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## LEVEL 3 STAKEHOLDER ENGAGEMENT POLICY

### 1. INTRODUCTION

Nedbank is part of a greater socioeconomic ecosystem and we recognise that we depend on robust relationships with all other stakeholders in order to deliver on our purpose of using our financial expertise to do good for individuals, families, businesses and society.

Best practice as outlined in King IV requires a company to have a stakeholder engagement policy. Accordingly this Stakeholder Engagement Policy outlines Nedbank's approach to communicating and working with our stakeholders, ensuring consistency and the protection of the Nedbank brand. Engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists the bank with strategic, sustainable decisionmaking.

Collaboration and regular interaction with all stakeholder groups is essential to the bank's long-term resilience and to the effectiveness of our integrated sustainability approach. Stakeholder engagement is undertaken with a far broader aim than merely communicating 'to' various stakeholder groups. Rather, Nedbank considers its various stakeholders as key partners in its endeavours.

While the Nedbank Group Executive Committee (Group Exco) has ultimate responsibility for our group's stakeholder engagement efforts, the process of engaging with stakeholders is decentralised to form part of the operations of our various clusters and business areas. Cluster-based stakeholder engagement is governed by a comprehensive group stakeholder engagement framework and policy, which include our corporate identity and communication guidelines. Each business area is required to report regularly on its stakeholder engagements through the Group Exco. This is to ensure the banks various business units maintain and commit to playing a role in nurturing impactful relationships that deliver mutual benefits.

### SCOPE

This stakeholder engagement policy outlines our overarching approach to engagement with our stakeholders, and the coordination of such.

This policy has been put in place to ensure that the stakeholder engagement is applied consistently across all Nedbank operations.

This policy:

- sets out principles for engagement with our stakeholders
- forms part of the group's operating philosophy, policies, standards and values
- applies to all Nedbank's divisions, departments, branches and business units, regarding all their activities and interactions with stakeholders
- is monitored annually for compliance by our Group Executive Committee and by the Group Transformation, Social and Ethics Committee (GTSEC). (GTSEC is a sub-committee of the board) and
- supports and should be read in conjunction with Nedbank's policies on ethics, external communication, reputation management, social and environmental risk and corporate social investment.

### 2. PURPOSE

The purpose of the policy is:

- to set out a method of engagement with stakeholders who impact and influence our long-term resilience
- to guide the building and the maintaining of an open relationship between the bank and our stakeholders
- to develop and promote a good understanding of stakeholders needs, interests, and expectations
- to offer guidelines on how the bank should be engaging with our stakeholders and
- to reinforce Nedbank's commitment to all stakeholders.

### 3. OBJECTIVES

The objectives of this policy are:

- to strengthen and maintain relationships with our stakeholders;
- to identify the opportunities and threats arising from stakeholders' material issues;
- to assist with strategic, sustainable decision-making; and
- to improve effective two-way communication with our stakeholders.

## LEVEL 3 STAKEHOLDER ENGAGEMENT POLICY (cont.)

### 4. STAKEHOLDER IDENTIFICATION

Stakeholders are those individuals, groups of individuals or organisations that impact and/or could be impacted by our organisation's activities, products or services and associated performance. At Nedbank we identify our stakeholders and monitor our relationships through a multitude of communication channels including regular dialogue. We also include 'silent' stakeholders such as future generations and the environment. Stakeholders are prioritised according to the level of influence they have on Nedbank and the level of influence Nedbank has on them. Our primary key stakeholders as outlined in Nedbank's vision statement are our staff, clients, shareholders, regulators and society. These along with our secondary stakeholders are discussed in detail in the policy matrix table included at the end of this policy.

### 5. STAKEHOLDER ENGAGEMENT PRINCIPLES

|                      |  |
|----------------------|--|
| <b>Congruence</b>    | One version of the truth. We say what we mean, and mean what we say regardless of the stakeholder or communication channel.  |
| <b>Consultative</b>  | We aim to develop relationships where stakeholder views are considered in decision-making and we provide various channels to foster this.  |
| <b>Collaborative</b> | We aim to establish deep partnerships with stakeholders (individuals or organisations) with aligned values and work closely with selected partners and interested stakeholders to build a more sustainable business and society. |
| <b>Communicative</b> | We value open, honest and on-going communication with all stakeholders and are proactively committed to such.  |
| <b>Commitment</b>    | We are committed to working towards creating a prosperous and sustainable future for all South Africans and leveraging effective stakeholder engagement to help with the achievement of this.                                    |
| <b>Responsive</b>    | We strive for continuous improvement and proactively respond to changing business conditions and stakeholder needs, interests and expectations.  |

### 6. METHODS OF ENGAGEMENT

Our methods of engagement include various channels and means of communications reliant on each specific stakeholder group. These methods are meticulously outlined in the stakeholder matrix.

### 7. STAKEHOLDER ENGAGEMENT FEEDBACK

Our stakeholder feedback is derived from surveys, client feedback mechanisms – such as hotlines, relationship managers, stakeholder seminars, social media, conferences and one-on-one meetings.

### 8. OWNERSHIP

As set out in the Reputation Risk Policy, Group Communications, Corporate Affairs, Investor Relations, client-facing business clusters, Ethics Office, Group Sustainability, Nedbank Foundation and the Chief Risk Officer should ensure they have procedures in place to regularly monitor perception by external stakeholders and analysts of the Group's reputation and act accordingly to mitigate any adverse perception.

The stakeholder engagement policy is monitored annually for compliance by our Group Executive Committee and by the Group Transformation, Social and Ethics Committee (GTSEC), a sub-committee of the board. The board of directors is regularly briefed on the state of stakeholder relationships and stakeholder needs, interests and expectations which serve as strategic input for planning and decisionmaking.

### 9. ACCOUNTABILITY AND GRIEVANCE PROCEDURE

Stakeholder engagement is decentralised at Nedbank so there is not a single team that manages all relationships and queries or concerns from stakeholders. Nedbank employees are accountable for managing relationships and meeting expectations of internal and external stakeholders within their areas of responsibility. Should a stakeholder not be satisfied with the service or assistance that they receive from their Nedbank point of contact, there are a number of opportunities that allow for anonymity (if desired) as well as independence to ensure a voice for concerned stakeholders. These include our client call centre, which is the first point of call for all clients' requests and Tipoffs Anonymous; an independently managed hotline that is open to all stakeholders.

## LEVEL 3 STAKEHOLDER ENGAGEMENT POLICY (cont.)

### 9. ACCOUNTABILITY AND GRIEVANCE PROCEDURE (continued)

[Click here](#) for Tip-offs Anonymous service.

**Client Call Centre:** 0860 555 111

**Client complaints:** 0860 444 000

**Media queries:** 011 295 8045

**Investor relations queries:** 011 295 6249

**Government and corporate affairs queries:**  
011 295 5766

**Social & environmental queries (Group Sustainability):**  
011 295 5672

**CSI queries (Nedbank Foundation):** 011 295 3454

**Governance and Ethics:** 011 295 6944

#### LODGING A GRIEVANCE

- Receipt of grievance should be in writing from the stakeholder.
- Grievances will be acknowledge within 24 hours and resolved as quickly as possible thereafter dependant on the nature and complexity of the issue.
- If grievances cannot be resolved within Nedbank's internal processes and within 30 working days, further escalation would be to the relevant external authority.

Stakeholder grievances are recorded on a stakeholder issues log and root cause analysis is done.

### 10. MEASURING

In addition to regular qualitative feedback received from stakeholders the following key performance indicators demonstrate how we are delivering tangible value to our stakeholders. They are regularly monitored and receive some level of assurance ranging from external limited assurance and management and board oversight to external independent sources.

- **Staff**
  - Staff costs, unionised salary increases, training spend, staff turnover, staff engagement/entropy score and levels of transformation in line with progression of female diversity and society demographics.

- **Client**
  - Loan payouts, digital app uptake, consumer Net Promoter Score (NPS), client complaint resolution, systems availability, pricing, technology enabled impact on client experience, high-net-worth ranking based on Intellidex survey and investment performance.
- **Shareholders**
  - Share price performance, dividend per share and valuation indicator of share.
- **Regulators**
  - Basel III compliance on liquidity, capital position as well as strength of stable funding, regulatory fines or penalties, direct, indirect and staff taxes and BBBEE transformation as per Amended FSC.
- **Society**
  - Consumer finance education growth, total socioeconomic spend and accelerated empowerment finance, local procurement spend percentage, lending to grow sustainable development finance (water, renewable energy, inclusive growth finance) and carbon footprint reduction.
  - All CIB new applications and credit reviews included the screening of high risk and EP relevant deals via the Social and Environmental Management System (SEMS).
  - SEMS is also used in Nedbank's Retail, Business Banking and Wealth Clusters. Due to the number of clients in Retail, a risk-based approach is taken, whereby clients are required to disclose any environmental or negative social impact their activities might have. These disclosures are then assessed through the SEMS.

### 11. BREACH OF POLICY

A breach of this policy will be dealt with in terms of the group disciplinary code and process, as well as the performance management process. Management will deal with any breach of this policy as non-delivery against performance agreements. In extreme cases of dereliction of duty regarding this policy, appropriate disciplinary action should be taken in terms of the group disciplinary code.

## LEVEL 3 STAKEHOLDER ENGAGEMENT POLICY (cont.)

### 12. LINKS TO POLICIES/PROCESSES/PROCEDURES

This policy on Stakeholder Engagement is not independent of other group wide principles and policies including our Privacy Policy, External and Internal Communications Policy, Information

Security – IT Risk Policy, Code of Ethics, Conflict of Interest Policy, Whistle Blowing Policy, Fraud and Corrupt Activities Policy, Social Media Policy, Brand and Trademark Policy, Reputational Risk Policy and Contact with Regulators Policy.

#### Contact Details

| NAME             | DIVISION              | CONTACT DETAILS |
|------------------|-----------------------|-----------------|
| Joanne Isaacs    | Group Communications  | 011 295 8045    |
| Thabang Chiloane | Corporate Affairs     | 011 295 5766    |
| Alfred Visagie   | Investor relations    | 011 295 6249    |
| Lindiwe Temba    | Nedbank Foundation    | 011 294 0504    |
| Driekie Havenga  | Governance and Ethics | 011 295 6944    |
| Maadian Botha    | Regulators            | 011 294 1081    |
| Doug Hardie      | Client Service        | 011 295 5185    |
| Brigitte Burnett | Group Sustainability  | 011 294 3692    |

### 13. DOCUMENT CONTROL

| DATE             | DESCRIPTION                                       | REFERENCE  |
|------------------|---|--|
| September 2013   | Group Sustainability                              | Policy creation  |
| 1 October 2013   | Group Executive                                   | Approval   |
| 21 October 2013  | Group Transformation, Social and Ethics Committee | Ratification   |
| 22 October 2013  | GRCMC   | Tabled for noting  |
| 10 October 2014  | Group Sustainability                              | Reviewed for updating  |
| 18 February 2015 | GRCMC   | Policy continues to remain fit for purpose   |
| 19 February 2015 | Main Board  | Notified of ERMF refresh in progress (2015)  |
| March 2015       | Group Sustainability                              | Policy Matrix update   |
| 1 October 2015   | Group Sustainability                              | No changes. Policy fit for purpose   |
| 21 October 2015  | GRCMC   | Tabled for noting  |
| 26 February 2016 | Main Board  | Annual policy review   |
| 13 January 2017  | Group Sustainability                              | Reviewed for updating  |
| 21 February 2017 | GRCMC   | Tabled for noting  |
| 18 May 2017      | Group Sustainability                              | Updated for annual stakeholder matrix , added grievance process and additional stakeholder contacts                    |
| 1 November 2018  | Group Sustainability                              | Reviewed for updating. Policy Matrix update, stakeholder contact details update and key performance indicators update. |

STAKEHOLDER ENGAGEMENT POLICY MATRIX

| REASONS FOR ENGAGEMENT   | WHY ENGAGE WITH NEDBANK   | FREQUENCY OF ENGAGEMENT   | METHODS OF ENGAGEMENT  |
|--|---|---|--|
| <b>STAFF</b> (Click here for further information on our stakeholder engagement)  |   |   |  |
| <p>To provide staff with strategic direction and keep them informed about group activities.</p> <p>To ensure that we remain an employer of choice that provides a safe, positive and inspiring working environment.</p> <p>To understand and respond to the needs and concerns of our staffmembers.</p>  | <p>To provide us with feedback and input that can help us improve their working environment experience as well as the performance of our business.</p>  | <p>Ongoing and daily engagement at all levels. As required by staff.</p>  | <p>Regular, direct communication between managers, teams and individuals. There's also a robust combination of face-to-face, written, digital and broadcast communications, culture and engagement surveys, Group Exco communication sessions and regular newsletters, Nedbank results presentations, CE and cluster head roadshows across SA and SADC offices, Cluster and group recognition functions and international trips, leadership seminars and annual EE Summits. We use emails, intranet communications as well as cluster and group recognition functions.</p>   |
| <b>CLIENTS</b> (Click here for further information on our stakeholder engagement)  |   |   |  |
| <p>To understand them, their aspirations, businesses and financial-service needs better.</p> <p>To provide appropriate advice, proactive financial solutions and value-adding services.</p> <p>To ensure that we maintain the high service levels they expect and deserve.</p> <p>To inform product development and prioritisation.</p> <p>To develop products that embody client-centered innovation.</p> <p>To ensure accuracy of client personal and/or business information.</p>                               | <p>To receive sound financial advice and financial education.</p> <p>To access worldclass innovative solutions and services.</p> <p>To grow and protect their investments and wealth.</p> <p>To obtain convenient access to banking, less complexity and improved flexibility (channel of choice).</p> <p>To protect their assets through secure IT systems and infrastructure.</p> <p>To get value banking that is competitive and transparent in pricing.</p> | <p>Ongoing. Dependent on client needs and identified sales, service or guidance opportunities.</p>  | <p>The Nedbank consumer financial education programme benefited more than 200 000 consumers across all 9 SA provinces. There are interactions through branch outlets, relationship managers, call centres, and complaint lines. Digital channels such as interactive tellers, self-service enablement, internet kiosks and video banking. There are client seminars and surveys. Social media, and marketing and advertising activities. Specific engagements include focus groups, one-on-one meetings, functions and events.</p>   |
| <b>SHAREHOLDERS</b> (Click here for further information on our stakeholder engagement)   |   |   |  |
| <p>To provide current and future shareholders with relevant and timeous information, ensuring Nedbank shares are appropriately valued.</p> <p>To manage shareholder expectations and reputational risk.</p> <p>To maintain strong relationships, keep abreast of market developments and inform our shareholder targeting strategy.</p> <p>To ensure good governance and deepen the trust placed in us and our brand.</p> <p>To get feedback that informs our strategy, business operations and how we govern.</p> | <p>To derive value through share price appreciation and an attractive sustainable dividend stream.</p> <p>To receive relevant timeous information on our prospects and financial and non-financial performance, so that they can value and assign appropriate credit ratings.</p> <p>To understand our financial performance.</p> <p>To gain insight into our strategy and management.</p>  | <p>There is proactive communication on strategy and activates through an active investor relations programme. On a formal basis, twice a year to coincide with the release of yearend and half-year results. There is over 400 meetings with investment analysts, investors and media during non-closed periods. More than 10 broker-hosted conferences and non-deal roadshows. Once or twice, a governance roadshow, including additional ESG meetings. There is the Nedbank AGM held in May. Biannual communication with credit rating agencies. Through relevant information available on our website at nedbankgroup.co.za.</p> | <p>Annual and interim results announcements and roadshows. Citi Annual South Africa Investor Meeting. Various investor group meetings. Nedbank Group Governance roadshow. Renaissance Capital Treasury Day. RMB Morgan Stanley European Financials Conference. RMB Morgan Stanley Fifth Annual SA Banks Conference. SBG Retail Investor Day. More than 400 individual meetings with financial media, shareholders and analysts.</p>  |
| <b>REGULATORS</b> (Click here for further information on our stakeholder engagement)   |   |   |  |
| <p>To maintain open, honest and transparent relationships and ensure compliance with all legal and regulatory requirements.</p> <p>To retain our various operating licences and minimise our operational risk.</p>   | <p>To ensure regulatory compliance.</p> <p>To promote the soundness and stability of the domestic banking and financial system, thereby contributing to its financial stability.</p>  | <p>Daily, weekly, quarterly and as required.</p>  | <p>Various industry and regulatory forums, meetings between regulators, and our board and management. This includes one-on-one discussions with various executive officials at prudential meetings as well as onsite meetings.</p>   |
| <b>SOCIETY</b> (Click here for further information on our stakeholder engagement)  |   |   |  |
| <p>To create partnerships that serve to facilitate our integrated sustainability activities.</p> <p>To obtain input from environmental experts, communities and non-governmental organisations (NGOs) regarding key focus areas.</p> <p>To create awareness of our integrated sustainability commitment and initiatives.</p>   | <p>To get advice and guidance on how to achieve desired outcomes for themselves, their families, their businesses and their communities.</p> <p>To partner on common social and environmental issues.</p> <p>To collaborate in a way that furthers social, environmental and other common agendas for the greater good.</p>   | <p>Ongoing – as partnerships dictate or stakeholder needs require.</p>  | <p>Nedbank consumer financial education programme available across all 9 provinces. In-depth engagements with many NGOs through the Nedbank Foundation, and engagements with sustainability-focused NGOs through our sustainability teams. Primary stakeholders being education NGOs, schools, tertiary institutions, WWF-SA and the Endangered Wildlife Trust. We work with academic leaders and thought-leaders to encourage change within Nedbank and create awareness of sustainability issues with a broader range of stakeholders. Primary stakeholders in this regard are the Sustainability Institute, Cambridge Institute for Sustainability Leadership, UNEP FI, NBBN and Network for Business Sustainability (NBS).</p> |

## LEVEL 3 STAKEHOLDER ENGAGEMENT POLICY (cont.)



### STAKEHOLDER ENGAGEMENT POLICY MATRIX (cont.)

| REASONS FOR ENGAGEMENT   | WHY ENGAGE WITH NEDBANK  | FREQUENCY OF ENGAGEMENT   | METHODS OF ENGAGEMENT   |
|--|--|---|---|
| <b>GOVERNMENT</b> (Click here for further information on our stakeholder engagement)   |  |   |   |
| <p>To cement our social licence to operate with society, with government being one of the key stakeholders.</p> <p>To build and strengthen relationships with government, both as a partner in the development of the country and as a client.</p> <p>To provide input into legislative development processes that will affect the economy and our activities and operations.</p> <p>To reaffirm our commitment to public sector business development.</p> <p>To participate visibly in, and be a partner to, the transformation of SA and the financial sector.</p> <p>To partner in increasing economic growth and reducing inequality and unemployment.</p> | <p>Nedbank Group is a key role player in the economic, social and environmental transformation of the country.</p>   | <p>Monthly or as deemed necessary by either party.</p>  | <p>Participation on various platforms with national and local government. Engagements with governments across the continent through Nedbank/NEPAD Business Forum, as well as targeted engagements with ambassadors and diplomats. The National Budget Competition and the budget votes of the dti and the Departments of Human Settlements and Home Affairs.</p> <p>Various engagements with national and provincial departments of Education, Home Affairs, Human Settlements and Economic Development, as well as the Premier's Office of Gauteng, Eastern Cape and Mpumalanga. Engagements with ministers of Finance and Trade and Industry about economic matters that affect Nedbank as a business and ways in which we can be of assistance to SMEs and the economy, subsequent to the sovereign-credit rating downgrade. In 2018, we presented at Constitutional Review Committee to propose no changes be made to Section 25 of the Constitution with regards to land expropriation without compensation.</p> |
| <b>MEDIA</b> (Click here for further information on our stakeholder engagement)  |  |   |   |
| <p>To leverage the reach and influence of media channels to share our business and citizenship story with stakeholders.</p> <p>To communicate with relevant stakeholders and the broader public with a view to having a positive influence on behaviour that will lead to desired business results.</p> <p>To protect and manage our reputation.</p>   | <p>To educate and inform their audiences on developments in the financial services sector and Nedbank Group specifically.</p> <p>To be informed about our contribution to the SA economy and our products and services.</p> <p>To empower their audiences to make informed financial decisions.</p>  | <p>Daily interactions in response to business-related media enquiries.</p> <p>Regular interactions to share information and respond to media requests for commentary about our business.</p> <p>Ad hoc engagements in response to our various business and sustainability initiatives.</p> <p>Proactive, scheduled engagements to build vibrant, mutually beneficial media relationships.</p> | <p>Quarterly Group Exco breakfasts to which media are invited.</p> <p>Launches of various Nedbank products and services. Interviews with key business media on relevant reporting dates. Daily telephone and email interaction regarding media enquiries.</p>   |
| <b>INDUSTRY BODIES</b> (Click here for further information on our stakeholder engagement)  |  |   |   |
| <p>To continue learning through interaction with the industry and cross-sectorial organisations.</p> <p>To use business associations as a forum through which we can promote our viewpoints on key industry issues.</p>  | <p>To deliver mutually beneficial learning.</p> <p>To influence and/or promote common agendas.</p>   | <p>As required or dictated by performance contracts and association or partnership membership agreements.</p>   | <p>Monthly meetings with various industry bodies and attendance at relevant annual general meetings.</p> <p>Interactions with the NBI, being part of the Advisory Committee on Environment and Society (ACES), and participating in the Carbon Disclosure Project (CDP), the Greenhouse Gas Accounting Programme and NBS-SA.</p> <p>Interaction with BASA as a prominent participant in the deliberations regarding the alignment of the FSC with the Revised Codes of Good Practice 2013 and as an active member of the Sustainable Finance Committee.</p> <p>Interactions with various research institutions, ie the Sustainability Institute, University of Cape Town and University of South Africa (UNISA).</p> <p>Engagement with renewable energy associations and suppliers to best understand how to support the industry and possible accreditation of suppliers to start to regulate the industry.</p>   |
| <b>SUPPLIERS</b> (Click here for further information on our stakeholder engagement)  |  |   |   |
| <p>To obtain products or services required for conducting our business.</p> <p>To maintain an ideal and timeous supply of goods and services for our operations.</p> <p>To encourage responsible practices across our supply chain BBBEE, local procurement, supplier conduct and environmental considerations.</p> <p>To include critical suppliers in cross-functional teams so as to contribute expertise and advice before specifications are developed for products or services.</p>  | <p>To provide products and services.</p> <p>To negotiate pricing and contracts.</p> <p>To promote new products and service offerings.</p> <p>To respond to tenders.</p> <p>To seek input and guidance on their sustainability journeys.</p>  | <p>Ongoing, as required.</p>  | <p>Ongoing interaction with suppliers and contractors for procurement purposes.</p> <p>Supplier education workshop, indabas, workshops, roadshows, etc.</p> <p>One-on-one negotiations and meetings.</p> <p>The gazetting on the Amended FSC.</p> <p>Changes to trading arrangements in terms of our procurement systems, ERP.</p> <p>Auditor engagements through the Group Audit Committee.</p>  |
| <b>UNIONS</b> (Click here for further information on our stakeholder engagement)   |  |   |   |
| <p>To promote fair and equitable employee-relations practices, good governance and a sound working relationship.</p> <p>To ensure that all matters having an impact on basic conditions of employment are effectively addressed through collective bargaining.</p>   | <p>To represent their members on matters of mutual interest.</p> <p>To represent the interest of union members who are Nedbank Group employees and members of the bargaining unit.</p> <p>To consult on salary negotiations and engage on any changes impacting staff within the bargaining unit through a consultative forum and collective bargaining forum.</p> | <p>Annual salary negotiations.</p> <p>Formal monthly consultations.</p> <p>Ongoing consultations or meetings as required by unions or as a result of business changes or projects.</p>  | <p>Group Human Resources manage labour relations with the unions on an annual basis.</p> <p>We consult on any changes in working conditions, restructuring of the business and performance management issues.</p> <p>Consultations also take place on the resolution of alleged unfair labour practices, wage disputes, health and safety governance to ensure the fair and equitable treatment of staff.</p>   |