentorship, governance and compliance, including business registration as well as supply chain readiness. The new businesses will also be assisted with purchase of equipment to be ready for day 1 of business. The programme focusses on equipping tradesmen and women from low-income communities with the necessary skills and to transition them from informal to the formal arena. The objective of the programme is to empower the business owners to realise their potential as entrepreneurs and grow successful businesses. The key objective of this intervention address 2 major dilemmas that the nation is facing right now include:
 - » The desperate economic and social arenas of a ravaged society and economy that is still reeling from the pandemic.
 - » The high unemployment rate that continues to escalate with limited viable opportunities for school leavers and graduates.

This initiative provides the fundamentals of running a business as well as changing the mindset from being a job seeker to becoming a job creator and continued to show tremendous impact in 2023.

- Public sector SMME programmes**
Nedbank supports government in the strategic imperative to grow the economy and create sustainable jobs. Through its ESD proposition Nedbank offers holistic support in the form of access to finance and financial products and services, including non-financial support, for qualifying businesses. The key facet of this approach is the partnerships and collaboration across key stakeholders.

In 2023 Nedbank implemented business acumen programmes with the Elias Motsoaledi, Thembisile Hani, JB Marks, Matjhabeng, Moqhaka and Lekhwa Local Municipalities, as well as the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs. A total of 338 businesses benefited from the intervention. The programmes are customised to align with the needs of the SMMEs from the respective areas. It is cocreated with the local economic development units to ensure that it is relevant and upskills and transfers essential information that the SMMEs can apply in their businesses. In the past 5 years Nedbank enhanced our strategic partnerships with municipalities across the country to provide ESD support benefiting more than 700 SMEs.
- Nedbank supporting SMMEs in the fintech space**
Nedbank provided R3,88m to RLabs to enable 100 SMMEs to participate in the RLabs entrepreneurial journey and benefit from support, training and incubation. The RLabs programme develops entrepreneurs from marginalised and previously disadvantaged communities. The focus of the programme is to provide new innovative models of support for youth-led enterprises in the townships. Participating businesses benefit from specialised bootcamps, practical workshops, masterclasses, mentorship, coaching sessions as well as access to networks and markets.

The strength and unique selling proposition that RLabs offers are the focus on the IT space and their ability to advance innovation by leveraging its strong network. RLabs are unique

R3,88m
to 100 SMMEs in
RLabs programme

- in their service offering, which is supported by their national and international partnerships. RLabs is managed and run by black South Africans and is active in 23 countries.
- The top 25 with the most potential will be given intensive support and mentorship to enable them to launch as well as engage and contract with big business. Across 2023 the 100 participating businesses have been growing and created 56 jobs.
- Nedbank supports women in business in the tourism sector**
Nedbank, through its ESD focus, contributed R4,4m to implement a business development programme nationally with 225 women-owned businesses in the tourism sector. After 1 252 applications were received and interviews conducted nationally, 225 businesses were selected.

The 225 business owners received training for 4 months as part of phase 1 of the programme. Phase 2 of the programme entailed 5 businesses from each province being selected for mentorship and further business development for 7 months. At the end of 2023, 45 business owners from across the country successfully completed the programme.
 - YES Programme**
With the Youth Employment Service (YES) Programme, Nedbank is taking a proactive approach to tackling the issue of youth unemployment. By offering 1st-time employment opportunities to young people previously without work, Nedbank is making a real difference in SA as it seeks to create a brighter future for our country's youth. We afforded a total of 501 unemployed youth in 2023 the opportunity to be trained, developed and exposed to the corporate environment and absorbed 210 out of the 492 of the previous year's (2022's) intake.

Afforded
501
unemployed youth
to be trained

Driving inclusivity for small, medium and microenterprises continued

Looking ahead

We plan to expand our offerings to our businesses, with a particular focus on enhancing our value propositions and offerings to clients from start-ups to established businesses. In addition, we are enhancing our digital solutions to maximise access for our clients. This includes expanding partnerships to grow our tap-on-phone capabilities for POS transacting and launching our competitive POS device. We will also continue to provide value back to our merchants and individuals by negotiating for our value-added services to offer competitive rates to our clients. Avo seeks to change the narrative, challenging the traditional online digital commerce incumbents, by offering relevant and fit-for-purpose embedded financial services in customer journeys on the platform. In addition, we will continue to expand our partnerships to provide enhanced beyond-banking solutions for our business clients, as well as develop small-business with our ESD programmes to contribute to their growth and development. We are committed to contributing to sustainable solutions through our partnerships, including SAPALs, and will continue to provide innovative products and solutions that align with the SDGs. Further extending our drive for inclusivity, we continue to partner with impactful entities to drive our ESD programmes and contribution to youth development through the YES Programme.

The focus remains firmly on supporting small-business clients through the volatile times experienced over the past few years by providing affordable, easy-to-use banking services that are underpinned by digital innovation and drive proactive credit experiences.



Providing multiple touchpoints to maximise access

Simple and convenient way of banking

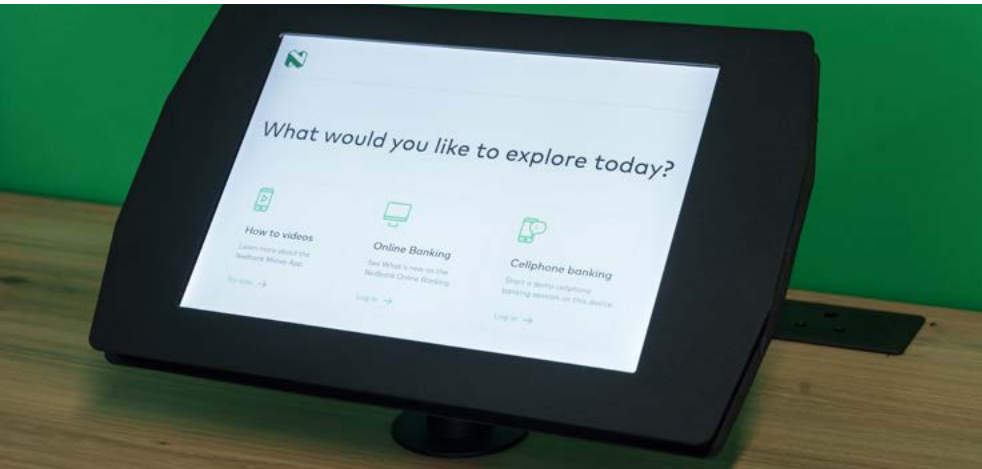
We understand that to maximise our reach to our clients in an ever-evolving macro environment, we need to meet them where they would interact with us as a bank. We have evolved our points of presence from mainly branches to a combination of channels to make Nedbank access points for our clients more convenient and accessible. Our analysis shows that the number of points of presents, including physical branches, has remained constant from 2017 to 2022, as shown below.

Nedbank points of presence

Key indicator	2023	2022	2021	2020	2018	2018	2017
Points of presence as percentage of bankable population coverage	85	85	85	84	84	84	84

Foot traffic patterns suggest that branch utilisation is declining. We are pleased to state that our coverage of the bankable population in SA has not changed as a result of optimising our branch footprint, which has in fact increased from 84% in 2019 to 85% in 2023. Our bankers are trained to work both inside and outside of physical branches. This drove our need to invest in employing more mobile bankers in 2023 and, in doing so, we provide assistance to individuals in places where banking services are required.

In 2023 we continued to drive our market position as being ‘Digital when you want it, human when you need it’. We are committed to offering a range of branches and physical spaces for client interactions, with different strategic points of presence in the 218 micro markets that we serve. These included 406 branches with 5 different branch formats and 141 partner stores with 2 in-retailer formats, each designed to offer services that meet the specific needs of the clients in the community it is located. These are complemented by our Mobile Banker teams.



Mega-branch

- Full-service branch including sales, service, cash and self-services
- Added services (eg Forex)

Township mega-branch

- Full-service branch
- Added services – additional community engagement and learning zone

Nedbank branch

- Full-service branch with smaller area size in comparison to mega branches

Express branch

- Service-focused branch with account opening capability and advice from our highly skilled employees and self-service

Easy-access branch

- Acquisition-focused branch, mainly based in the informal markets with service-enabled through self-service guidance

Boxer full-service branch

- Branch in Boxer stores promoting the sale of basic accounts and services enabled through digital channels

Boxer acquisition

- Acquisition-focused branch where employees operate around the SSK to assist clients

In-market teams

- Mobile-enabled teams operating both in-branch and in-market, providing sales and service to clients on the ground

Nedbank physical points of presence

Branches

Nedbank has different types of branches to cater to the different needs of their clients.

Mega-branches are large physical spaces where clients can access the full suite of Nedbank services. **Township mega-branches** are located in community zones, which are dedicated areas where the community can attend workshops on financial and life skills. These workshops include courses on how to start and run their own small businesses or side hustles, learning sessions on job relevance, compiling a CV, and courses on personal money management. These community zones are facilitated in the local vernacular by Nedbank subject matter experts and can also be used as a safe place to book community meetings. **Nedbank branches** offer full-service banking in smaller spaces. **Express branches** are small points of presence that offer digital services with the assistance of employees. **Easy-access branches** are small branches located in high-foot-traffic areas and provide access to basic servicing through devices.

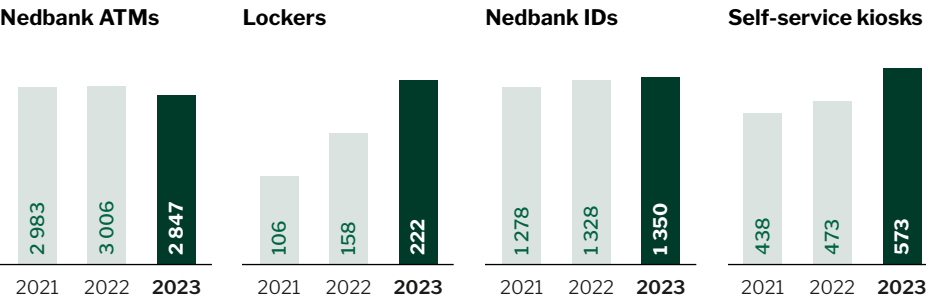
We are constantly adapting the size, number, and location of our branches to meet the changing demands of our clients. We have seen a great response to our community zones and are excited to roll out more of these zones because of the positive impact they have in bringing the community together.

Providing multiple touchpoints to maximise access continued

Enhanced client self-service through maximising our touchpoints

According to Statista’s cash utilisation report, at the end of 2023, 73% of South African consumers still used cash to transact and there was still a high number of traders and merchants who only transacted in cash. This makes it easier for clients to send money electronically at points of sale and enable traders and merchants to withdraw the money at any Nedbank ATM or participating partners.

Our network of 573 SSKs operates as ‘1 square metre “branches”’, where existing clients can access banking services in a 24/7 environment at certain locations. These devices allow clients to complete self-service actions at their own convenience, such as changing their ATM limit, blocking existing cards and replacing them with an instant-issue card, maintaining their profile, and printing A4 statements. In 2023 we have enabled card dispensing on these devices and clients are now able to block and replace both gold and platinum cards at the SSK. The ability to open a new MiGoals account is being rolled out to most SSKs during 2024. Additional investments include a network of 222 lockers placed strategically across the country (in Nedbank branch or non-Nedbank locations), where clients can also pick up cards 24/7 without having to go into a branch.



To continue to cater for clients who are unable to transact digitally on their own devices and prefer using the Nedbank self-service devices, the following measures were introduced:

- **Multimedia and chat services** (on the Money app, Online Banking and our Nedbank devices), which will offer convenient problem-solving support to clients. Through co-browsing, agents will be able to educate clients more effectively about digital platforms.
- **Employee-driven digital support**, through which employees will help manage the transition for clients from person-to-person service to self-service across all touchpoints.
- **Continued migration of cash transactions to devices**, with more than 90% of cash transactions being handled through devices.

- **Accommodation of people with visual impairments**, where ATMs and SSKs have been designed to ensure that their colour schemes, imagery and how reflective the screen is do not impact people with partial visual impairments, epilepsy or colour blindness.
- **The disabling of audio cards on devices**, to protect clients from any risk and branch employees assist clients where needed.
- **We applied a principle that considers** a minimum of 1 device in all our locations to accommodate people with disabilities at the point of entry to the self-service zone, including visible signage and easy-access entry point.

Leveraging 3rd parties to maximise reach

We understand that we have clients and consumers who are based in far-flung locations in SA. We have focused on partnering with 3rd-party partners with a high number of points of presence both in urban and rural areas to increase our reach and presence. Partnerships include the following:

- **Our partnership with Boxer**, which provides convenient access to high-demand products and services through a retail store. Boxer branches will promote sales of basic accounts and support basic enquiries through digital platforms. In 2023 Nedbank increased its presence in 8 Boxer stores, which comprised 7 Boxer full-service branches and 1 Boxer acquisition branch. We have a presence in 138 Boxer stores across SA.
- **Our partnership with Build It and Cashbuild stores**, which promotes easy access to building materials and do-it-yourself (DIY) necessities in underserved township and informal market hubs.
- **Our mortgage origination channel**, a key partnership on which we placed added emphasis in 2023 to enhance our ability to reach clients through the mortgage origination channel and to

sell our products and services at the point of purchase of their property. We have consequently grown our home loans origination market share from 10% to 15% over the past 5 years.

- **Our vehicle financing channel, MFC**, which continued to enable vehicles sales via the dealer channel during a tough macroeconomic climate, offering value through our world-class service while we maintain our risk management approach. The used-to-new-vehicle finance ratio is sitting at 70:30, with our big focus on used cars helping to boost inclusivity by providing a trusted, reliable and complete end-to-end vehicle shopping experience that includes thorough assessment of vehicles to ensure good value for clients. Through these strategies we maintained our 35% market share in 2023.

Enhancing mobile banking reach through Enbi, our mobile chatbot

According to Statista, smartphone penetration in SA has increased by an average of 22% from 2019 to 2022. Driven by a shift to more mobile and community-based services, this trend demonstrates the need to shift with our clients’ needs.



Providing multiple touchpoints to maximise access continued

Our intelligent chatbot assistant, Enbi, has been further enhanced in 2023 to improve the accessibility of our services as we have taken a strategic decision to disinvest further in our USSD platform due to decreasing demand from all clients who have opted to use our other channels to fulfil their banking needs. Enbi offers clients an easy way of getting day-to-day tasks done in a timeous manner and gives clients a more natural way of engaging with us. Our clients have enthusiastically adopted the live-chat functionality, which was implemented 2 years ago, and this latest feature builds on that to further enhance clients' engagement. Enbi is continuing to raise the bar when it comes to the value that digital assistants can bring to clients when managing their finances, and great feedback from clients substantiates this. Enbi continued to increase the client service volumes that it handles and that would have been handled by agents, from 15% in 2021 to 78% in 2023. We are further embedding Enbi in our onboarding journeys to continue to help our clients where they become stuck, and seamlessly integrating our contact centre via the live chat or callbacks to ensure that our services are truly 'human when you need it'.

Mobile sales forces in communities

More than 30% of our sales force is fully mobile, or mobile-enabled. This allows them to, during quiet times in the branches, go into high-mobility areas such as taxi ranks, enabling them to be in front of our clients. We recruit from the community, and these mobile bankers operate as community ambassadors by providing client education, helping in problem-solving and giving advice to clients. We have received excellent feedback from our clients regarding this strategy and the overall visibility of the bank in their communities, and we aim to scale this to more than 80% of our sales force by 2025.

Contact Centre

Our Contact Centre has evolved from just a contact channel to one that enables clients to access live channels that are personalised and digitally enabled. Our agents have been capacitated to be multiskilled and to be able to solve for complex requests. This, combined with the automation of simple and quick requests, has enabled quick turnaround and availability of agents to engage with clients.

Providing enhanced access for clients with disabilities and other vulnerable persons

In late 2022 we created the Vulnerable Clients Forum to assess and review device design with the aim of accommodating vulnerable clients at our physical and digital points of presence, with specific attention given to the visually impaired, people in wheelchairs and of short stature, elderly people, people with children, and any other identified people needing assistance.

A partnership with the National Council of and for People with Disabilities (NCPD) was initiated to inform our considerations of design and reasonable means of addressing the needs of people with disabilities. The NCPD recognised the contribution of the VIBE team, which participated on our behalf, in supporting people with disabilities at a national event held on 29 June 2022, and the team contributes valuable insights in our forums. Our holistic response towards meeting the needs of people with disabilities and monitoring the impact of what we have delivered in 24 months has been acknowledged and well received by the Financial Services Conduct Authority (FSCA).

We have introduced several measures to ensure that we cater to all people with disabilities, including the following:

- Digital services that support people with visual impairments:
 - » The audio-and-speech capability enables visually impaired clients to navigate our web and app services, enabling clients to listen prompts through their own devices.
 - » The design of ATMs and SSKs is aimed at ensuring that their colour schemes, imagery and how reflective the screen is do not impact people with partial visual impairments, epilepsy or colour blindness.
 - » The audio cards on devices have been disabled to protect clients from any risk and branch employees assist clients where needed.
- Interior design, signage and merchandising that improve access and promotes awareness:
 - » Priority queueing improves awareness for the elderly, people with children, and people with physical needs.

- » Updates have been made to flag vulnerable clients.
- » Free-standing 'take one' stands have been set up in-branch, offering pamphlets, brochures and flyers that include simplified content about our digital services, products, and services.
- » Ergonomic principles are applied to seating and other furniture to make interactions while clients are seated or standing easier and comfortable.

For better usability and visibility we have lowered 256 ATM devices at Imagine branches to accommodate people in wheelchairs and of short stature.



Looking forward

As the environment continues to change, we will ensure that we further expand our client touchpoints to maximise reach and access with the aim of catering to market needs through providing a different mix of channels to align with our 'Digital when you want it, human when you need it' philosophy. We will continue to ensure that our branches focus more on high-value interactions and less on transactional engagements, increasing our self-service functionalities and reducing cash over the counter. This elevates the need to drive our engagements with our clients and provide key advisory and educational interactions with our employees.



Conclusion

Our approach to financial inclusion lines up with our strategic focus on purpose as a key differentiator in the market. We strongly believe that we can be successful only if the society in which we operate thrives. It is this fact that underpins our strategy for financial inclusion, one that we have carefully designed to ensure that all stakeholders are top of mind from product inception to implementation.

Our solutions are the primary vehicle through which we improve our clients' quality of life. These solutions are easy to access and integrate and ultimately enable them to make informed decisions about how best to use their hard-earned money. As we operate in different geographies, we have built varied client touchpoints that are cognisant of the differences among our clients and have invested in defining and growing our clients' financial health to improve the efficacy of the interventions that we have put in place.

As we continue to deliver on our purpose to do good for individuals and society, we remain committed to identifying and closing gaps that exacerbate the financial exclusion of those who are unserved and underserved. We remain committed to keeping the lines of communication open with our clients, who keep us honest with their feedback so that we can continually improve our offerings and our relationship with them.



Transformation

We are dedicated to unlocking the potential of South African people from all sectors of society. Our approach to developing human capital encompasses the 4 Amended FSC scorecard elements: ownership, management control, employment equity and skills development.

Nedbank's transformation journey over the past 2 decades has extended beyond BBBEE compliance, achieving significant outcomes both within the organisation and across society.



Nedbank's transformation journey

The year 2023 marked the 20-year milestone for broad-based black economic empowerment (BBBEE) legislation in SA.

This legislative milestone represents a key moment for the financial services sector and banking specifically. Banks have achieved steady BBBEE progress, exceeding their targets in several critical transformation and empowerment measures. According to the 2023 Transformation Report from the Banking Association South Africa (BASA), black voting rights in banks reached 32% in 2021, against a target of 25%. In the same year the sector contributed R279bn towards empowerment financing, with R4,9bn for skills development¹. However, there is still much to be done towards achieving racial and gender equity in management control to ensure a sector that is transformed, vibrant, and responsive to the evolving needs of the country.

Nedbank's transformation journey over the past 2 decades has extended beyond BBBEE compliance, achieving significant outcomes both within the organisation and across society. Our purpose-led approach stems not only from a moral imperative to do good but also a clear understanding that economic growth and transformation are inextricably linked. By using our financial expertise to do good for individuals, families, businesses, and society, we are safeguarding our future markets and ultimately unlocking the potential for sustainable economic growth and development in SA.

1. BASA 2023 Transformation Report, Banking Association South Africa, 18 December 2023.

20 in 20: Looking back at Nedbank's major transformation achievements

Year	SA	Nedbank
2003	BBBEE Act promulgated	Nedbank spend with BBBEE-compliant suppliers increases by 218%.
2004		Nedbank joins the JSE Socially Responsible Index (SRI) and becomes 1 of 4 South African companies to be included in the Dow Jones World Sustainability Index, where it was evaluated above sector average in most categories.
2005		Nedbank becomes the 1st bank to include clients and women as primary beneficiaries through the pioneering BBBEE Eyethu transaction, which enables black stakeholders to gain direct ownership of 11,5% of the value of Nedbank Group's South African businesses.
2006		Nedbank appoints its 1st black chairman, Reuel Khoza.
2007	DTI Codes of Good Practice promulgated	Nedbank #1 among South African banks in the Ask Afrika Orange Index (Client Service).
2008		Nedbank launches the 'Be the key' transformation booklet and diversity workshops to deepen employee understanding of SA's cultural diversity and history.
2009		Nedbank becomes the #1 financial services group in the Empowerdex Top Empowered Companies annual survey of JSE-listed top 200 companies.
2010		Nedbank provides R1,8bn in loans required by the City of Johannesburg Metropolitan Municipality for infrastructure for the 2010 FIFA World Cup.
2011		Nedbank increases access to financial services with the launch of 121 additional staffed points of presence and 389 ATMs.
2012	FSC promulgated	Nedbank Capital provides R1,25bn in funding for the Abengoa 100 MW Concentrated Solar Power (CSP) project.
2013	Revised Codes of Good Practice issued	In the 1st decade following the 2003 BBBEE Act, Nedbank spends over R644m on socioeconomic development projects focused on health and economic development and R2,9m on enterprise development. Nedbank is also named Transformation Champion of the Year at the Black Business Quarterly (BBQ) Awards.
2014		Nedbank spends R8,5bn on empowerment financing.
2015		The Nedbank Black Business Partners (BBP) Legacy Programme is established, with Nedbank, Brimstone and WIPHOLD committing to a total endowment of R300m directed towards small-scale farming and food security, job creation and township economies. The Eyethu Share Scheme matures, unlocking R8,2bn in value for more than 500 000 shareholders.
2016		Nedbank contributes R1,5bn to the South African Small- and Medium-Sized Enterprises Fund to support entrepreneurs and job creation.
2017	Amended FSC promulgated	The Nedbank Cup celebrates 10 years of making an impact in soccer development by enabling teams from amateur ranks to compete against teams from the Premier Soccer League.
2018	Amended FSC review process initiated	Nedbank achieves a level 1 BBBEE status for the 1st time.
2019		Nedbank's female workforce reaches 62% in the context of an economically active female population of 45%. The bank also wins the Gender Equity Employer Award from the South African Board for People Practices.
2020		Nedbank funds R818m in affordable housing for student accommodation, providing 8 929 beds.
2021		Nedbank spends R3,6bn with black-women-owned suppliers.
2022		Nedbank wins 2 awards at the 21st Top Empowerment Awards – Top Empowered Company: Youth Employment Service (YES) Programme and the Top Empowered Company: Enterprise and Supplier Development.
2023	Amended FSC review process still in progress	Since 2019 Nedbank has created close to 10 000 quality work experience opportunities for South African youth through the YES Programme.

Nedbank’s transformation journey continued

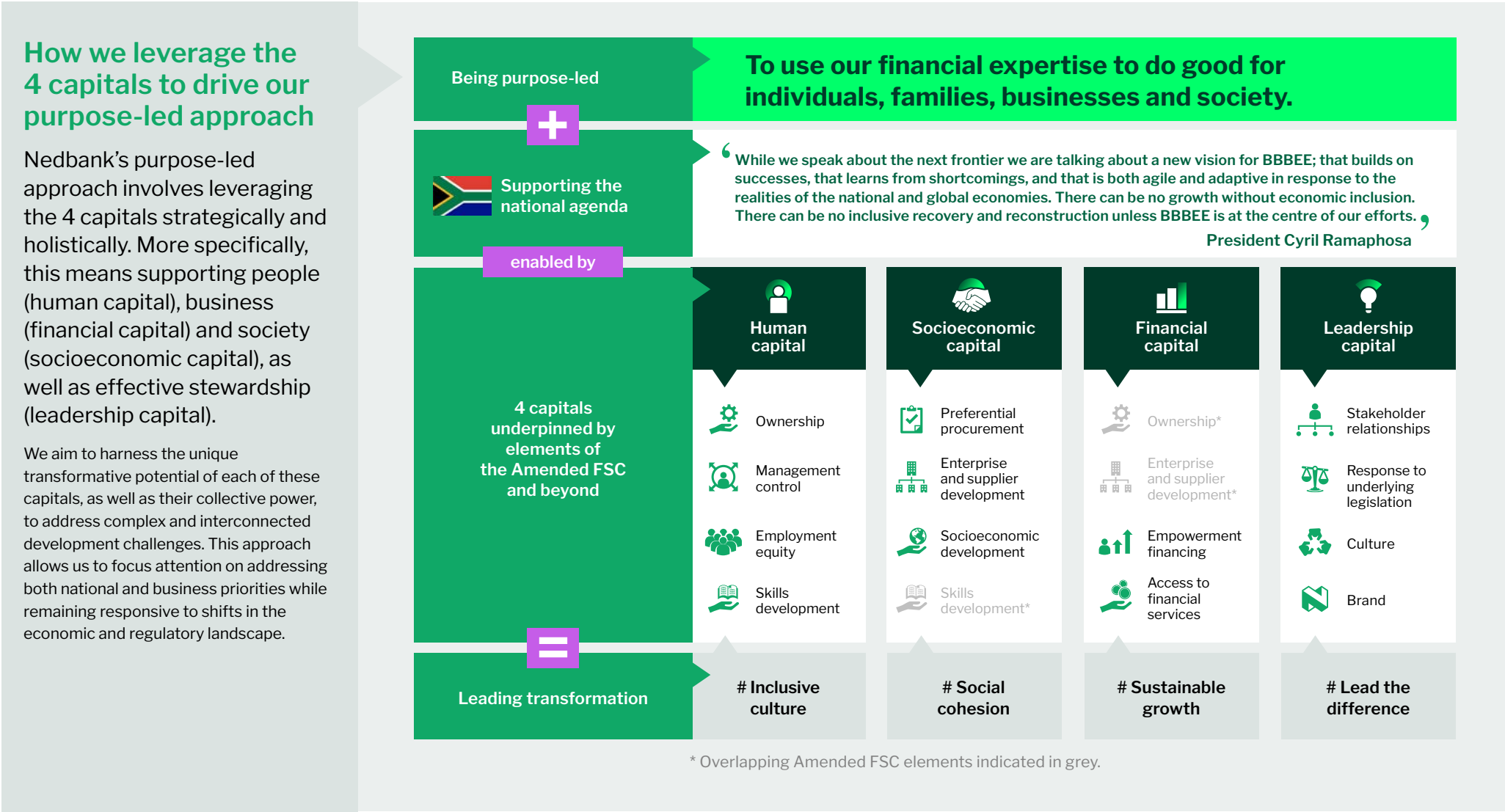
Advancing purpose-led transformation: Our journey in 2023

Switching the focus to the present, in 2023 Nedbank achieved a level 1 BBBEE contributor status for the 6th consecutive year since the Amended FSC was gazetted in 2017. We attribute this achievement to our purpose-led approach and the commitment of our leaders, employees and collaborators across government, business, and civil society in building a more equitable and inclusive country.

In line with this approach Nedbank was among 115 leading corporations that signed a pledge in 2023 to support the government in driving economic recovery. Amid an uncertain domestic and international environment, Nedbank remains committed to using our financial expertise to do good for individuals, families, businesses and society.



Our approach to transformation





Human capital



Ownership



Management control



Employment equity



Skills development

We are dedicated to unlocking the potential of South African people from all sectors of society. Our approach to developing human capital encompasses the 4 Amended FSC scorecard elements: ownership, management control, employment equity and skills development.



Ownership

Ownership of Nedbank is mostly institutional, with low levels of direct ownership. This approach aligns with standard practices of the banking sector in SA and globally, and supports the economic growth mandate through access to significant capital funds from shareholders.

The Nedbank BBP Legacy Programme has invested R24,4m (2022: R37,1m) to fund transformational business projects in areas such as agriculture, housing, education, and small business. The programme was established in 2015 with Nedbank, Brimstone and WIPHOLD following the success of Nedbank Group's BBBEE Eyethu transaction, which unlocked R8,2bn in value for more than 500 000 shareholders. The programme supports sustainable development by funding high-stake projects at low-to-zero interest rates.



Management control

At Nedbank we are committed to growing the diversity in thinking and experience of key decision-makers to best address the needs of South Africans and the country's transformation agenda. In 2023 Daniel Mminele was appointed as an independent non-executive director and Chairperson-designate with effect from 1 May 2023, and assumed the role of Independent Chairperson following Mpho Makwana's retirement from the Nedbank Group Board at the AGM on 2 June 2023. In accordance with Nedbank Group's executive succession plan and after a thorough process overseen by the Nedbank Group Board Jason Quinn was appointed as Chief Executive (CE)-designate of Nedbank Group and Nedbank with effect from 22 May 2024. Subject to regulatory approval being received he will assume the role of CE on Mike Brown's planned retirement from the boards at the close of the Nedbank Group AGM on 31 May 2024. Mike will remain at Nedbank for a suitable period after he steps down from the boards to ensure a seamless handover to Jason.



Human capital continued

Employment equity

The following tables provide an overview of the demographic profile of Nedbank employees as at December 2023. We have made significant strides in improving representation of black people, particularly black females, throughout different occupational levels, with respect to the national economically active population (EAP). Furthermore, many efforts have been implemented to enhance representation in line with our employment equity plan.

Total transformation headcount – 31 December 2023

<div> <div>ESG</div> </div> Occupational level	Base 2022	Male				Female				Foreign nationals		Total
		African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	17	3	–	1	3	1	–	1	4	–	–	13
Senior management	1 163	165	43	153	356	165	38	104	199	35	15	1 273
Middle management	8 492	1 508	503	792	1 155	1 778	650	921	1 251	101	68	8 727
Junior management	13 592	2 432	614	508	298	5 655	1 469	1 009	679	16	23	12 703
Semi-skilled	820	247	28	9	4	490	38	11	6	1	–	834
Unskilled	–	–	–	–	–	–	–	–	–	–	–	–
Total permanent	24 084	4 355	1 188	1 463	1 816	8 089	2 195	2 046	2 139	153	106	23 550
Temporary employees	46	44	10	16	43	36	3	13	18	3	3	189
Grand total	24 130	4 399	1 198	1 479	1 859	8 125	2 198	2 059	2 157	156	109	23 739

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondments, and employees from external entities.

The table below reflects the progress made over a 5-year period.

<div> <div>ESG</div> </div> Occupational level	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)
Top management					
Black people	46,2	35,3	41,2	38,9	41,2
Black females	15,4	11,8	17,6	16,7	23,5
African people	30,8	23,5	23,5	22,2	23,5
Senior management					
Black people	52,5	50,3	47,7	45,1	43,1
Black females	24,2	22,6	20,7	19,3	18,5
African people	25,9	23,2	20,3	18,0	16,4
Middle management					
Black people	70,5	67,7	65,6	64,1	62,3
Black females	38,4	36,4	35,3	34,3	33,5
African people	37,7	34,6	32,2	30,4	28,9
Junior management					
Black people	92,0	90,7	89,7	89,1	88,6
Black females	64,0	62,5	61,5	60,7	60,3
African people	63,7	61,6	59,8	59,1	58,1
Black people with disabilities (PWD)	1,2	1,3	1,9	1,9	1,5

Note: Transformation figures comprise employee groups that are defined by the Department of Employment and Labour and that are processed through Nedbank's payroll for employees residing and working in SA.

Human capitalcontinued

Skills development

Nedbank is dedicated to helping South Africans realise their full potential through holistic skills development, with a focus on black workers, women, and the youth. Internal initiatives enable the Nedbank team to thrive, while our highly acclaimed graduate initiatives extend our impact across the financial sector and society.

- **Learning and development for employees living with disabilities:**
 - » The Nedbank Disability Forum is dedicated to ensuring access to learning opportunities for those who are differently abled. Through collaboration and engagement with the Skills Development Department, key initiatives have been developed to broaden the horizons of all employees. For example, the Nedbank Overdrive platform, an e-book library that is accessed by 2 685 employees, offers a variety of audio and text resources to support different learning needs and preferences. Alternative text was added to images in the PDF documents on Nedbank’s Digital Learning Platform to improve access for employees with visual impairments.

• ESG •	2023	2022	2021	2020	2019
Total basic payroll	R16 101bn	R14 898bn	R13 291bn	R13 875bn	R15 083bn
Total training spend	1 167m	R939m	R1 117m	R924m	R760m
Training spend as % of basic payroll	7,25%	6,30%	8,46%	6,66%	5,04%
Training spend for black employees as % of basic payroll	5,91%	4,97%	6,87%	5,36%	3,99%
Training spend for black female employees as % of basic payroll	3,52%	2,97%	4,48%	3,49%	2,41%
Training spend for black employees with disabilities as % of basic payroll	0,05%	0,04%	0,11%	0,12%	0,07%
Training spend for black female employees with disabilities as % of basic payroll	0,03%	0,02%	0,08%	0,09%	0,05%

RBB supports lifelong learning across the entire workforce

From senior management to graduate level, RBB continues to invest in learning for its entire workforce. A total of 89,2% of RBB employees have now completed internal development programmes.

In 2023, 59 RBB delegates attended programmes aimed specifically at senior-, middle- and junior leadership levels, while 9 740 RBB colleagues completed a total of 234 158 self-driven courses.

In March 2023 RBB started rolling out BankSeta-funded programmes, with 1 080 delegates enrolling in 32 BankSeta programmes to date. These learning programmes are classified as Category B and D on the BBBEE scorecard and have helped to raise Nedbank’s FSC score across management levels.

Other noteworthy skills development initiatives and programmes at RBB include the bursary process – designed to support employees to study further in line with their career aspirations – and the ‘Leading in the age of disruption’ programme, which builds competencies in line with Nedbank’s strategy and Capability Framework. RBB also actively supports young people and graduates in the workplace through the Behavioural Economics Graduate Programme, the YES Programme, and the Data Science internships, among other things.

Case study

RBB expands partnership with University of Johannesburg

RBB’s main partnership with the University of Johannesburg (UJ) provides employees with opportunities to skill, reskill, and upskill themselves in a diverse range of areas, including programmes designed to prepare people for the new world of work.

Cohorts of RBB employees have attended specialised short learning programmes, including courses on digital forensics and cybersecurity, an introduction to blockchain, data-driven innovation, and enabling a digital culture.

RBB’s partnership with UJ has expanded into additional faculties and programmes like engineering, industrial psychology (including HR), creative arts, agriculture, and the Institute of Intelligence Systems. RBB will leverage these connections for talent, skills, and cutting-edge research. The Nedbank division also has strong links with other leading tertiary institutions including the University of Cape Town, the Durban University of Technology, Regent Business School, and many others.

Human capital continued

Planning for success at Nedbank CIB

Nedbank’s purpose-led approach to skills development is informed by the CIB DEI vision statement: ‘We are an organisation that, at all levels, represents the demographics of our society. We create an environment where each member of the CIB team can reach their full potential. We value and respect each person’s contribution while embracing our diversity. We believe that different ideas and perspectives are the only way to deliver impactful outcomes for our people, our clients, our shareholders, and our communities.’

To create awareness and a shared understanding of the concepts of diversity, equity, and inclusion, we delivered awareness training to a total of 2 084 employees across CIB in 2023.

- **Career development, training and succession planning:**
A key pillar of our DEI journey is to embed a culture of lifelong learning and growth, provide career development opportunities, and ensure robust and objective performance reviews. To this end, we launched a campaign in 2023 to empower employees to be more deliberate about career development planning. As a result, 78% of all CIB employees have a development plan in place.
- **Tabono Women Advancement Programme:**
Tabono is a bespoke CIB development programme aimed at enabling women to take their careers to the next level. In 2023 we enrolled 50 female employees in the Tabono programme, 78% of whom were ACI (49% African). The objectives of the programme are to address women-specific barriers in the workplace; to build a pipeline of women leaders; to enhance CIB’s brand as a supportive and safe space for women to maximise their potential; and to facilitate networking opportunities for women within CIB.

Case study
 Empowering black leaders through McKinsey programmes

The McKinsey Black Leaders Academy is a powerful global initiative that builds critical leadership capabilities. In 2023 Nedbank enrolled 65 participants across the 3 different programme levels, 77% of whom successfully completed their programmes.

- The **McKinsey Executive Leadership Programme** is a 3-month journey for executives who are 1 or 2 levels below C-suite. Eight African Nedbank executives have been empowered to broaden their networks; define and capitalise on their strengths and brand; deepen sponsor relationships; and develop an inclusive culture within the organisation.
- The **McKinsey Management Accelerator Programme** is designed for early- to mid-career leaders (for example, non-executives, typically 3 to 5 levels below the C-suite). In total 23 African Nedbank senior leaders benefited from the programme by building core business acumen capabilities.
- The **McKinsey Leadership Essentials Programme** was designed for early careerists (with less than 5 to 7 years of experience) and individual contributors. A total of 34 of our emerging and junior African leaders participated. This programme provides a self-leadership toolkit for day-to-day execution excellence.

<div> <div>ESG</div> <div>Programme</div> </div>	Total number of delegates	Race/Gender breakdown	
		African male	African female
Executive Development Programme	8	4	4
Management Accelerator Programme	23	10	13
Leadership Essentials Programme	34	13	21



Human capitalcontinued

Beyond our employees, Nedbank is committed to attracting, developing, and retaining talented and dynamic young graduates, with a focus on previously disadvantaged groups. Establishing a strong external talent pipeline is a strategic priority for sustaining Nedbank’s transformation agenda and competitive advantage.

- **CIB Young Analyst Programme:**
The CIB Young Analyst Programme provides a platform from which graduates can launch and establish their careers through a wide range of opportunities to build experience and expertise. We regularly assess our programme to ensure alignment with the needs of graduate candidates, paying special attention to the skills that graduates commonly find challenging during the transition into a corporate setting. In 2023 we onboarded 30 graduates (96,8% ACI, 80,6% African and 67,7% ACI female) to the CIB Young Analyst Programme.
- **Wealth Management South Africa (WMSA) Distribution Graduate (Internship) Programme:**
Talented young graduates often struggle to find jobs due to their lack of work experience. An initiative of Nedbank Private Wealth (NPW), our 2-year graduate development programme for financial advice roles is designed to kickstart a successful career. In line with our purpose-led strategy for transformation, historically disadvantaged graduates with relevant commercial degrees and under 12 months’ work experience are encouraged to apply. There are currently 13 ACI graduates from around the country in the WMSA Distribution Graduate Programme, including 4 graduates who started in 2022 and 9 who joined in 2023. Just under two-thirds (62%) are African.

Case study

YES Programme

The YES Programme is a business-led collaboration with government that gives our youth an opportunity to gain meaningful workplace experience and in turn improve their chances of finding long-term future employment. Nedbank has participated in the YES Programme since 2019 and to date (including the 2023 Nedbank YES Programme intake) has created close to 10 000 quality work experience opportunities for South African youth.

Nedbank has been able to convert over 1 200 of those work experience opportunities into permanent roles or continued contract employment at the end of the respective programme years. This represents an absorption rate of just over 12%, which is 4 times the statutory target of 2,5%.

This impact was achieved through work placements both at Nedbank and with our strategic implementation partners across different sectors. This includes opportunities in the green economy, agricultural, renewable energy, and environmental conservation sectors.

Nedbank was recognised at the 2023 ESG Africa Conference for not only being the largest contributor to the YES Programme among the South African banks but also for the purpose-driven social impact it has realised through the Nedbank YES Programme over the years.

• ESG •

YES youth placements	2023	2022
Nedbank	643	626
WildTrust	1 174	846
Africa Foundation	843	363
Agriqua (GWK/H2O)	110	-
Africa Tikkun	10	-
KP Cares	40	-
Total	2 820	1 835



Socioeconomic capital

Preferential procurement
 Enterprise and supplier development
 Socioeconomic development

As a purpose-led organisation, Nedbank believes that our business success cannot exist in isolation from the communities in which we operate. We strive to unlock socioeconomic capital through preferential procurement, enterprise and supplier development, and socioeconomic development through investments in critical levers for positive real-world impact. This includes initiatives to support education, entrepreneurship, agriculture, and community development.

Preferential procurement

Amid a complex and uncertain business environment, we are dedicated to supporting small businesses within our value chain and in the broader local marketplace. We achieve this by favouring local suppliers over foreign suppliers, especially those led by black people, women, and youth, and leveraging strategic partnerships with large businesses to unlock opportunities for growth and added value for SMMEs.

Nedbank’s policies and practices in preferential procurement are aligned with our purpose-led approach, exceeding BBBEE compliance to enable job creation, broader social development, and economic growth. In 2023 we achieved a score of 18,57 points, surpassing our previous score of 17,96.

We also surpassed our targets for procurement spend with black-owned suppliers and black-women-owned suppliers, evidenced by how we accomplished a 42,46% procurement spend with black-owned suppliers and a 33,64% spend with black-women-owned enterprises from an overall procurement expenditure of R19,6bn.

Our procurement spend over the past 5 years

Amended FSC measurements criteria	2023	2022	2021	2020	2019
Number of suppliers engaged or supported	5 969	5 662	5 480	5 759	6 580
Total procurement spend	R19,6bn	R17,9bn	R17,4bn	R17,0bn	R18,1bn
Total procurement spend on exempt microenterprises	R1,6bn	R1,2bn	R1,08bn	R888m	R1,3bn
Total procurement spend on qualifying small enterprises	R2,3bn	R1,9bn	R1,70bn	R1,3bn	R1,7bn
Total procurement spend on ≥ 51% black-owned companies	R6,2bn	R6,9bn	R5,4bn	R4,5bn	R5,5bn
Total procurement spend on ≥ 30% black-owned companies	R4,9bn	R4,8bn	R3,6bn	R2,9bn	R3,1bn
Primary suppliers locations and relative % of spend					
Gauteng	89%	87%	87%	87%	86%
KwaZulu-Natal	4%	5%	5%	5%	6%
Western Cape	4%	5%	5%	4%	4%
Other regions	3%	5%	5%	4%	4%



Socioeconomic capital continued


Enterprise and supplier development

The SMME sector in SA has immense potential to advance transformation. This was highlighted by President Cyril Ramaphosa in his 2023 State of the Nation Address when he remarked that ‘growth and the creation of jobs in our economy will be driven by small- and medium-sized enterprises, cooperatives and informal businesses’².


However, the BBBEE Commission has, through its annual National Status and Trends on BBBEE Report, noted that enterprise and supplier development funds are underutilised, and greater efforts are needed to build the capacity of local black-owned SMMEs³.

With objectives of economic growth and employment creation in mind, Nedbank is committed to helping businesses thrive at all stages of development. This is implemented both through direct investment into businesses, and collaboration with initiatives that are focused on enterprise development. Nedbank’s contribution includes incubation programmes, comprehensive business-building initiatives, training and capacity building, mentorships, and specialist business guidance.

- Nedbank supports SMEs in the fintech space:**

RLabs is an entrepreneur incubator that supports youth-led enterprises in townships through specialised training, coaching and mentorship, and access to networks and markets, particularly in the information technology (IT) sector. Managed and run by black South Africans, the incubator has a wide network of international partners and is active in 23 countries. Nedbank provided R3,9m to enable 100 SMEs to participate in the RLabs entrepreneurial journey. During 2023 these businesses collectively created 56 jobs. In the future, a select group of 25 SMEs with the greatest potential will receive comprehensive assistance and guidance to facilitate their launch and their involvement and collaboration with large corporations.

2 President Cyril Ramaphosa: 2023 State of the Nation Address, 9 February 2023.


Case study

Nedbank and the North West province youth entrepreneur programme

The Fix Forward Programme aims to empower tradesmen and women from low-income communities to realise their potential as entrepreneurs, by equipping them with the necessary skills to transition into the formal arena and grow successful businesses.

Nedbank engaged with various public sector clients to replicate the Fix Foward model where there are limited economic opportunities for the unemployed.

In 2022 Nedbank provided R3,4m to Fix Forward to implement a 12-month training programme with 80 youth in the North West province. An additional R2m was provided in 2023 to support further training for 63 graduates who opted to continue with the programme. This phase entails 18 months of mentorship and support on governance, compliance, and business registration. Graduates will also be assisted with supply chain logistics and the purchasing of equipment to ensure they are prepared for day 1 in business.

Over the past 5 years, Nedbank supported 377 contractors that created 240 temporary jobs and 392 permanent jobs, generating approximately R12,9m in direct additional income.

Nedbank supports the national strategic imperative to grow the economy and create sustainable jobs through its enterprise development (ED) proposition.

Nedbank offers a holistic approach to assisting qualifying businesses with access to finance, financial products and services and non-financial support. Building collaborations with stakeholders is a critical facet of this approach.

- Partnering with municipalities to boost local business acumen:**

In 2023 Nedbank implemented various business acumen programmes with Elias Motsoaledi, Thembisile Hani, JB Marks, Matjhabeng, Moqhaka, Lekhwa Local Municipalities, and the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) in the Free State. These programmes are cocreated with local economic development units to ensure contextual relevance for SMEs. A total of 338 businesses benefited from the intervention.

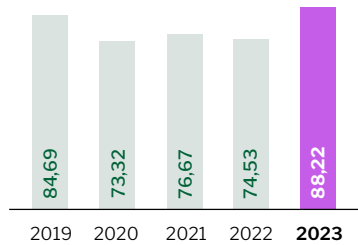


Socioeconomic capital continued

Socioeconomic development

Nedbank recognises that advancing socioeconomic development requires a long-term approach to collaboration and investment. Our strategy involves providing support to partners and beneficiary organisations through various purpose-driven CSI investment vehicles.

Socioeconomic development (Rm)



The external bursary programme: Nedbank Educational Trust awarded 95 bursaries in the 2023 academic year (2022: 76) to the value of R26m (2022: R24m). This amount includes a once-off donation of R12,5m to universities across the country to settle the outstanding debt of nominated academically performing disadvantaged students studying towards a qualification in a field of scarce and future skills.

2023 bursaries were awarded for qualifications aligned with scarce and future skills, with specific emphasis on green economy skills as depicted in the table below:

Bursars	Bursar numbers	
	2023	2022
New bursars (2023 intake)	57	25
Current bursars (2022 and earlier)	34	45
Total undergraduates	91	70
Postgraduates (limited to prior undergraduates in bursary programme)	4	6

The 12 bursars who achieved an aggregate of 75% and above in the 2022 academic year received an achievement award of R5 000 each.

Nedbank graduate programmes

Nedbank’s graduate programmes aim to unlock the value that young talent can bring to the organisation. In 2023 Nedbank welcomed an intake of 89 new graduates (2022: 86) across the various graduate programmes outlined below. Absorption percentages depend on the length of the programme (12, 18, 24 or 36 months) and may therefore include graduates from previous years. Of the graduates that were eligible for absorption in 2022, 80% were retained following the completion of the various graduate programmes.

Bursars	2023	2022		2021	
	Intake	Intake	Absorption %	Intake	Absorption %
Chartered Accountant (CA) Training Programme	9	7	100	9	58
Quants Graduate Programme	16	10	82	12	92
CIB Graduate Programme	31	30	100	15	100
RBB and Compliance Graduate Programme	-	-	-	-	50
Group Risk Graduate Programme	-	21	48	-	-
Africa Regions Graduate Programme	-	12*	-	-	-
Wealth Graduate Programme	9	6*	-	-	-
Group Technology Graduate Programme	24	31	77	51	-
Total	89	86	80	87	60

* Graduates not yet eligible for absorption as the programme is still ongoing.

Our graduate intake is realised through impactful and award-winning marketing strategies and seamless recruitment processes that continue to position Nedbank as a leading graduate employer of choice. This is affirmed by Nedbank winning the SAGEA Gold Award in the category Best Integrated Campaign, as well as a SAGEA Silver Award in the category Best Digital Campaign in 2023.

Career exhibitions

In 2023 Nedbank embraced a hybrid student engagement model, steering us toward purposeful engagement opportunities with over 20 000 South African university students. This was achieved through participating in in-person career showcase events, hosting lectures and webinars, with the aim to educate and empower learners to make informed career choices in the field of commerce, and making meaningful use of social media platforms. Noteworthy initiatives supported by Nedbank include the Commercial Career Exhibition hosted by the North West Provincial Treasury.

Nedbank actively participated in the event, exposing the attendees to various career opportunities in financial services. In addition, Nedbank positioned its Bursary Programme for the matriculants looking to study further in 2024 as well as positioned early-career opportunities in the bank such as the Nedbank YES Programme. The event was well attended and supported by the executive mayor.



Socioeconomic capital continued

Case study
Fast tracking data science and data engineering careers

Nedbank Eyethu Trust and ExploreAI

Nedbank Eyethu Trust is partnering with ExploreAI to empower young people in SA with data science and data engineering skills — a continued partnership in 2024. The partnership started in 2018 and trains around 20 young South Africans per year – with Nedbank supporting with tuition costs, as well as opportunities for internships, employment, or both.

On completing the learnership, graduates receive an NQF Level 5 National Certificate in Data Science and Information Systems. Graduates can apply their skills to numerous areas across industrywide sectors — from agriculture to the banking sector, and everything in between. In the banking sector, they work in a range of data analysis and data engineering portfolios, such as credit risk, insurance, investment banking, and understanding client behaviour in retail banking. On average there is an 80% placement rate. In 2023, 18 of the 20 youth who were part of the cohort that was trained by ExploreAI were employed (90% placement rate), 10 of them by Nedbank at the end of 2023 and others received employment by large multinationals in SA.

Nedbank and GirlCode

Nedbank hosted a Group Technology and GirlCode Career Day offering students from previously disadvantaged communities an exciting opportunity to learn about careers in technology. Students learnt more about women in technology, their roles and how technology shapes the financial services industry. This initiative promoted building skills and capabilities in the technology sector as the youth started to consider their future academic and career paths.

Case study
Driving financial inclusivity and wellness in collaboration with township communities

Nedbank recognises the crucial role of community participation in boosting township economies and driving holistic social development. The Proud of My Town (PoMT) initiative, developed in partnership with Ranyaka Community Transformation, involves close collaboration with local community stakeholders to identify and address context-specific development needs, challenges, and opportunities. This initiative aligns with Nedbank’s commitment to support thriving communities and a National Government priority of building active citizenry.

In 2023 Nedbank invested R12,4m in this initiative (2022: R10,5m), delivering over 200 projects (2022: 110) and reaching 21 104 beneficiaries in 28 communities in 15 towns across 8 provinces. This included key strategic projects aligning with core pain points in South African communities, including community safety, entrepreneurship/small-business support, food security, energy solutions and climate change. Highlights from some of these programmes are featured below.

Community safety programme

Safety lies at the heart of the well-being of communities. In addition to ensuring residents’ physical and mental well-being, secure communities are more business- and investor-friendly, creating the potential for economic growth and improved quality of life.

Since November 2019 the PoMT programme has invested a total of R369 213,90 towards community safety. Over 500 participants have benefited from general fire safety training sessions, and 1 200 trainees have received rural fire fighting training. Between 2018 and 2022, 1 932 fires were fought with PoMT coordinator support (Mogale City Statistics). Over 100 items were donated to community policing forums including torches, vests, and radios. A total of 50 community policing patrollers were trained in Magaliesburg.

PoMT Building Business Programme

The PoMT Building Business Programme supports economic inclusion for small and growing businesses (SGBs) from under-resourced areas, taking a needs-based approach to developing local enterprises using local resources.

The in-depth Building Business programme was implemented in 3 PoMT nodes in 2022/2023. In Mamelodi, Umlazi and Stellenbosch 52 SGBs participated in the business support programme and went on to create 102 new jobs. The overall outcome improvement was 73%. Among the participating businesses, 74% increased their customer numbers, 86% showed an increase in turnover and 58% showed an increase in their asset value. The in-depth Building Business programme was implemented in 8 provinces across the country saw 324 SGBs participate. Nedbank has invested R 2,4m in the programme.

Socioeconomic capital continued

Highlights from Nedbank's green economy initiatives

In 2021 Nedbank launched its Green Economy CSI Strategy, which is aimed at helping us contribute towards the realisation of a low-carbon, resource-efficient economy, as well as the development of jobs and emerging enterprises in agriculture, waste, water, and energy projects.

- **Reaping a good harvest**

The Nedbank Agribusiness Incubator Programme aims to provide comprehensive financial, technical, and educational support to experienced farmers on smallholder plots. Developed in partnership with Agri SA, the initiative runs until 2026 and involves 20 farmers in the Northern Cape, North West, Limpopo, Mpumalanga, Gauteng and the Free State. Each farmer benefits from a R200 000 non-repayable subsidy, as well as training on climate-smart agricultural practices and mentorship. The bottom-line profit of each SMME is expected to increase by around R200 000 in the year of the investment. Since it started in 2023, the Nedbank Agribusiness Incubator Programme has supported 20 SMMEs; created 180 jobs (permanent and temporary); upskilled 14 entrepreneurs; and benefited 6 women-led SMMEs, 6 youth-led SMMEs, and 1 SMME led by a differently abled person.

- **Championing the circular economy**

» Fetola is a Cape Town-based business development service with a 17-year track record in supporting the long-term success of SMEs across a range of sectors in SA. Fetola's Circular Economy Accelerator (CEA) was launched as SA's 1st-ever circular accelerator in 2021. The CEA initiative is designed to help South African entrepreneurs grow their sustainable businesses and deliver a lasting impact, which is measured across economic, social, and environmental indicators. Benefits

include the reduction of waste in landfills, increased business profitability and turnover, and net job creation.

» Since its inception, the CEA programme has supported 62 enterprises in 9 provinces (30 women, 27 youth and 1 disabled); upskilled 62 entrepreneurs; helped the SMEs achieve income growth of 107% (a rand value of R1,1m); created 129 permanent and temporary SME jobs; and retained 200 SME jobs from its 1st year.

- **Stimulating green innovation**

Pretoria-based non-profit Indalo Inclusive champions eco-inclusive entrepreneurship: 'Indalopreneurship'. Indalo's mission is to identify, support and promote high-impact entrepreneurial innovations, foster partnerships through dialogue among ecosystem stakeholders, and build robust institutions and policies. To this end, Indalo, in partnership with Nedbank, introduced the South African Green and Inclusive Awards (SiAGIA) Indalopreneurship programme. Through the South African Green and Inclusive Enterprise Awards and Support Programme (SiAGIA), Indalo has to date supported eco-inclusive enterprises operating within the sustainable agriculture, water, waste and energy sectors. Recently, a new cohort of 5 eco-inclusive enterprises were added to the programme in October 2023. The innovations and solutions provided by the entrepreneurs bring sustainable ways to adapt to the effects of climate change and contribute to a just

transition to a low-carbon economy. To date jobs created were 55 in year 1 and 95 jobs in year 2, as were 25 enterprises.

- **Caring about the environment through skills development**

The KgabisoPalesa Cares (KP Cares) Renewable Energy for Socioeconomic Development Programme started in June 2022 and equips youth from previously disadvantaged communities with renewable energy skills to participate in the growing green economy. Nedbank helped to develop the business plan and has, so far, fully funded the programme for 2 years. Participants who complete the training can intern as technicians, administrators, business development practitioners, production assistants, sales assistants, mechanics, and maintenance electricians. To date, of the 100 skilled candidates, 40 have already started their internships with companies in the green economy sector. Another 60 candidates are in the process of being placed at host companies, while another 100 candidates are about to be trained. 10 SMMEs have been developed and 12 more will be developed during the current (2nd) year of funding.

- **Harnessing solar power to deliver clean and safe water**

Working with various organisations and authorities, Kusini Water has supplied solar-powered water filtration devices since 2016 to communities that do not have a reliable supply of clean and safe water. Its founder, Murendeni Mafumo, invented a water purification system that harnesses solar power, macadamia nut shells and nanotechnology. Kusini uses a hybrid approach that both stimulates economic growth and increased access to clean water through local entrepreneurship. They produce safe drinking water at a fixed fee; this water is produced in a village, informal settlement or township and served communitywide. Through Nedbank support Kusini has created 116 jobs through the 40 water kiosk in all 9 provinces.

- **Cultivating success in the green economy**

The Qobo Qobo Essential Oils Incubator in the Keiskammahoek Valley in the Eastern Cape produces high-quality essential oils and herbs – including for export markets – to create sustainable solutions for rural communities. Nedbank's support has ensured the incubator's resilience, while subsequent funding enabled the doubling of production output. The incubator has successfully established 8 previously marginalised farmers over the past 6 years, created 5 women-led SMMEs, established a youth-led SMME, upskilled 8 entrepreneurs, created 80 jobs (permanent and temporary), and retained 260 jobs since its inaugural year.

- **Making a 'Reel' impact on improving food security**

Reel Life and its sister organisation, Reel Gardening, address food security, creating income and savings in rural areas and significant water savings when growing vegetable gardens. As a teenager, founder and CEO, Claire Reid, made seed strips by encasing the seeds in strips of newspaper using a paste made from flour and liquid fertiliser, saving up to 80% of the water consumed during germination. Reel Gardening's national programme has enabled more than 60 000 households to become food secure through their use of the home gardening kit. Nedbank has supported Reel Life's expansion and to date, Reel Life has donated over 2 million metres of seed-planting tape; reached 4 500 schools; saved 150 000 kilolitres of water; reached 61 000 households; and impacted 2,6 million people. The organisation has won several awards, including the 2023 Meaningful Business 100 Award.

Financial capitalcontinued

• Transformational infrastructure

In 2023 we invested R9,2bn in infrastructure projects that support economic development in underdeveloped areas and contribute towards equitable access to economic resources.

• Nedbank supports the manufacturing sector

Nedbank’s approach to supporting the manufacturing sector in SA involves engaging with CEOs and executive directors of key players in the automotive, plastic, medical and additive manufacturing subsectors. By serving as a conduit across sectors, Nedbank aims to facilitate collaboration and easier access to funding for transformation initiatives and the manufacturing sector more broadly.

Nedbank is committed to working with industry leaders to support energy efficiency, responsible waste management and localisation. Recognising the shared challenges across different subsectors, Nedbank emphasises the importance of working together to positively impact the economy, country, and society. The Nedbank manufacturing platform continues to nurture collaborations and the cocreation of holistic solutions while facilitating access to funding and banking products and services.

• Affordable housing

In 2022 the Financial Sector Transformation Council (FSTC) revised the affordable housing income threshold to a gross income of R29 600. In 2023 the housing sector was impacted by rising interest rates and a worsening macro environment. However, due to competitive customer value propositions and robust credit and pricing models, Nedbank has financed home purchases for 4 402 clients at just under R2,5bn. This represents a 13% volume increase and a 6% value increase compared with 3 886 financed in 2022 (to the value of R2,35bn).

Nedbank will unlock market share growth aspirations and remain competitive by responding to the needs of the market while providing delightful experiences in each client’s homeownership journey.

• The Green Agripreneur Programme

In 2023 Nedbank provided R6,5m for 20 farmers to participate in the Green Agripreneur Programme, a comprehensive 12-month training programme consisting of 2 practical phases and a placement on their own farms. The activate phase consists of 3 months of intensive training in technical and business skills, with 20% to 30% of training in-class and 70% to 80% in the field. This is followed by a 9-month accelerate phase, where trainees apply their skills under guidance for 1 growing season to demonstrate that they have understood how to start and run a successful agribusiness. The trainees gain access to land on which they would be settled once they have completed the programme and are expected to grow, market, and sell their produce to identified market outlets. In other words, they earn while learning. The Nedbank team engages with the farmers across the business value chain, providing guidance and expertise and facilitating access to products, services, and funding. This lays the foundation for successful operations once they have graduated from the programme.

• Partnership with PALS

Partners in Agri Land Solutions (PALS) was started by private sector farmers in collaboration with the Ceres community in 2015. The initiative has since extended into Mpumalanga, with a vision to expand nationally. The PALS framework represents a radical departure from past land reform models. PALS aims to support the commercial success of emerging black farmers through mentorship and training on business principles and legal structures. In 2023 Nedbank provided R3,5m to PALS to provide customised training in business development and leadership. As a result of Nedbank’s support, PALS hosted more than 30 training events in the Western Cape, Mpumalanga, and the Free State. Nedbank has also contributed access to banking products, services, and funding for the farmers.



<div> <div>Case study</div> <div>QPG Holdings (Pty) Ltd</div> </div>	<div> <div>Case study</div> <div>ZNCT Group</div> </div>
<p>Term funding to the value of R700m was granted to refinance a diversified property portfolio consisting of residential and student accommodation. The portfolio comprises 834 affordable residential units situated in various nodes across Johannesburg and 2 126 student beds. Previously the portfolio was funded by multiple funders, and Nedbank provided consolidated and bespoke funding to the client that will result in the following:</p> <ul style="list-style-type: none"> • Simplified management of the funding. • Economies of scale – lower cost of debt. • Improved cash flow. • Risk diversification. <p>The portfolio is well diversified, with student accommodation, enabling students to complete their studies in a secure environment with substantial social benefits and residential properties providing dignified accommodation closer to where tenants work. The funding is expected to contribute positively towards the development of safe and quality living spaces, job creation and economic inclusion, and supports Nedbank’s purpose to use its financial expertise to do good for individuals, families, businesses, and society.</p>	<p>The purpose of the funding was to buy a development in Akasia in Pretoria North known as Sylvia Heights, consisting of 848 student beds. This region has a shortage of quality student accommodation to support the well-being of students, and Nedbank approved a term loan of R121 541 500.</p> <p>Through Nedbank funding this acquisition, students funded by the National Student Financial Aid Scheme who study at the Tshwane University of Technology will have access to 848 student beds. The property also has the potential to provide accommodation to students at Sefako Makgato Health Sciences University, which is facing a shortage of beds. Students who reside in Sylvia Heights have access to transport (to and from campus), solar geysers, fibre, laundry facilities and wellness services, which are all included in the monthly rent.</p> <p>Other beneficiaries include ZNCT employees who assist with operations linked to the property, including 3 property managers, 2 maintenance employees, 9 security personnel, 4 bus drivers, and 4 cleaners.</p> <p>In line with the Black Business Growth Fund, this funding enabled Nedbank to acquire a new client that is a 100% black-owned company.</p>

Financial capitalcontinued

Providing finance for SMEs •ESG•

Retail Relationship Banking (RRB) provides banking services to SMEs with a turnover of up to R30m per year. At the heart of our relationship banking value proposition is a personalised, flexible, and proactive approach; digital services to support everyday activities; and a dedicated banker who caters for more complex financial needs.

Throughout 2023 small-business bankers supported 305 000 business clients across their transactional, payment, investment, and financing needs. This included offering specialised services to the medical, franchising, and agricultural industries. Funding support to small businesses saw R4,0bn in asset payouts in 2023 (R4,2bn in 2022) to fuel further business development.

Nedbank Small Business Services and Nedbank Commercial Banking received top honours for SME services:

- Asian Banker’s Excellence in Retail Financial Services International Awards: Best Bank for SMEs in Africa (South Africa).
- Qorus Reinvention Awards MEA 2023: SME Bank of the Year.

In support of funding much-needed alternative energy solutions for individual and business use, Nedbank offers several financing models: 110% loan-to-value (LTV) home loans to cover the property purchase and the solar installation; supply and finance of solutions purchased from Nedbank-approved solar providers, including Avo Solar; and the alternative energy term loans where any provider can be used. Nedbank is a participant in the government’s Energy Bounce Back Loan Guarantee Scheme guarantee scheme.

Nedbank’s focus remains firmly on supporting small-business clients by driving affordable, easy-to-use banking services, underpinned by digital innovation and proactive credit experiences such as our preapproved overdrafts (R106m dispersed in preapproved overdrafts in 2023) and instant small-business loans (piloted in 2023).

• Engen’s Pitch & Polish Competition

Pitch & Polish is a blend of competition, mentoring and learning. While contestants compete for the ultimate prize, the programme’s main aim is to impart entrepreneurial skills and knowledge – both to the 16 contestants and to viewers who learn alongside them. This annual competition has been running for 13 years through support from the title sponsor Engen, cosponsor Nedbank and organisers, Raizcorp. In 2023 Pitch & Polish was a resounding success again that saw over 4 million individual online episode views of the entrepreneurs honing their pitches over 4 rounds. Gauteng’s Tshireletso ‘The Camping Guy’ Mokate walked away with the prize worth R1m – R650 000 that will be paid out over 2 years as he achieves his business milestones, and a bursary worth R350 000 for a full 2-year Raizcorp business development programme.

Tshireletso’s business, Camping RetrEats, takes all the hard work out of camping like setting up fires and tents and doing all the cooking so that guests can experience the joys of the outdoors and adventure activities without worrying about the chores.

Access to financial services

Nedbank is dedicated to improving financial inclusion through our innovative financial services offering. This includes our extensive branch and ATM network, leading digital solutions and initiatives to support financial wellness and financial literacy. We are focused on widening access for the low-income market through low-cost products and services.

Investment into providing access to financial services over the past years

	2023	2022	2021	2020	2019
Transaction point geographic access	67,4%	70,7%	69,21%	68,55%	67,14%
Service and sales point geographic access	76,5%	78,74%	79,44%	79,45%	77,26%
Total number of clients (millions)	7,3	7,2	7,2	7,6	7,8
ATMs	4 214	4 334	4 261	4 398	4 398
Consumer financial education	R16,94m	R16,53m	R19,79m	R21,59m	R52,93m

 For more information on our Financial Inclusion efforts, please refer to the Financial Inclusion chapter on page 120.





Leadership capital



Culture



Brand



Response to underlying legislation



Stakeholder relationships

Nedbank has made great strides in transformation through our human-centred leadership philosophy and continues to build on the vision and commitment of leaders across all levels of the organisation for a successful future. More than ever, there is a need for leaders, who are open to change and innovation, to promote a culture of inclusion and strive to add value not only for clients and employees, but also for the financial sector and society at large.

Building leadership capital is therefore a key pillar of our people-centred and purpose-led approach. We are dedicated to investing in leadership potential in addition to supporting our employees to perform at their best and playing an active role in driving transformation.

Culture

Nedbank is a purpose-led, values-driven, and people-centred organisation. We have clearly articulated our culture in the form of The Nedbank Way – a set of 7 behaviour-based culture principles that embody our values – defines what it means to be a Nedbanker, explains why people should work at Nedbank and describes how we do things at Nedbank. The Nedbank Way incorporates our existing unique culture differentiators and the behavioural shifts all Nedbankers are expected to make. The Nedbank Way, supported and enabled by human-centred leadership, is key to our ability to adapt and evolve with the changing needs of clients, markets, and the world around us; achieve our strategic aspirations; and deliver on our purpose.

Our culture transformation journey aims to drive positive behavioural change using an evidence-based behavioural sciences approach, embed human-centred leadership, and strengthen our position as an employer of choice.

Celebrating LGBTQI+ communities at Nedbank

In 2023 Nedbank deepened its commitment to driving diversity equity and inclusion through multiple initiatives support and uplift – Nedbank's LGBTQI+ community. Highlights from the year include the Global Equity Caucus (GEC) and the 1st-ever Diversity Ball. Nedbank's LGBTQI+ Forum teamed up with the GEC for a special convening on 30 November, in partnership with The Other Foundation and SADC-PF, to bring together Global South

political leaders and legislators to advance change for LGBTQI+ persons.

During Pride Month (held annually in October), Nedbank held its inaugural Diversity Ball. The Deputy Minister of Justice attended, alongside delegates from major corporates, including Google, Coca-Cola and Diageo. In terms of fostering diversity and inclusion, Nedbank has been proactive in creating meaningful change within the organisation.

Here are some notable initiatives:

- **LGBTQI+ webinars.** In 2023 Nedbank organised webinars to empower HR business partners and line managers on the LGBTQI+ perspective in a work context. These sessions, which were presented by an NGO from KwaZulu-Natal, aimed to enhance LGBTQI+ employees.
- **Workplace Equity Index.** Nedbank actively participates in the South African Workplace Equity Index. This index evaluates organisations across Southern Africa based on their LGBTQI+ inclusion efforts. Nedbank's improving score since 2019 reflects its dedication to driving inclusivity to being an employer of choice.
- **Inaugural Nedbank Diversity Ball.** A standout initiative from 2023, the Nedbank Diversity Ball took place during SA Pride Month in October. It brought together Nedbank's leadership team, government officials, employees, and other corporates in SA. Discussions centred around inclusion, equality, policy, compliance, legislation, shifting, and organisational culture.

- Nedbank has seamlessly woven culture into communication, learning, development, and visibility efforts. By fostering allyship among employees, the bank continues to champion diversity and create an inclusive workplace for everyone. Because in our world, different is good.



For more information, refer to the Human capital, diversity and inclusion section of this report on page 45.

Brand

Nedbank's purpose – using financial expertise to do good for individuals, families, businesses and society – is at the centre of how the brand positions itself in SA. In 2023 the brand was ranked 8th among the top 100 South African brands in the Most Valuable and Strongest South African Brand Evaluation report.

The brand's value grew 15% in 2023 according to the 2023 Brand Finance Annual Report, and it also grew in its Brand Strength Index score, which measures perceptions of our brand among different stakeholder groups. The score improved from 81,4 with a AAA- brand rating in 2022 to 85,2 with a AAA brand rating in 2023. This strengthening stems from our business and marketing efforts in driving brand growth and loyalty.

Leadership capital continued

Nedbank remains committed to helping people change their money behaviour and mindsets while accelerating access to relevant financial education content and solutions. Our MoneyEdge marketing platform, which enables financial education, reached over 3 000 registered users in 2023.

In driving digital innovation and uptake of our products and solutions, the brand improved its ranking from #3 to #2 in Best Digital Bank in 2023, according to the Human8, 2023 SITEisfaction® survey.

Sponsorships are a core part of our brand exposure and encapsulate our dedication to creating opportunities for all. This includes providing multipurpose facilities at underserved schools through initiatives like the Nedbank Cup, highlighting the efforts of ordinary South Africans doing extraordinary things through the Nedbank Polo and New Nobility campaign, as well as the caddy programmes linked to the Nedbank Golf Challenge.



Case study

Nedbank International Polo

Nedbank’s International Polo celebrated everyday heroes — the ‘New Nobility’ — who uplift communities through arts, environment, sports, and child well-being. These are people like Simanga Matholeni, who is building sports facilities; and David Mollik, who coaches athletes. Nedbank’s Affinity Programmes amplify their impact, empowering communities through development, and redefining nobility as a dedication to social improvement, not titles. Nedbank encourages South Africans to join the #NewNobility movement and use their influence for positive change.

Response to underlying legislation

The Amended FSC industry review process has been ongoing since 2018. The results of this review are expected to lead to more stringent weightings and targets, as well as the introduction of new guidance notes to assist with technical interpretations across the Amended FSC scorecard. This may result in a rebasing of the BBBEE levels, which may provide challenges for several organisations in maintaining their existing BBBEE credentials.

The Employment Equity Amendment Bill, 2020, was signed into law on 14 April 2023, followed by the publication of EE regulations on 12 May 2023 containing provisional sector targets for public comments. Nedbank envisages the finalisation of sector targets during the course of 2024. The changes in legislation will require Nedbank to meet the financial sector-specific targets determined by the Minister of Employment and Labour and not to have had any adverse unfair discrimination finding by the CCMA or a court within the previous 12 months to qualify for a compliance certificate. Failure to meet our EE targets could undermine the bank’s BBBEE rating and a lag towards closing the gap to meet the proposed sector targets, which may lead to fines and exclusion from servicing government contracts.

Considering these expected changes and a dynamic regulatory landscape, Nedbank will remain receptive and responsive in its transformation journey.



Stakeholder relationships

We continue to engage with BASA and the Financial Sector Transformation Council (FSTC) as our main stakeholders to promote transformation in the sector. We adhere to a cohesive stakeholder engagement approach, informed by a comprehensive stakeholder policy and engagement framework and overseen at a board committee level. One of the key objectives is to facilitate effective 2-way communication for mutual benefit. We will continue to collaborate and participate in the FSC review process through BASA, to further progress the transformation agenda and drive growth and inclusivity.

Accolades and achievements

As we reflect on the past year, we celebrate the remarkable achievements and milestones attained through our collective efforts. The below accolades serve as a testament to the outstanding accomplishments earned throughout 2023, showcasing our determination to be a purpose-led organisation in an ever-changing landscape.

YES Job Creation Award

Top Empowerment Award for Legends of Empowerment

Gender Mainstreams Awards Africa for Women in the Community 2nd place for listed companies

Gender Mainstreams Awards Africa for Women's Empowerment Principles (WEPs) Gender Responsive Marketplace

Gender Mainstreams Awards Africa for Economic Empowerment 2nd place for listed companies

Metrics and targets

Assessment of value creation, protection and erosion for stakeholders in 2023 and how remuneration outcomes correlate with our performance.

We strive to maintain world-class transparent reporting through our comprehensive suite of reports.

Metrics and targets

	Value unlocks	Value drivers	Link to executive remuneration	yoy change	2023	2022	2021	2020	2019	Outlook	Assurance
	Employees										
	Salaries and benefits (Rbn)	Remuneration and benefits to employees		▲	21,1	19,6	18,0	16,8	17,3	Maintain competitive remuneration	[MO] [FS]
	Annual salary increase – bargaining-unit employees (%)	Salary increases for bargaining-unit employees		▲	7,0	5,2	4,0	6,3	7,0	Above the increase for management	[MO]
	Training spend (Rbn)	Investment in employee development	GCC	▲	1,17	0,94	1,10	0,92	0,76	Continue to invest in employees	[LA2]
ESG	Attrition (%)	Ability to retain and rotate skills	GCC	▼	9,2	10,6	9,3	7,1	10,8	Maintain	[MO] [LA1]
ESG	‘Great place to work’ NPS	Employee engagement drives higher levels of productivity	CPT	▼	20	22	19	17	7	Maintain above 20	[IN – Compass survey]
ESG	Diversity, equity and inclusion (employment equity) – black employees (%)	The transformation of the Nedbank employee profile is broadly in line with demographics in society	GCC and CPT	▲	82,0	80,8	79,9	78,9	78,5	Continue driving diversity, equity and inclusion	[LA2]
ESG	Diversity, equity and inclusion (employment equity) – female employees (%)	Progressing gender diversity	GCC and CPT	—	61,7	61,8	61,4	61,2	91,8		[LA2]
	Clients										
	Loan payouts (Rbn)	New loan payouts to clients		▼	332	341	228	210	208	Continue extending credit	[MO]
ESG	Average annual price increase	Value-for-money banking		—	Below inflation	Below inflation	At inflation	At inflation	At inflation	Below inflationary increases	[MO]
	Unit trust market share in SA (rank)	Investment performance for clients	GCC	—	6th	6th	4th	4th	5th	Top 5 in the industry	[MO]
ESG	Investment performance in asset management business	Investment performance for clients	GCC	—	2 category winners	2 category winners	None	1 category winner	1 category winner	Rating among top 3	[IN – Raging Bull Awards]
	Nedbank Money app average rating (out of 5)	Delivering market-leading client experiences	GCC	▲	4,3	4,1	4,4	4,4	4,4	Maintain top rating	[IN – iOS and Android app stores]
	Nedbank Private Wealth app average rating (out of 5)		GCC	—	4,6	4,7	4,6	4,5	4,6		[IN – iOS and Android app stores]
ESG	Net Promoter Score	Overall satisfaction with our products and services	CPT and GCC	—	#1	#1	#2	#2	#3	Continue strong performance in client satisfaction	[IN – Kantar; 2023–2019: Consulta]
ESG	Client complaints received (000)	Quality of service experience through effective complaints handling	GCC	▼	70,9	87,2	82,3	79,1	72,5	Committed to providing world-class service	[MO]
ESG	Banking Ombudsman cases in favour of Nedbank (%) ¹		GCC	▼	69,0	73,0	70,9	65,9	72,3		[IN – Ombudsman]

¹ The nett value of ombudsman cases (973) LA1 has recieved external limited assurance .

Assurance indicators	<div>LA</div> <div>External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at nedbankgroup.co.za.</div>	<div>MO</div> <div>Management and board oversight through rigorous internal reporting governed by the group's ERMF.</div>	<div>IN</div> <div>Information sourced from external sources, eg independent surveys.</div>	<div>OV</div> <div>Independent oversight by regulatory bodies, including SARB, FSCA and various financial-sector ombudsman offices.</div>	<div>FS</div> <div>Financial information extracted from the 2023 Nedbank Group Limited Audited Annual Financial Statements.</div>
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Metrics and targets
continued

	Value unlocks	Value drivers	Link to executive remuneration	yoy change	2023	2022	2021	2020	2019	Outlook	Assurance
	Shareholders										
	Share price performance (%)	Share price appreciation		▲	2	21	35	-40	-22	Performance above peers	[IN – JSE]
	Full-year dividend per share (cents)	Dividends for shareholders		▲	1 893	1 649	1 191	n/a	1 415	Grow strongly	[MO] [FS]
	Full-year dividend per share cover (times)	Dividends for shareholders		—	1,75	1,75	2,02	n/a	1,84	At the low end of the board range (1,75x to 2,25x)	[MO] [FS]
	Price-to-book ratio (times)	Valuation indicator of the Nedbank share		▼	0,9	1,0	0,9	0,7	1,2	#2 SA bank	[IN – JSE]
	Net asset value per share (cents)	Growth in Nedbank book value		▲	23 192	21 533	20 493	18 391	18 204	Above nominal GDP, subject to capital actions	[FS]
	MSCI ESG rating	ESG rating of most influential ratings agency	GCC	—	AAA	AAA	AA	AA	AA	Maintain ESG leader rating	[IN – MSCI]
	Regulators										
	CET1 ratio – Basel III (%)	Strength of capital position	GCC	▼	13,5	14,0	12,8	10,9	11,5	Above the board range of 11–12	[MO] [OV]
	LCR ratio – Basel III (%)	Strength of liquidity position	GCC	▼	135	161	128	126	125	> SARB minimum of 100	[MO] [OV]
	NSFR ratio – Basel III (%)	Strength of stable funding	GCC	▼	117	119	116	113	113	> SARB minimum of 100	[MO] [OV]
• ESG •	Notable regulatory fines or penalties paid (Rm)	Indicator of adherence to regulatory requirements	GCC	▼	< 18	< 25	< 6	< 7	< 18	Zero, although the risk of fines has increased	[MO] [OV]
• ESG •	Taxes – direct, indirect and employees (Rbn)	Contribution to the fiscus	GCC	▲	13,2	11,5	11,2	8,7	11,6	Responsible taxpayer	[OV]
	Society										
• ESG •	Consumer finance education – participants (000)	Value through education		▼	11,5	88,6	13,3	34,0	175,5	Maximum alignment of impact with strategy	[MO] [LA2]
• ESG •	Total socioeconomic spend (Rm)	Contribution to society		▲	154	127	121	103	130	Spend > R100m	[MO] [LA2]
• ESG •	Local procurement spend (% of total)	Supporting local suppliers	GCC	—	> 75	> 75	> 75	> 75	> 75	Spend > R75m	[MO] [LA2]
• ESG •	Carbon footprint offset to neutral (tCO ₂ e) ¹	The impact of our business on the environment and society	GCC	▼	122 643	128 149	132 847	137 540	188 443	Maintain carbon-neutrality	
• ESG •	SEMS deals reviewed	The impact of our business on the environment and society		▼	579	610	703	764	526	Enhance SEMS integration	[MO] [LA1]
• ESG •	Finance assessed under the Equator Principles (US\$m)	The impact of our business on the environment and society		▲	911 (10 deals)	168 (4 deals)	60 (1 deal)	45 (2 deals)	75 (1 deal)	Enhance Equator Principles integration	[MO] [LA1]
• ESG •	Carbon footprint per full-time employee (tCO ₂ e)	The impact of our business on the environment	GCC	▼	4,44	4,65	4,71	4,71	6,09	Continue reducing our impact through reduction targets	[MO]

¹ Our carbon footprint offset to neutral from 2023 includes the scope 3 emissions from our supply chain in addition to the 113 339 tCO₂e of emissions from our own operations. For more information on this enhancement to our methodology please refer to page 96 of our 2023 Climate Report. The change in methodology has been applied prospectively.

Assurance
indicators

LA	External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at nedbankgroup.co.za.	MO	Management and board oversight through rigorous internal reporting governed by the group's ERMF.	IN	Information sourced from external sources, eg independent surveys.	OV	Independent oversight by regulatory bodies, including SARB, FSCA and various financial-sector ombudsman offices.	FS	Financial information extracted from the 2023 Nedbank Group Limited Audited Annual Financial Statements.
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Metrics and targets
continued

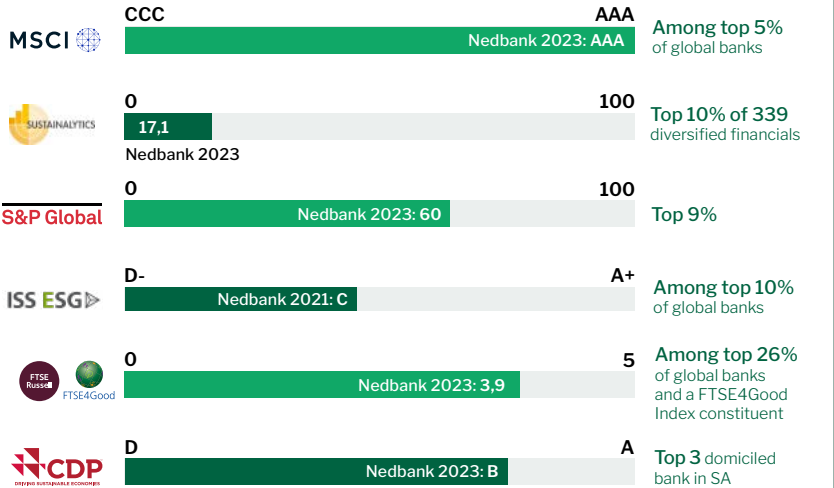
Membership bodies and associations

We are represented on, or are a signatory to, a range of industry bodies and are members of numerous sustainability platforms. This ensures that we are aware of global trends and best practices. It enables us to contribute to furthering the sustainable development agenda while building strong, resilient institutions – including our own and those of our clients. Our sustainability efforts and governance and risk management approaches are informed by, among other things, the following industry best practices and bodies:

- The United Nations Sustainable Development Goals (UN SDGs).
 - The King Code of Governance Principles for South Africa (King IV).
 - The United Nations Environment Programme Finance Initiative (UNEP FI): Africa Network.
 - The United Nations Global Compact.
 - The United Nations CEO Water Mandate.
 - The United Nations Principles for Responsible Investment (UN PRI).
 - The Code for Responsible Investing in South Africa (CRISA).
 - The National Development Plan (NDP).
 - The Banking Association South Africa (BASA): Sustainable Finance Committee, Positive Impact.
- The Finance Task Group, Climate Risk Forum and the Disclosure Working Group.
 - The Association of Ethics Officers in Africa.
 - The Organisation for Economic Cooperation and Development (OECD): Financial Sector Mapping.
 - The Advisory Group.
 - The National Business Initiative.
 - The Embedding Project: South Africa Peer-to-Peer Network.
 - The Alliance for Climate Action.
 - The International Finance Corporation (IFC) Performance Standards.
 - The Equator Principles.

Independent ESG ratings of Nedbank

We continually engage with shareholders and stakeholders on strategy, sustainability and ESG matters. This enables our board to exercise constructive influence, as and when appropriate, receive valuable feedback, and protect the interests of our shareholders. Additionally, we strive to maintain world-class transparent reporting through our comprehensive suite of reports. This has enabled us to retain our top-tier ESG ratings.



Contacts

Sustainable development financing

Brigitte Burnett
Executive Head: Sustainability
BrigitteBu@Nedbank.co.za

Kerri Savin
Senior Manager: Sustainability Strategy and Reporting
KerriS@Nedbank.co.za

Human capital, diversity and inclusion

Bandile Manyana
Executive: HR Business Operations
BandileMa@Nedbank.co.za

Antoinette Hartzenberg
Group Specialist: Programme Governance
AntoinetteHa@Nedbank.co.za

Transformation

Kershini Govender
Executive Head: Transformation and Strategy
KershiniG@Nedbank.co.za

Nyiko Chauke
Senior BBBEE Specialist
NyikoCha@Nedbank.co.za

Financial inclusion

Lizzy Mogale
Managing Executive: Insights and Advisory
LizzyMog@Nedbank.co.za

Mothibedi Rantloane
Head: Strategy
MothibediR@nedbank.co.za

Corporate social investment

Poovandran Pillay
Executive Head: CSI
PooviP@Nedbank.co.za

