



Nedbank is committed to good water stewardship

Given that there is a finite amount of water on planet earth, the imperative for us to conserve these precious water supplies cannot be emphasised enough.

In South Africa the challenge of dwindling water resources has become serious. The country is one of the driest in the world, receiving around half the average annual rainfall experienced by most countries across the world. The sustained drought being experienced across many parts of South Africa is a stark reminder of this fact. Add to this the erratic distribution of rainfall, relatively ineffective rainwater catchment and conservation infrastructure resulting in high rates of runoff, and you have a recipe for extreme levels of water stress across the country.

The effects of water challenges are experienced to varying degrees by all South Africans, with an even greater impact on disadvantaged and rural communities where a lack of easy access to potable water is made even more challenging by increasing levels of pollution in vital water bodies.

Water stewardship is the only solution

Nedbank believes that the only way for South Africa 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, have to 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 three sustainability pillars of managing our own impact, leading through collaboration, and facilitating sustainability through our products and finance solutions.

Managing our own impact on water resources

Nedbank's overall annual water usage is much lower than that of businesses and organisations involved in water-intensive operations. However, we acknowledge that this lower water consumption does not exempt us from the responsibility of managing and reducing our water usage.

We deliver on this responsibility in a number of ways, the most measureable of which is our stated water reduction target. We communicate regularly to our staff on issues such as climate change, waste reduction and water usage. This communication is boosted through the dissemination of tools such as shower timers and flush devices to encourage behaviours that limit the environmental impact.

Enhancing water stewardship through collaboration

At Nedbank we acknowledge that effective water stewardship goes much further than reducing our own use and impact. Being good water stewards also requires that we do everything we can to maximise the positive impact of our and other organisations' water conservation efforts. This is only possible through a strong commitment to collaboration and partnership. Our longstanding partnership

with the World Wildlife Fund South Africa (WWF-SA) is a prime example of such a partnership and the immense positive impact it can have.

The WWF Water Balance Programme is working to ensure that as much rainfall as possible remains in the country's water catchment areas. This is achieved primarily through the removal of invasive alien vegetation, which can severely limit the flow of water to catchments around the country. Removing these invasive alien plants helps to improve water availability, river health and water quality and it also restores biodiversity in the area. In 2011 Nedbank committed to investing R9m to support the project over a five-year period. In those five years around 445 ha of invasive alien vegetation was cleared, resulting in more than 915 500 kℓ of water remaining in the country's water catchments annually instead of being lost to these 'thirsty' plants. The programme has prevented over 3,6 million kℓ of water being lost to invasive alien plants annually.

The clearing process is also very labour-intensive, which means the programme has had the added benefit of creating more than 24 000 workdays for people from communities surrounding the project focus areas. In 2016 we renewed our commitment to the programme with a further pledge of R3m for the next three years. This second phase will focus on maintaining and restoring cleared catchment areas.

Promoting water stewardship through products and finance solution

As one of South Africa's leading banks and financier to a wide range of businesses and industries, Nedbank finds itself in a position to work with clients as they undertake their own water stewardship journeys.

Here we also take a collaborative approach that combines a shared commitment to water saving with the inclusion of water sustainability considerations in the environmental screening processes that feed into our lending decisions.

In this regard our Social and Environmental Management System enables us to monitor and, where necessary, work with clients to improve their social and environmental performance. In addition, we use the WWF Water Risk Filter as a risk management tool to help assess how proposed projects and investments may impact on the country's water resources.

Over the years Nedbank has also invested into water access and infrastructure for the ultimate benefit of the people of South Africa and Africa. Some of these finance projects include:

- **Befesa Desalination Plant in Ghana** – The Ghana Government awarded the contract to Befesa Desalination Development Ghana for the establishment of the seawater treatment plant to produce clean water, which will be channelled into the pipelines of the Ghana Water Company Limited for distribution to the public. Nedbank Corporate and Investment Banking is a joint lender of the plant, which is in production mode and already transforming seawater into potable water and delivering it to the people of Ghana.
- **Drought relief for South African communities** – In 2016 we donated R1,25m towards various drought relief and water provision initiatives across South Africa. These donations contributed to the installation of boreholes and water storage tanks in some of the driest regions of the country. We also provided 200 tonnes of animal feed aid and humanitarian assistance in the form of food and hygiene aid, as well as thousands of litres of bottled water through a staff collection campaign.
- **The LifeStraw Water Filtration Project** – This is one of the projects that benefit from Nedbank's purchase of the carbon offsets needed to maintain our carbon-neutral status. Nearly 900 000

water filtration devices have been distributed in Kakamega in Kenya. These devices can last for 10 years and given people access to clean drinking water.

- **Hippo Water Rollers** – In many rural areas across South Africa the only way for communities to access water is to transport it from nearby sources or communal taps to their homes. Usually, the burden of transporting these large quantities of water falls on the women and children. Hippo Water Rollers provide an easy way for water supplies to be 'rolled' to homes and communities, reducing the risks of injury due to carrying heavy water containers and saving time through the increased capacity of the rollers. Nedbank's ongoing support of the project has resulted in hundreds of these innovative devices being supplied to rural communities across South Africa.

For Nedbank a commitment to water stewardship is a central, non-negotiable component of our ongoing environmental sustainability efforts. Our multifaceted approach has been instrumental in delivering sustained and measureable success in terms of our water stewardship commitment. We hope that these commitments to and achievements in good water stewardship inspire other South Africans to undertake their own water management journeys so we can all work together to address the water challenges facing our country, because South Africa's social, economic and environmental sustainability depends on a healthy and secure supply of water.