



Be the difference that impacts our world



Society Report

for the year ended 31 December 2021



see money differently

NEDBANK
GROUP

Our reporting universe

As part of our comprehensive integrated and environmental, social and governance (ESG) reporting, this 2021 Society Report is supplemented by our various online publications and additional information available at nedbankgroup.co.za.

Forward-looking statements

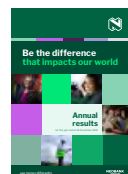
This report contains certain forward-looking statements about Nedbank Group's financial position, results, strategy, operations and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various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

Forward-looking statements made by Nedbank Group on 9 March 2022 at the time of releasing our 2021 results were informed by the group's business plans and economic forecasts in February 2022.



nedbankgroup.co.za

Financial and risk management reporting



- 2021 Results Booklet and presentation
- 2021 Nedbank Group Annual Financial Statements
- 2021 Pillar 3 Risk and Capital Management Report

These reports include 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 information disclosed is used to assess the group's financial performance and strength, and includes risk and regulatory disclosures.

Climate reporting



- Task Force on Climate-related Financial Disclosures (TCFD) Report
- Nedbank Energy Policy
- Nedbank climate change position statement

These reports include information relating to the group's climate-related activities, policies, governance, strategy, disclosures and targets. They are primarily of interest to investors, non-governmental organisations (NGOs) and ESG ratings agencies as well as key stakeholders such as corporate clients and invested members of society who want to partner with values-aligned companies. The information disclosed is typically used to assess Nedbank's progress in minimising its negative impacts and optimising its positive impacts in addressing climate change.

Societal reporting



- Sustainable Development Review
- Human Capital Review
- Transformation Review
- Financial Inclusion Review
- Stakeholder Engagement Review

Broad-based black economic empowerment (BBBEE) certificate*
Global Reporting Initiative Standards*

These reports include information relating to how the group uses its financial expertise to create positive economic, societal and environmental impacts. They are primarily of interest to investors, employees and those looking to join Nedbank, regulators, NGOs, existing and prospective clients, ESG ratings agencies and engaged members of society. The information disclosed demonstrates progress in how Nedbank is fulfilling its purpose.

Governance reporting



- Governance Review
- Ethics Review
- Market Conduct Review (Treating Clients Fairly)
- Financial Crime Review (AML, fraud and cybercrime)
- Remuneration Review
- Tax Review

Key policies*
Boardmember and group executive profiles*

These reports include information relating to governance-related aspects, including board matters, ethics, market conduct, 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.

Shareholder information



- Notice of 55th annual general meeting (AGM)
 - Form of proxy
- Shareholding profile*

The Notice of AGM and form of proxy provide valuable information to shareholders who want to vote at the Nedbank Group's 55th AGM.

* Available separately at nedbankgroup.co.za.

Navigating our value creation journey

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About this report

This 2021 Nedbank Society Report is a supplement to the 2021 Nedbank Group Integrated Report, which presents information relevant to how our group creates value, preserves value and minimises the erosion of value for our stakeholders, including our employees, clients, regulators and society.

This report outlines the ways in which Nedbank aims to fulfil its purpose by using 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. The report also describes our contribution to building an inclusive and transformed economy with particular focus on how we do that through financial inclusion, corporate social investment and meeting Financial Sector Charter requirements. It also provides insight into our approach to stakeholder engagement and details our actions to enhance the well-being of our employees, including an overview of our workforce highlights and challenges for the period.

Reporting period

The 2021 integrated reporting suite covers the year 1 January to 31 December 2021, but material events after this date up until the board approval of the documents on 19 April 2022 have also been included.

Reporting frameworks

The report contents are guided by the Global Reporting Initiative (GRI) Standards, the King Code of Governance Principles for South Africa (King IV), disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the application of the Amended Financial Sector Code (FSC).

Governance

The Nedbank Board assumes ultimate responsibility for the integrity of this Society Report. This is achieved via a coordinated-assurance model, which is overseen by the Group Audit Committee (GAC), which assesses and assures various aspects of our business operations and reporting.

The Group Transformation, Social and Ethics Committee (GTSEC) oversees all Nedbank's sustainable-development governance bodies, ensuring that their commitments align with the business strategy and vice versa. Together, the GTSEC and the Climate Resilience Committee (GCRC) make recommendations to the Nedbank Board on ways in which the group's strategy can maximise its positive impact on society, manage climate change, and remain relevant and valuable to all stakeholders.

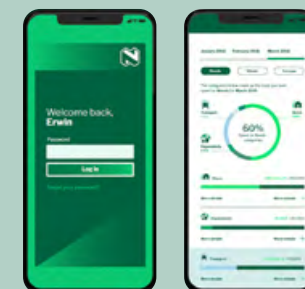
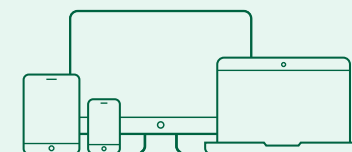
Assurance

The annual financial statements are assured by Nedbank's joint external auditors, Ernst & Young Inc (EY) and Deloitte & Touche (Deloitte). Limited assurance on select sustainability information is provided by Deloitte, while Mosela Rating Agency provides limited assurance on the application of the Amended FSC and the group's BBBEE status.

A more digitally enabled report for a more digital world

Nedbank has been on a market-leading digital transformation journey over the past few years and in our report you can read about how this has been beneficial to our clients, employees and other stakeholders.

This integrated report has been designed for an enhanced digital experience and ease of use as our stakeholders increasingly engage with information in a more digital manner. The landscape layout supports readability on computer screens and tablets, while the digital navigation capability in the report will assist you, the reader, to easily move between different sections or topics in the report – this can be done using the navigation icons at the top of the page or pop-ups wherever you hover with your cursor. In addition, we have created links to videos and podcasts that provide additional insight and bring our integrated report to life.



Our digital navigation icons



Video



Podcast



Read more



Web

Introduction

Our planet and its people are facing unprecedented risks and vulnerabilities, and the only suitable response is a systemic one that balances the need for decisive change with an absolute commitment to achieving the United Nations (UN) Sustainable Development Goals (SDGs) to ensure greater prosperity, social justice and equity for all. At Nedbank our strategies, actions and product offerings are increasingly guided and informed by this imperative. ,

Mpho Makwana
Chairperson



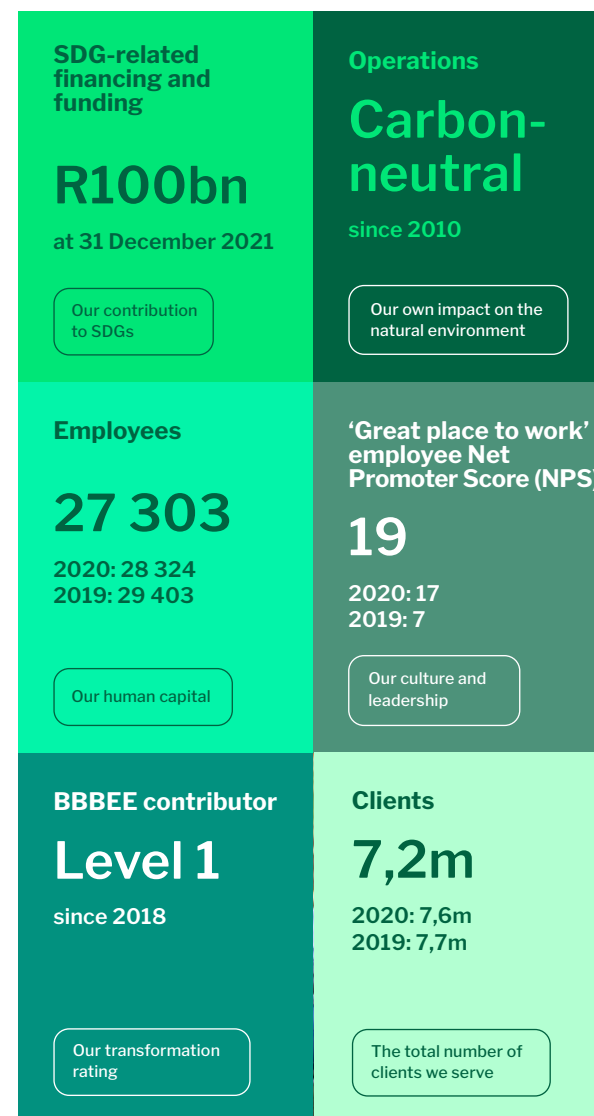
Despite the positive impact of global vaccination roll-outs, Covid-19 continued to create significant challenges across the world in 2021. While markets have largely stabilised, and widespread economic recovery appears to be on track, uncertainty and volatility remain the order of the day. The immediate travel bans placed on South Africa (SA) after the discovery of the Omicron variant in late 2021 demonstrate just how cautious global governments still are, and the reality is that we are likely to see continued health, social and economic consequences of Covid-19 throughout 2022.

The 26th conference of the Parties (COP26) served as a stark reminder of the likelihood of steadily growing effects of climate change if international governments and private sector organisations continue on their current inadequate climate change mitigation and adaptation paths. Encouragingly, the responses of participants at COP26, and the obvious recognition that an acceleration of climate change efforts is crucial, indicate a welcome positive shift in global and local attitudes towards sustainable development as a whole. More importantly, they demonstrate a growing awareness of the need for sustainable-development actions that not only address immediate challenges and crises, but also ensure social upliftment, inclusion, equity and access to opportunities for all.

There are few regions in the world where this imperative for sustainable development balanced with social justice is more needed than right here in Africa. During 2021 there was an increasing number of extreme weather events experienced, in the form of both floods and drought, as well as civil unrest events, including those in South Africa, Eswatini and Mozambique that impacted many of our clients, employees and the general social and economic well-being of the Southern African Development Community (SADC) region.

While the continent undoubtedly faces numerous sustainability challenges, many of these challenges also present significant opportunities that, if embraced and leveraged, will help to build a more resilient, equitable and transformed continent. Key to building this resilience is an adaptive and skilled workforce that is keen to take on the challenges being faced by our clients. Significant investment has therefore been made in training our employees and the embracing of new digital and remote ways of work over the period as well as developing new digital solutions for our clients to navigate the constant uncertainty and volatility.

As is evident from this 2021 Society Report, Nedbank is taking action to deliver the required solutions. This action will, however, need to scale significantly to create the future that we want. We recognise and embrace the fact that society demands of us that we be more than a profit-driven commercial entity. Rather, we are a vital part of the 'nested social system' in which the economy is fundamentally dependent on society, and society is fully dependent on a well-functioning ecology.



Our purpose, vision, values and strategy

The overarching reason why we exist

Our purpose

To use our financial expertise to do good for individuals, families, businesses and society

What we want our future to look like

Our vision

To be the most-admired financial services provider in Africa by our employees, clients, shareholders, regulators and society

How we want to affect our clients

Our brand promise

see money differently

The principles that guide us

Our values

Integrity | Respect | Accountability |
People-centred | Client-driven

Our approach to purpose fulfilment

We have prioritised nine of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through our core business.

The Nedbank Sustainable Development Framework



Our strategy

Medium-term targets (2023)

Diluted headline earnings per share

> 2 565 cents
(2019 levels)

ROE

> 15%
(2019 levels)

Cost-to-income ratio

< 54%

NPS

#1 bank
(from #2 in 2020)

Strategic growth drivers

Growth

Productivity

Risk and capital management

Strategic value unlocks



Delivering market-leading client solutions



Ongoing disruptive market activities



Focusing on areas that create value (SPT 2.0)



Driving efficient execution (TOM 2.0)



Creating positive impacts

Long-term targets

DHEPS growth

> GDP +
CPI + 5%

ROE

> 18%
(COE + 3% to 4%)

Cost-to-income ratio

< 50%

NPS

#1 bank
(from #2 in 2020)

Our material matters

The environment for Nedbank and our stakeholders remains volatile, uncertain, complex and ambiguous, although significantly better than during the peak of the Covid-19 crisis in 2020.

While many things have changed in the past two years, the pandemic has reinforced the imperative of creating 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 issues do change over time, as our stakeholders' needs evolve and new trends and developments – like the pandemic – shape the macro environment, the broad themes remained consistent.

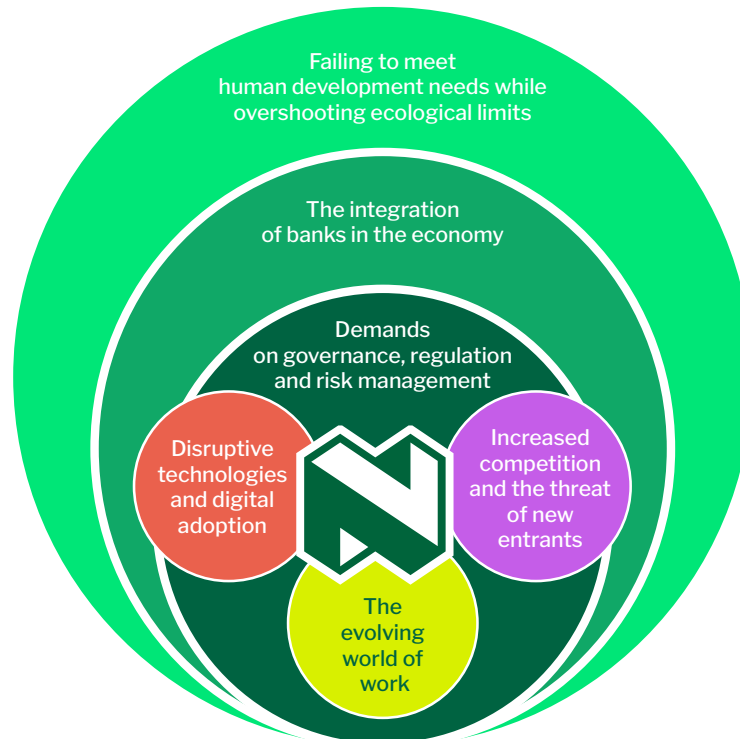
Our approach to the material matters follows the principle of materiality. This principle is essential in assessing what information should influence the group's strategy and our integrated thinking as we make decisions around the six capitals and inform the evolution of our business model as well as the development of our short-, medium- and long-term targets. Please refer to the **2021 Nedbank Integrated Report** for detailed information on our material matters.

● The integration of banks in the economy

Banks are highly integrated into the economies where they operate – not only are our retail, small-and-medium-enterprise and corporate clients active participants in the economy, but also as banks we facilitate lending and investments, deposit-taking and transactions.

● Disruptive technologies and digital adoption

The world continues to become increasingly digitised. Financial institutions have been leading this change as various aspects of banking progressed quickly while creating new opportunities – from digitisation of financial services, enhanced client experiences and new products and channels, to evolving organisational structures and internal processes, as well as new human capital and skills requirements, while enabling people to work remotely. The Covid-19 pandemic accelerated digital adoption aimed at mitigating the impact of reduced mobility.



● Demands on governance, regulation and risk management

The scale of the Covid-19 pandemic meant that the regulatory environment was thrown into an unprecedented and unpredictable storm as regulators and governments across the world looked to introduce emergency regulations and policies to manage the impact of the pandemic on lives and livelihoods. With the crisis mostly behind us, the focus is shifting to regulatory matters aligned with the new normal, including digital transformation and cybersecurity, climate change, payments, diversity and inclusion, and financial-sector-related regulation.

● Failing to meet human development needs while overshooting ecological limits

Countries across the globe are still struggling to recover from the immense social and economic impacts of the Covid-19 pandemic, while at the same time trying to come to terms with the very urgent need to deal with exacerbated poverty and inequality levels and the looming climate crisis. The importance of the finance sector in supporting and driving a Just Transition has been steadily increasing given that their capital allocation decisions determine the shape of future economies. Fulfilling this role responsibly will see the sector stopping investment in harmful industries while speeding up the transition to a sustainable economy.



● Increased competition and threat of new entrants

Competition in the banking sector remains fierce, and the landscape has evolved over time to include new entrants, fintechs and big-tech disruptors. These disruptors are revolutionising the banking experience for clients, although the Covid-19 pandemic has delayed the roll-out of new value propositions and in some cases new entrants have scaled back their ambitions. The large South African banks have all responded and competition for deposits, good-quality assets and transactional banking remains elevated.

● The evolving world of work

Macro forces such as digital transformation, evolving health and pandemic dynamics, social, economic and political challenges, as well as skills shortages continue to challenge organisations to rethink their business models and people practices.

Stakeholder value creation – key performance indicators

	Value unlocks	Value drivers	Executive remuneration	Yoy change	2021	2020	2019	Benchmark ¹	Outlook	Assurance
	Employees									
	Salaries and benefits (Rbn)	Remuneration and benefits to employees		▲	18,0	16,8	17,3	N/A	Maintain competitive remuneration	[MO] [FS]
	Annual salary increase – unionised employees (%)	Salary increases for bargaining-unit employees		▼	4,0	6,3	6,3	N/A	Above the increase for management	[MO]
	Training spend (Rbn)	Investment in employee development		▲	1,1	0,92	0,76	N/A	Continue to invest in employees	[LA]
	Attrition (%)	Ability to retain and rotate skills	GCC	▲	9,3	7,1	10,8	11	Maintain	[MO] [LA]
	‘Great place to work’ NPS	Employee engagement drives higher levels of productivity	CPT	▲	19	17	7	N/A	Improve	[IN – Compass survey]
	Employment equity – black employees (%)	Transformation of Nedbank employee profile broadly in line with demographics in society	GCC	▲	79,9	78,9	78,5	Not publicly available for all peers	Continue driving transformation	[LA]
	Employment equity – female employees (%)	Progressing gender diversity	GCC	▲	61,4	61,2	61,8			[LA]
	Clients									
	Loan payouts (Rbn)	New loan payouts to clients		▲	228	210	208	N/A	Continue to extend credit responsibly	[MO]
	System availability (%)	System uptime to enable uninterrupted financial processing	GCC	▼	99,3	99,6	99,1	N/A	> 99,1%	[LA]
	Average annual price increase	Value-for-money banking		⊖	Below inflation	At inflation	At inflation	N/A	Below inflationary increases	[MO]
	Investment performance in asset management business	Quality of service to high-net-worth clients	GCC	⊖	Fourth	Fourth	Fifth	Number one: Investec	Number one in the industry	[MO]
	Investment performance in asset management business	Investment performance for clients	GCC	⊖	Not ranked	Not ranked	Top offshore manager in SA	Number one: Ninety One	Rating among top three	[IN – Raging Bull awards]
	Nedbank Money app average rating (out of five)	Delivering market-leading client experiences	GCC	⊖	4,4	4,4	4,4	Top tier app rating	Maintain top rating	[IN – iOS and Android app stores]
	Nedbank Private Wealth app average rating (out of five)		GCC	▲	4,6	4,5	4,6			[IN – iOS and Android app stores]
	SA-csi (%)	Overall satisfaction with our products and services	GCC	▲	81,9	81,1	80,2	Number two SA bank	Continue strong performance in client satisfaction	[LA] [IN – Consulta]
	Client complaints received (000)	Quality of service experience through effective complaints handling	GCC	▲	82,3	79,1	72,5	Not publicly available	Committed to providing world-class service	[MO]
	Banking Ombudsman cases in favour of Nedbank (%)		GCC	▲	70,9	65,9	72,3	73% industry average		[LA] [IN – Ombudsman]

¹ Peer average is the simple average for Absa, FirstRand and Standard Bank.

GCC – Considered as part of agreed goal commitment contracts, which impact STI and LTI allocations for executives.

CPT – Corporate performance target impacts LTI vesting percentage.

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 2021 Nedbank Group Limited Audited Annual Financial Statements.

Stakeholder value creation – key performance indicators continued

	Value unlocks	Value drivers	Executive remuneration	Yoy change	2021	2020	2019	Benchmark ¹	Outlook	Assurance
	Shareholders									
	Share price performance (%)	Share price appreciation		▲	35	(40)	(22)	29% (FINI 15)	Perform above peers	[IN – JSE]
	Full-year dividend per share (cents)	Dividend for shareholders		▲	1191	N/A	1 415	N/A	Pay dividends in line with board policy of 1,75 to 2,25 times cover	[MO] [FS]
	Full-year dividend per share cover (times)	Dividends for shareholders		▲	2,02	N/A	1,84	N/A		[MO] [FS]
	Price-to-book ratio	Valuation indicator of the Nedbank share		▲	0,9	0,7	1,2	1,4 peer average	Number two bank	[IN – JSE]
	MSCI ESG rating	ESG rating of most influential ratings agency	GCC	⊖	AA	AA	AA	Top 34% of global banks	Maintain ESG leader rating	[IN – MSCI]
	Regulators									
	CET1 ratio – Basel III (%)	Strength of capital position	GCC	▲	12,8	10,9	11,5	13,4 peer average (PA min: 7,5)	11–12	[MO] [OV]
	LCR ratio – Basel III (%)	Strength of liquidity position	GCC	▲	128,1	125,7	125,0	PA min: 80 for 2020 and 2021	> SARB minimum of 100	[MO] [OV]
	NSFR ratio – Basel III (%)	Strength of stable funding	GCC	▲	116,1	112,8	113,0	PA min: 100 for 2020 and 2021	> SARB minimum of 100	[MO] [OV]
	Notable regulatory fines or penalties paid (Rm)	Indicator of adherence to regulatory requirements	GCC	▼	< 6	< 7	< 18	N/A	Low, although risk of fines has increased	[MO] [OV]
	Taxes – direct, indirect and employees (Rbn)	Contribution to the fiscus	GCC	▲	11,2	8,7	11,6	N/A	Responsible taxpayer	[OV]
	Society									
	Consumer finance education – participants (000)	Value through education		▲	200,0	29,0	175,5	N/A	Maximum alignment of impact with strategy	[MO] [LA]
	Total socioeconomic spend (Rm)	Contribution to society		▲	121	103	130	Top 3: Trialogue CSI Handbook	Spend > R100m	[MO] [LA]
	Local procurement spend (% of total)	Supporting local suppliers	GCC	⊖	> 75	> 75	> 75	According to Amended FSC	> 75%	[MO] [LA]
	Carbon footprint offset to neutral (tCO ₂ e)	The impact of our business on the environment and society	GCC	▼	132 847	137 540	188 443	Nedbank market leader	Maintain carbon-neutrality	[LA]
	SEMS deals reviewed	The impact of our business on the environment and society		▼	703	764	526	Leader in disclosure	Enhance SEMS integration	[MO] [LA]
	Finance assessed under Equator Principles (US\$m)	The impact of our business on the environment and society		▲	59,7 (one deal)	45 (two deals)	75 (one deal)	Leader in disclosure	Enhance Equator Principles integration	[MO] [LA]
	Carbon footprint per full-time-equivalent employee (tCO ₂ e)	The impact of our business on the environment	GCC	⊖	4,71	4,71	6,09	Leader in performance on the Carbon Disclosure Project	Continue to reduce our impact through reduction targets	[MO] [LA]

¹ Peer average is the simple average for Absa, FirstRand and Standard Bank.

GCC – Considered as part of agreed goal commitment contracts, which impact STI and LTI allocations for executives.

CPT – Corporate performance target impacts LTI vesting percentage.

Assurance indicators

LA

External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBEE status [LA2]. Related opinions are available at nedbankgroup.co.za.

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Management and board oversight through rigorous internal reporting governed by the group's ERMF.

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Information sourced from external sources, eg independent surveys.

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Independent oversight by regulatory bodies, including SARB, FSCA and various financial-sector ombudsman offices.

FS

Financial information extracted from the 2021 Nedbank Group Limited Audited Annual Financial Statements.



This chapter discloses the sustainable-development actions and investments we have made through our core business, and therefore our contribution to solving the critical challenges embedded in the United Nations Sustainable Development Goals.

Sustainable Development Review

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Sustainable-development finance	10
Sustainable-finance solutions	11

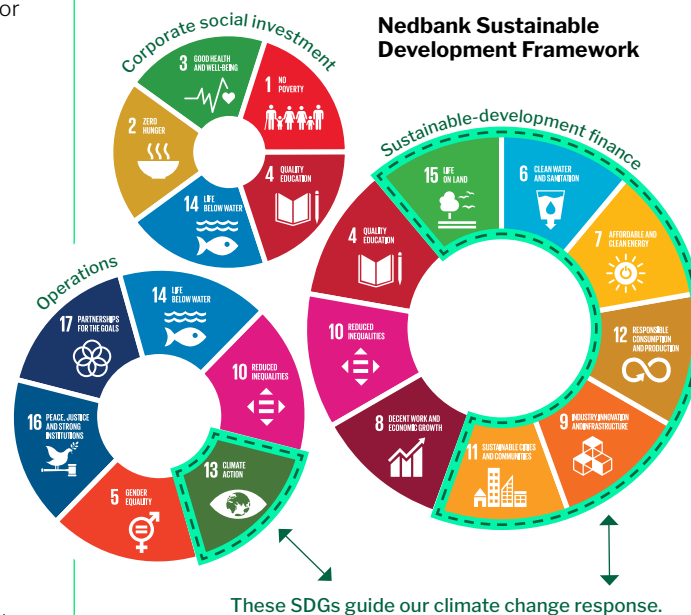
Purpose-led value creation

Nedbank is aware that it, alongside its stakeholders, operates in a nested, interdependent system. This means that for our business to succeed, we need a thriving economy, a well-functioning society and a healthy environment. We also recognise that sustainability issues such as climate change, inequality, social justice and, most recently, pandemics are playing an increasingly material role in shaping this system.

Our purpose guides our strategy, behaviours and actions towards the delivery of long-term systems value for us and our stakeholders. We use the Nedbank Sustainable Development Framework to focus our efforts and identify strategic focus areas with business opportunities and risks as well as cost savings. While the precise value of these savings and opportunities may differ across geographies at a global level, they are colossal, with the Business and Sustainable Development Commission estimating them to be over US\$12 trillion annually by 2030. We have prioritised nine of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through innovation in our banking products as well as lending and investment practices. These nine goals

are championed by nine group executives who are mandated to ensure that the percentage of our lending and investment towards sustainable-development finance grows in a manner commensurate with the needs of our clients, the size of the strategic opportunities offered and our desire to capture a competitive advantage in this area. This activity is a key part of Nedbank's overall strategy, driven through the 'creating positive impacts' focus area.

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



To maximise their contributions to sustainable development and achieve the outcomes required, financial institutions must commit to the deliberate allocation of capital in steadily increasing amounts that match the scale and time sensitivity of the societal and environmental challenges threatening to erode long-term economic and sociopolitical stability.

The increasing attention to and prioritisation of environmental, social and governance (ESG) factors by organisations and their investors will add impetus to the realisation of the SDGs as economic activity starts to 'normalise' following two harrowing Covid-19 years.

In 2021 the sector started to realise this shift, with global green bond issuances to date exceeding US\$1 trillion (of which US\$150bn worth have been certified) and other sustainable financial instruments starting to scale as well. Many banks committed publicly to new sustainable-finance investment targets to the tune of trillions of US dollars to finance mitigation and adaptation activities that will enable a Just Transition.

At Nedbank, we recognise that there can be no authentic response to ESG matters without genuine ambition to be an effective catalytic agent of positive change. Being effective is possible only with a clearly defined purpose that acts as an organisation's North Star. For Nedbank that means using our financial expertise to do good for our stakeholders, using the SDGs as guidance for investing in new markets and meeting unmet client needs.

Together, the SDGs (as forward-looking strategic levers) and ESG (as a backward-looking measure of sustainable-financing activities) keep us on track to fulfilling our purpose consistently. Through our sustainable-development finance commitments, we aim to become the model that finance institutions want to emulate to help address the world's ESG challenges. We know that a relentless focus on sustainable-development finance rather than philanthropy is the most impactful lever we, and all other banks, have at our disposal to drive progress towards the achievement of the SDGs.

Nedbank targets and commitments

As at 31 December 2021, we have provided and/or raised over R100bn in SDG-related financing and funding relating to SDGs 4, 6, 7, 8, 9, 10, 11, 12 and 15 we will continue to expand on our ambition in our next round of annual reporting. In line with this we commit to increasing the percentage of our lending, investment and funding towards sustainable-development finance in a manner commensurate with the needs of our clients, the size of the strategic opportunities offered and our desire to continue to leverage our competitive advantage in this area.

We have provided and/or raised over
R100bn
in SDG-related financing as at 31 December 2021

For the first time, environmental and social commitments have been included in the group's 2022 long-term incentive scheme, including delivery on our Energy Policy and sustainable-development financing.

Supporting our clients' transition

Continue support of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), with limits increased to R50bn and reconsidered as the programme continues with its success.

2022 Increase financing for embedded-energy projects to R2bn.

2050 Support a net-zero carbon economy through 100% of our lending and investment activity.

Tilting our book

2025 No provision of project financing for new thermal-coal mines, regardless of jurisdiction.

2030 Thermal-coal funding declining to 0,5% of group total advances.

2035 No advancing of any new finance for oil production, regardless of jurisdiction.

2045 Nedbank aims to have zero exposure to all fossil-fuel-related activities.

Sustainable-finance solutions

Providing sustainable-finance solutions is a key imperative for Nedbank. Our specialised sector, corporate finance, capital markets, sustainable-finance and relationship teams work alongside our clients to finance transactions that progress the Just Transition that is required within our built environments as well as energy, transport and food systems. Key products include project finance for green infrastructure; corporate and investment finance and advisory services for the agriculture, water, waste and renewables sectors; and sustainability-linked loans as well as social and green bonds.

In 2021 Nedbank disbursed R3bn to clients in the form of sustainability-linked loans that embed sustainability performance criteria in the following areas:

- Reduction in carbon emissions
- Improvement in water quality
- Achievement of energy efficiencies
- Local sourcing of goods

Bond transactions continued to dominate the sustainable-finance market in 2021, including green bonds funding renewable energy, social bonds creating jobs, and sustainability bonds contributing to achieving the SDGs.

Nedbank has pioneered in this field once again by strategically raising 'use of proceeds' green funds from the capital markets to on-lend into key green impact sectors such as renewable-energy and green residential developments.

To date Nedbank has raised R6,8bn on green bonds, with R2,1bn raised during 2021.

The additional finance raised during 2021 consisted of the following instruments:

R910m

was raised through the issuance of the **first green additional tier 1 instrument in Africa from a commercial bank**. The funding will be directed strategically to supporting the financing of new green renewable-energy projects in SA.

R125m

was raised through the issuance of a **green housing bond**. The proceeds raised will support additional mortgage finance solutions for consumers buying into green-certified developments.

R1,09bn

was raised through the issuance of a **green residential development bond**. The solution is unique in that it leverages blended financing. The proceeds raised will finance EDGE-certified* green residential housing developments in SA, up to 75% of which are anticipated to be in the affordable-housing segment. This instrument is a first of its kind.

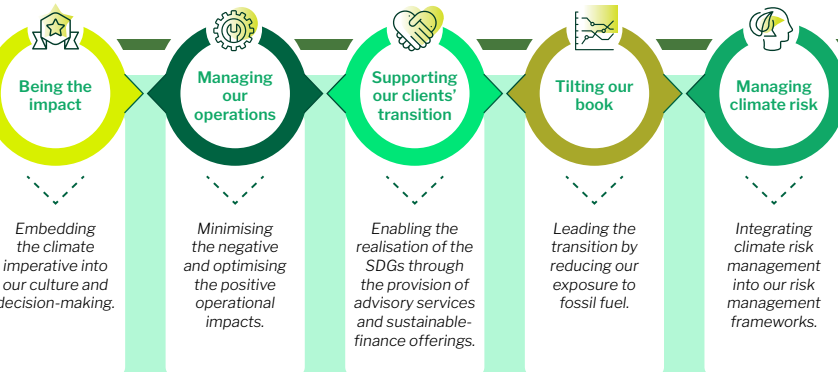
* Excellence in Design for Greater Efficiencies (EDGE) certification gives homeowners assurance that their homes are designed to be resource-efficient.



SDG 13: Addressing climate change

Climate change is the biggest challenge humankind has ever had to face. Responding effectively to this challenge requires appropriate application of immense financial resources, as well as bold and courageous leadership from the banking sector, given that the benefits of such an investment may accrue to beneficiaries outside of their traditional stakeholder base and over longer periods. Delivering on this responsibility requires a large-scale paradigm shift for most banks – one that moves them from purely commercial ambitions with value appreciated only in financial terms, to purpose-driven operations with positive societal and environmental impacts valued and integrated into financial models.

We address climate change by focusing on the following areas, which are discussed at length in our 2021 TCFD Report.



Key deliverables in 2021:

Being the impact

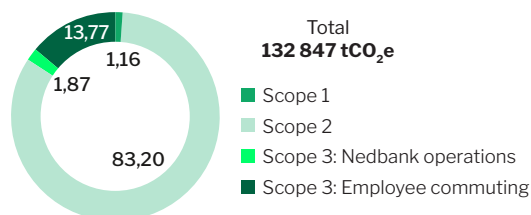
Climate training:

- Over 2 100 employees completed our electronic Climate 101 Training.
- More than 1 500 employees attended lectures on climate issues through the Nedbank Risk Training School.

Managing our operations

- Carbon-neutral operations for 12 years.
- On track to meet internal reduction targets.

Nedbank Group 2021 carbon footprint (%)



Resource consumption not reflected above.
Includes water consumption of 156 261 kℓ (2020: 191 194 kℓ);
95 tonnes (2020: 116 tonnes) of waste sent to landfill and
318 tonnes (2020: 329 tonnes) of waste recycled.

Supporting our clients' transition

- We are committed to supporting our clients as they transition their businesses to succeed in a low-carbon economy. The six SDGs that respond directly to addressing climate and activity are:



Titling our book

- Nedbank is committed to transitioning its lending book away from fossil fuels. We were one of the first banks to commit to stopping the financing of coal-fired power plants. We reinforced this commitment with our Thermal Coal Policy in 2019, which committed us to reducing our financing of coal.
- In 2020 Nedbank conducted an in-depth analysis of global carbon budgets corresponding to the Paris Agreement temperature thresholds, focusing on implications for the energy system transformation. This analysis revealed consequences for the future of fossil fuels and related financing decisions.
- In 2021 we adopted our Energy Policy, which serves to guide the transition away from fossil fuels, while accelerating efforts to finance non-fossil energy solutions needed to support socioeconomic development and build resilience to climate change, including renewable energy, energy efficiency, energy storage, electrification of high-emitting sectors (eg surface transport and heat) and other emerging technologies such as hydrogen if, when and where appropriate.

- The Energy Policy aligns and gives expression to the Nedbank Climate Change Position Statement, which outlines the commitment of the bank, over time, to aligning its business strategy, policies, mandates and incentives with the Paris Agreement. This Energy Policy integrates and supersedes the financing policy on activities related to thermal coal. We will develop relevant sector policies over the next few years to inform how we will help clients across all sectors – and society more broadly – to achieve the ambition of a net-zero economy.
- Through the ongoing development and implementation of these policies, we will play a leading role in addressing climate change in ways that are sensitive to the local context, including climate vulnerability, development imperatives and structural economic challenges.

Managing climate risk

- Climate risk is integrated into other risk types (eg credit, market, operational and funding risks) and included in the Internal Capital Adequacy Assessment Process.
- Climate risk appetite targets and limits were set in 2020 and were all within appetite during 2021.
- Embedded governance structures include the following:
 - » The Group Climate Resilience Committee (board subcommittee).
 - » The Climate Risk Committee [Group Executive (Exco) subcommittee].
 - » The Climate Task Team.

Case study

Supporting Imperial Logistics' ESG journey

We actively engage with our clients on their ESG strategies to help them deliver a positive impact through their sustainable-development journeys.

An example of this is the R1bn sustainability-linked credit facility instrument developed for Imperial Logistics. Imperial has set key objectives and targets to enable them to achieve their longer-term ESG aspirations, which are to strive for zero harm to people and the environment, as well as to identify viable technologies that will support the transition of Imperial's emissions to net zero by 2050. The savings obtained through this ESG facility from Nedbank will be deployed into green projects that will contribute to Imperial's achieving its ESG ambitions.



Sustainable-development reporting and disclosure requirements

Sustainable-finance and sustainability-aligned frameworks, guidelines and taxonomies, as well as disclosure requirements, continued to proliferate in 2021. A move to standardise some of the more prominent artefacts, while still recognising the need for local context, has begun. The standardisation of these requirements to some degree and the use of a common language will help with clarity and certainty for sustainable-development project originators, banks and investors alike.

For those not close to the sustainable-development agenda issues, the terms 'ESG' and 'sustainability' may seem interchangeable, but this is not the case; they are linked inextricably, yet importantly different. Adherence to ESG standards and frameworks is typically delivered through company reporting. This is a valuable means of assessing the resilience of an organisation and the extent of its sincere commitment to ESG imperatives, offering a framework to evaluate companies' extra-financial performance against peers. In contrast, sustainability is explicitly normative. The SDGs are a set of desirable outcomes that aim to bring about a more prosperous and equitable society. They represent a strategic guide and lens to identify new market opportunities and unmet needs. The SDGs also provide a common language and direction for governments and civil and private sectors to work towards, with ESG the manner to measure this performance.

The following pages document important sustainable-finance solutions provided over the course of 2021.



SDG 4: Quality education

Education remains the single most important catalyst to a better future for all people. A sound education unlocks potential, removes barriers and enables individuals to take advantage of opportunities that can improve their lives. For all these reasons, Nedbank invests financial and non-financial resources, partnering with like-minded organisations, contributing to innovative solutions that create more equitable access to education, ensuring the availability of learning resources and addressing the increased education inequalities brought about by Covid-19. ,

Anna Isaac
Group Chief
Compliance Officer



Key SDG 4 progress findings for 2021

Before the Covid-19 pandemic, progress in education was already too slow to achieve SDG 4 by 2030. Special efforts are required to recover learning losses caused by Covid-19. But, despite this, an estimated 65% of governments in low- and lower-middle-income countries, and 35% in upper-middle- and high-income countries, have reduced funding for education since the onset of the pandemic, and two in three students remain affected by full or partial school closures.

Fall in standards is accelerating – An additional 101 million children (roughly 9% of those in primary and lower secondary school) are projected to have fallen below the minimum reading proficiency threshold in 2020. This wipes out the progress achieved in education over the past 20 years.

Education inequalities persist – Large disparities in school completion across population groups remain pervasive and the pandemic is expected to further slow or even reverse progress in education completion.

Greater education focus is vital to the future labour force – Continuing education and training is key to improved livelihoods and to developing a labour force that is resilient to economic shocks and adaptable to technological change.

Source: UN Sustainable Development Goals Report 2021

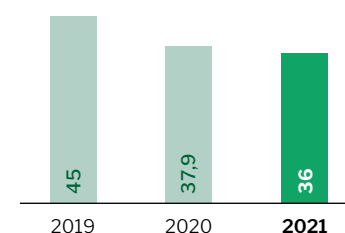
Nedbank's contributions to SDG 4 in 2021 include the following:

Student loans

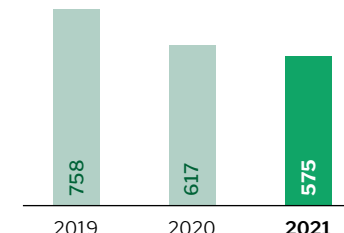
Nedbank takes a holistic approach to providing student funding, offering financial assistance that goes beyond paying tuition costs and includes everything from student fees and textbooks to accommodation and transport. The loans are provided at attractive interest rates and with flexible repayment terms. During their studies, internship and articles students are required to repay only the interest on their loans. Capital payback begins once the student has qualified and entered employment.

Over the past five years, we have provided 5 977 of these student loans to the value of R364m. A total of R36m (2020: R37,9m) of this was disbursed in 2021 to support 575 students (2020: 617).

Value of student loans provided
(Rm)



Number of students



Given the size of the need, we acknowledge that lending to less than 1 000 students a year is not materially addressing the challenge, and we have looked at how funding of alternative solutions can be scaled. Please see the case study on the following page.

SDG 4: Quality education continued

Case study

Funding alternative for 'missing middle' students



Nedbank partnered with an alternative student funding organisation to deliver an innovative finance option for institutions offering assistance to tertiary students who fall within the so-called 'missing middle' segment.

These are students who do not meet the household income criteria to qualify for funding from the National Student Financial Aid Scheme and cannot access traditional student loans from financial institutions like banks.

The risk-sharing model sees education institutes, like universities, assume a portion of the credit risk. The education institute receives 25% of the course fee upfront from the alternative student funding organisation. The balance is then payable over the duration of the loan. Should the student default on the remaining 75%, the education institute carries the risk.

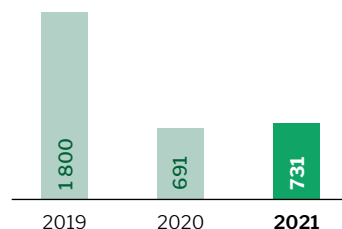
Nedbank provided a R10m facility that will enable the creation of approximately 800 new tertiary education loans for previously disadvantaged individuals. The goal is to help grow a generation of smart young South Africans who have the tools they need to become skilled professionals who can make a significant contribution to the economic growth and development of the country. Due to the initial success of the partnership, as well as high demand for the funding, Nedbank is considering further funding to expand the impact of the offering.

Student accommodation

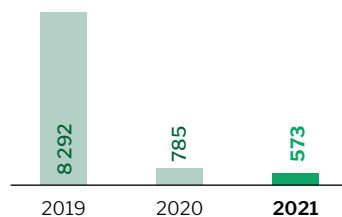
Affordable accommodation near tertiary institutions is a vital component of holistic access to quality education. A shortage of suitable student accommodation remains a challenge in SA, with Department of Higher Education and Training estimates pointing to existing on-campus student housing catering to the needs of fewer than 20% of students in the country.

To solve this student accommodation challenge, Nedbank has positioned itself as a significant contributor to and stakeholder in the provision of accommodation for students at various tertiary institutions. Our exposure to this sector amounts to approximately R6bn and has facilitated the delivery of 42 758 student beds since 2015.

Value of accommodation provided (Rm)

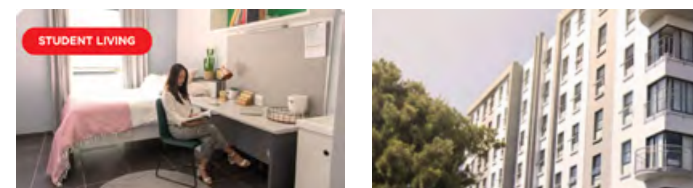


Number of beds



In 2021 we partnered with our clients to invest R169m (2020: R691m) into the sector, which delivered an additional 573 beds and refinanced R500m of the existing exposure.

Unfortunately, Covid-19 delayed new development transactions in 2021, with developers taking a much more conservative approach in their planning and delivery of these projects. This resulted in many projects being postponed to 2022. Completion of these developments will depend on the ongoing impact of the pandemic on tertiary education institutions. However, we believe strong demand for such accommodation remains and that online or remote learning is unlikely to have an impact on demand for student accommodation in the short to medium term.



Partnering to deliver affordable education products

Nedbank has numerous well-established partnerships with various academic and learning organisations, including the Shaw Academy, MoveUp, TeachSA and the Global Teachers Initiative. These institutions offer a variety of valuable education services, from discounted online courses and CV creation to work readiness programmes for students as well as resilience programmes for teachers. These services are made available through Nedbank platforms like Avo and Unlocked.Me. Course content covers a range of topics, including finance, business, languages, photography, health and fitness, marketing, technology, design and beauty for adults, as well as job readiness.

Highlights of these partnerships in 2021 included the following:

- The creation of nearly 630 000 free smart CVs through MoveUp, providing a saving of around R200 per person in CV creation costs.
- A total of 187 000 courses completed through MoveUp.
- Continued high female registration numbers – 67% of all registrations in 2021 were female and total female registrations stand at 58,2% of all registrations to date.



SDG 6: Clean water and sanitation

Water is not only essential for life. Access to safe water and sanitation is a vital pillar on which all economic activity and productivity rest. Many of the African countries in which Nedbank operates are water-scarce regions with poor water storage, purification and delivery infrastructure. Access to appropriate water development funding is an imperative, and Nedbank takes seriously its role as a facilitator of effective water partnerships and investments that can catalyse sustainable socioeconomic development. 🗨️

Dr Terence Sibiya
Group Managing
Executive:
Nedbank Africa
Regions



Key SDG 6 progress findings for 2021

Covid-19 has further underscored the need for universal access to water and sanitation services to promote a healthy, green and sustainable recovery. Currently, across the globe, only two in three schools have basic drinking water and sanitation services, and just three in five schools have basic hygiene services. The world is not on track to achieve SDG 6. A dramatic acceleration in current rates of progress and integrated and holistic approaches to water management are needed desperately.

Universal access is fundamental – Despite global progress in delivering access to water in recent years, around two billion people still lack safely managed drinking water, including 771 million people who are without even basic drinking water. Half of those lacking basic drinking water services (387 million) live in sub-Saharan Africa.

Water stress is getting worse – Improving water use efficiency is key to reducing water stress. More concrete measures are needed to save water and increase water use efficiency, particularly in those regions that have or are close to having a high to critical level of water stress.

Urgent response is needed to freshwater ecosystem challenges – Freshwater ecosystems are changing dramatically. One fifth of the world's river basins are experiencing rapid decreases in surface water areas and, globally, lake water quality is poor. Countries are lagging in the implementation of integrated management of water resources central to a sustainable future.

Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 6 in 2021 include the following:

Innovating to promote water security

Much of the African continent, including SA, is water-constrained, with many of its citizens lacking access to clean and safe water and sanitation services. Climate change is exacerbating these constraints, making a focus on water security, provision, and protection critical for all stakeholders.

Nedbank believes that a programmatic approach to water and sanitation is required, much like the successful REIPPPP, which has delivered excellent results in recent years. Major sector players, such as the Development Bank of Southern Africa, with input from South African commercial banks, have been working on such an approach. For us, the key focus is on providing innovative financial solutions that enable the delivery of fresh drinking water and sanitation, improve water quality, facilitate recycling to potable levels, increase water use efficiency and restore ecosystems.

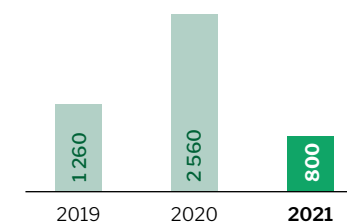
Given that the investment deficit for SA alone is estimated at well over R30bn per annum, the limited number of bankable projects in this sector remains a challenge, along with typically long lead times for the completion of transactions as well as challenging governance issues in the sector. While we managed to lend to more projects and clients in the water sector in 2021 than in 2020, this combination of factors continues to hamper our delivery of SDG 6.

Through our Corporate and Investment Banking and Business Banking divisions, we offer financial solutions to participants

in the mining, commercial, industrial, and agricultural sectors to enable them to access safe and affordable potable water and adequate sanitation, and to enhance water use efficiency through water-recycling, treatment, harvesting and reuse.

During the 2021 financial year funding transactions to the value of R437m were completed. Many of these transactions were concluded in the agricultural sector, where recipients used the money to replace ageing and inefficient irrigation systems with improved technology. There has also been a notable increase in interest in the funding solutions from commercial and industrial businesses that are becoming increasingly aware of the risks of water scarcity to their sustainability, and the importance of water recycling, purification and rainwater harvesting. Given the possibility that these loans can be repaid from the often significant savings on water utility bills, the offering minimises the impact on business cash flows.

Funding water transactions
(Rm)



SDG 6: Clean water and sanitation continued

Highlights for the past financial year are as follows:

- Nedbank remains the sole lender and preference share issuer to the only two private water and sanitation concessions in SA.
- We support key public and private clients in the sector, including Rand Water, Umgeni Water, Trans-Caledon Tunnel Authority and Nafasi Water.
- We have advanced a R20m debt finance facility for the construction of a 4 000 kℓ per day water treatment plant at Sibanye's Kloof mine main shaft.
- We continue to participate in key water deals outside of SA, including deals in Eswatini and Lesotho.
- Nedbank participates in the Strategic Water Partnership Network, hosted by the National Business Forum, which supports the Department of Water and Sanitation. The partnership aims to close the 17% gap between water supply and demand that is anticipated to manifest in SA by 2030. For more information please refer to the [Stakeholder Engagement Review](#).

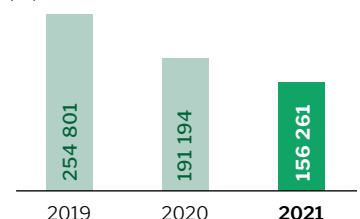
During 2021 Nedbank was awarded five public sector infrastructure finance tenders to the value of R363m. Some of the municipalities that leveraged Nedbank funding to optimise water delivery to their citizens were the following:

- Mpumalanga Municipality** – wastewater treatment and replacement of old water networks.
- Western Cape Municipality** – upgraded sewer infrastructure and replaced ageing water infrastructure; upgraded the main sewer networks, water supply pipelines and a reservoir; acquired demand management devices; and upgraded the central business district water reticulation.

Taking water action in our operations

- Net-zero operational water usage:** Thanks to our support of the WWF Water Balance Programme, which removes invasive alien trees in key water source areas, we are effectively a net-zero operational water user since 2018.
- Reductions in office water usage:** In 2021 total water consumption across all our campus sites decreased by 18% to 156 261 kℓ (2020: 191 194 kℓ). This decline was driven by floorspace consolidations and reduced levels of occupancy in our campus sites due to the lockdowns. We continued with our commitment to water efficiency in our operations despite fewer employees being able to use our facilities.

Total water consumption across all campus sites
(kℓ)



Over the past five years more than R165m has been invested in 72 water and conservation projects through the WWF Nedbank Green Trust. Altogether, 17 of those projects at an investment of nearly R41m focused on water (fresh and marine).

Case study

WWF Nedbank Green Trust* Project: Restoring the waterways in the Philippi Horticultural Area

The Philippi Horticultural Area (PHA) is an area of great environmental importance for the City of Cape Town. It is a natural recharge area for the Cape Flats Aquifer and a critical area for food security in Cape Town because of its lower-than-average monthly temperatures during the hot summer months.

The project was started by the Stellenbosch University Water Institute in 2020 and is jointly funded by the WWF Nedbank Green Trust, Water Research Institute and Western Cape Provincial Department of Agriculture. The R3,7m investment involves restoring declining water quality, improving community cohesion and creating job opportunities in this horticultural area on the Cape Flats. A total of 31 job opportunities (70% women and 30% men) have been created.

The benefits of this multifaceted approach are numerous, with the project assisting in the restoring of adverse community relations between farmers, informal settlement dwellers and property owners who have previously been antagonistic towards each other but are now working together on the project. By clearing rubbish and debris out of these canals, the project is beginning to improve the quality of water infiltrating the Cape Flats Aquifer System. Overall, this means an increase in good-quality recharge that will gradually improve groundwater quality and farming yields in the area. From a business perspective, the community is being empowered to take over the research project through the development of three primary cooperatives (tourism, labour and agriculture and water management) in the community that will eventually be able to apply for funding and tender for opportunities on their own. A total of 60 people (mostly women) from diverse communities in the PHA (farmers, formal and informal residents) have been trained in the management of these cooperatives, and the project is in the process of registering these cooperatives so that they can take over the running of the project when the research has been completed.



* Nedbank, through donations on behalf of our clients, is the sole funder of the WWF Nedbank Green Trust.



SDG 7: Affordable and clean energy

According to the UN Environment Programme, more than three billion people across the world still rely on wood, coal, charcoal or animal waste for cooking and heating. Not only is this lack of access to safe and reliable energy sources a highly inequitable situation, but the extensive use of wood and charcoal, whether at household levels or in the generation of electricity, is also a massive contributor to poor health outcomes and carbon emissions. Nedbank is changing this reality by contributing to an equitable, sustainable-energy sector that incorporates renewable-energy sources such as solar, wind and hydropower, and accelerating access for all to clean, reliable and affordable energy. ,

Mike Davis
Chief Financial Officer



Key SDG 7 progress findings for 2021

Over the past decade access to electricity has expanded, use of renewable energy in the electricity sector has increased, and energy efficiency has improved. However, hundreds of millions of people still lack electricity, and progress across regions has been uneven in terms of ensuring access to affordable energy.

Substantial energy investment on a systematic scale is vital – Improving energy efficiency, along with increasing renewable-energy deployment, is central to the global goal of reducing greenhouse gas emissions.

Poverty is limiting electricity access in parts of Africa and Asia – The global electricity access rate improved from 83% in 2010 to 90% in 2019, with 1,1 billion people receiving electricity for the first time. However, 759 million people were still without access to electricity in 2019, with three-quarters of them in sub-Saharan Africa. In Africa as a whole, the number of people without electricity has increased in the early part of the new decade after having declined for at least six years before the outbreak of Covid-19.

Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 7 in 2021 include the following:

Utility-scale renewable-energy finance

Nedbank, through its investment bank, is a leading funder of renewable energy in SA. We identified the opportunity to participate in the REIPPP in its very early stages and have successfully grown our book through all the rounds to date. Our participation in the programme has also created opportunities for successful collaboration within our organisation, which has created additional value for our clients. Today, Nedbank is at the forefront of renewable-energy finance and is a leading funder of the REIPPPP in SA, funding diverse renewable-energy projects that have added a total of 3 517 MW to the national electricity grid as part of a total of the 6 422 MW added.

An overview of our lending activities within the REIPPPP:

Description/Year	2021	2020	2019
Arranging (number of renewable-energy deals)	42	42	42
Limit*	R35,6bn	R36,2bn	R35,9bn
Drawn exposure	R29,0bn	R31,5bn	R25,4bn

* Limits include all committed facilities approved to the clients in the respective portfolios.

Case study

Wind farms contribute to SA's energy needs

One of the wind farms financed by the Nedbank Energy Finance Team was completed in 2014 and has been supplying power to SA ever since.

During 2021 the windfarm supplied 316,5 GWh to the grid, representing about 1,5% of SA's total generation. Besides generating a significant amount of power, this project contributes to the social upliftment of the surrounding communities, including through over 470 jobs. Highlights for the year include the successful completion of a youth skills development project, the provision of early-childhood development infrastructure and providing practical training to wind turbine technician students.



SDG 7: Affordable and clean energy continued

Embedded-energy-generation finance

The embedded-energy-generation market continues to develop rapidly and is expected to continue gaining momentum as markets open due to the relaxation of lockdown restrictions. Government is helping to catalyse this sector growth with the lifting of the licensing floor for energy projects in the private sector (embedded generation) from 1 MW to 100 MW. The announcement was in response to ongoing load-shedding, significant pressure on the ageing Eskom generation fleet, and lobbying by business and civil society. We are well positioned to take advantage of the embedded-energy amendment to help accelerate the necessary green energy transition in SA and the rest of Africa.

Many businesses have now pledged strong carbon reduction plans and this change to the embedded-generation regulations will help them achieve these goals. The shift to 100 MW has been broadly welcomed by labour, business, civil society and the public, as a significant step towards addressing energy supply constraints effectively and stimulating sustainable economic investment and job creation in SA.

Nedbank is targeting R2,0bn of embedded-energy financing by the end of 2022. Deal flow in 2021 saw our Investment Banking division completing three material transactions totalling over R420m and our Business Banking division completing 40 transactions totalling R191m, with a healthy pipeline of future deals in place.

Case study

Embedded-energy funding in action

In 2021 we provided R116m in funding to the Mulilo Energy Group for a portfolio of rooftop solar photovoltaics (PV) projects across SA.

Mulilo is a renewable-energy developer with extensive solar PV and wind projects in progress. They have been at the forefront of SA's drive to deliver clean and affordable electricity to the national grid through the REIPPP. With Nedbank debt funding, Mulilo was able to implement an embedded-generation-solar-energy portfolio across 11 Coca-Cola bottling plants in SA. The transaction was structured on the back of a power purchase agreement between Mulilo and Coca-Cola, through which Mulilo would own the projects and sell the electricity to Coca-Cola. The combined generation capacity of the 11 projects is approximately 11 MW, and they are expected to generate around 16,9 GWh of electricity annually. The shift to renewable energy will also have a positive climate change impact through a 16 200 tCO₂ reduction by these manufacturing plants.

Embedded-energy solutions

Nedbank's renewable-energy financing offering provides term debt funding for medium to large commercial, industrial and agricultural businesses to construct, install and maintain components needed for the production of clean energy, including wind, solar, hydropower, biomass, and geothermal generation. Typically, the installations funded by our Business Banking division produce up to 1 MW of power and cost an average of R3m to R4m. The energy is mostly for own use, but applications to fund energy efficiency initiatives in new and refurbished buildings, energy storage infrastructure, smart grids, appliances and products are also considered.

Renewable energy in agriculture

- **Biomass energy generation funding** – During the 2021 financial year Nedbank provided funding for the establishment of a 500 kW biogas-fired steam boiler and a 120 kW biogas-fired generator at a poultry farm in the Western Cape. This is the first bioenergy installation we have funded, but the success of the plant points to demand for this type of renewable-energy funding increasing going forward. Waste from the farm and abattoir, which was previously pumped into a slurry dam, is now converted into gas used to heat the chicken hatchery and to generate electricity for the cheese factory, piggery and abattoir. The residue is used for soil enrichment. The farmer does not own the equipment, but has an offtake agreement with the energy company to provide heat and energy for which the farmer pays a predetermined rate. While the initial installation was a small plant costing R6m, the energy company is planning on scaling up its operations to create a sustainable revenue stream in the form of annuity income.
- **Mushroom grower goes green** – We provided R2,6m in funding to enable a large mushroom grower in KwaZulu-Natal to install approximately 212 kWh of renewable-energy capacity as part of the total energy mix on his farm. The aim was to reduce the client's 100% reliance on the Eskom grid, contain the escalating energy costs and deliver environmental benefits. The funding is amortised over an extended period and is covered comfortably by the savings achieved on electricity costs.



SDG 7: Affordable and clean energy continued

Supporting embedded energy across the continent

In the year under review many of Nedbank's clients outside of SA looked to install embedded-energy-generation solutions. Some of these projects that Nedbank enabled were as follows:

Namibia

Embedded-energy deals to the value of N\$151,7m were completed in 2021. These installations have a generation capacity of 15 MW and are expected to generate over 36 000 MWh annually.

- **Dunes Mall** – funding for rooftop solar installations to help with energy generation for common areas in the mall, thereby reducing running costs.
- **Allensby Capital** – funding for rooftop solar installations that they then lease out.
- **Vingerklip Lodge** – funding for rooftop solar installations to generate reliable electricity and reduce operating expenses.
- **Okapuka Ranch** – funding for rooftop solar installations to generate reliable electricity and reduce operating expenses.
- **Nedbank Namibia head office** – green material funding for the implementation of solar and energy-efficient solutions in the new building.

Mozambique

Loan funding of R15,2m was provided to Magra Limited for the establishment of a solar plant to power crop irrigation equipment. The installation has a generation capacity of 1,5 MW and is expected to generate over 3 000 MWh annually.

Eswatini

Embedded-energy deals to the value of E25,2m were completed in 2021. These installations have a generation capacity of 2,5 MW and are expected to generate over 6 000 MWh annually.

- **Canterbury** – funding for a rooftop solar installation to generate electricity to reduce operating expenses.
- **Tambankulu Estate** – funding for a rooftop solar installation to generate electricity to reduce operating expenses.

In addition, E600m was approved for contractors taking part in tenders for solar electricity supply to the Eswatini Electricity Company.



Residential solar-energy finance

The cost of electricity continues to put a strain on the finances of most South Africans, so we are helping our clients manage their electricity budget and reduce, or negate, their monthly electricity bills.

In mid-2020 we launched a residential solar-energy finance offering that allows clients to leverage their home loans to fund the installation of solar panels and put them in contact with accredited solar installers. To date, interest in this solar offering has been positive, with over R14,1m in loans made towards residential solar installations.

In 2021 we added a new product for affordable-housing clients and first-time homeowners. The solution enables them to invest in water- and energy-efficient technology for their homes. In addition to the reduced living costs due to cheaper utility bills and lower maintenance costs, the finance for the product is also offered at a reduced interest rate.



Green Building Council: EDGE client value proposition

Nedbank supports the Green Building Council's commitment to reducing the costs of formal housing through the introduction of the International Finance Corporation (IFC) EDGE accreditation system to support energy-efficient buildings. Following a successful pilot in late 2020, we launched a new targeted client value proposition for EDGE-accredited developments. This included the payment of three months' levies for qualifying clients, resulting in R51m in grants. In addition, in late 2021, a bond-plus-cost offering was launched for first-time homebuyers who are main-banked with Nedbank and buying property of up to R1,5m in an EDGE-accredited development.

SDG 8: Decent work and economic growth

6 Raising employment levels and ensuring that all people have access to decent work opportunities are vital for sustainable development. Quality employment not only provides essential income, but also helps to reduce inequalities, address poverty, and empower people to achieve their aspirations and live decent lives. Despite global efforts to create employment opportunities, the challenge of unemployment grows, particularly across Africa, hampering sustainable economic development and limiting meaningful and sustainable social upliftment. An urgent, collaborative and innovative response is needed, and Nedbank is committed to contributing to that response through purpose-led investments and financial solutions.

Priya Naidoo
Group Executive:
Strategy



Key SDG 8 progress findings for 2021

The Covid-19 crisis disrupted economic activities around the world and caused the worst recession since the Great Depression. In 2020, 8,8% of global working hours were lost, equivalent to 255 million full-time jobs. The pandemic has put workers in informal employment at most risk, as they lack protection against illness or lockdowns.

Road to economic recovery may be bumpy and long – The global economy grew by an average of about 2% from 2014 to 2018. In 2019 real gross domestic product (GDP) per capita increased by only 1,3% globally and is estimated to have decreased by 4,6 % in 2020. While real GDP growth in the least-developed countries is projected to pick up again, it is expected to remain well below the 7% target envisioned by the 2030 Agenda for Sustainable Development.

Massive job losses, particularly among youth and women – By 2020 the global unemployment rate had reached 6,5%. The number of people unemployed worldwide increased by 33 million, reaching 220 million. Youth and women were especially hard hit. This is not surprising, as young workers were more severely affected than older workers by employment losses, and both technical and vocational education and on-the-job training suffered massive disruption, forcing many to quit their studies.

Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 8 in 2021 include the following:

Inclusive banking solutions for individuals and small groups

We offer a range of banking solutions customised to the needs of individuals and small groups of clients, including zero-fee propositions for individuals and a stokvel product with unique funeral benefits and discounts on goods.

MobiMoney

Our digital wallet-based solution, Nedbank MobiMoney, enables easy access to banking services without the need for a formal bank account. It is designed to keep money safe, enable clients to send money to other people, and facilitate the buying of electricity and airtime. Between 2019 and 2021, 1,4 million MobiMoney Accounts were opened.

The MobiMoney offering was also enhanced in 2021 with additional functionality that enables the payment of beneficiaries via the wallet and allows for cashless payments for small businesses such as informal traders. During the year under review, we also concluded several strategic partnerships, including an agreement with Pick n Pay to provide cardless cash-out vouchers in its stores. This gives MobiMoney clients the opportunity to 'withdraw' money from their wallets. We also entered in a partnership with the South African Red Cross Society to enable the payment of digital cash relief to recipients in need.

An example of the way in which Nedbank is leading the transformation of mobile channels in SA is our facility that enables clients to apply for foundational funeral cover and buy grocery vouchers via our Cellphone Banking channel. Future enhancements will include the functionality to access micro loans.

Stokvel Account

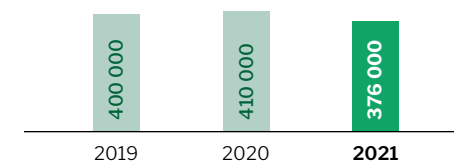
The Nedbank Stokvel Account offers competitive returns, zero monthly maintenance fees, financial education for members, as well as a funeral cover of R10 000 per member at a discounted premium of just R25 per member per month (up to 65 years), and up to 10% shopping discounts at various retailers such as Makro, Waltons, Fashion Fusion and Mr Price.

Since the Nedbank Stokvel Account was launched in 2018, more than 4 200 accounts have been opened, with deposits of over R75m having been made. A total of 662 new Nedbank Stokvel Accounts were opened in 2021, with an average of 32 000 active people insured through its innovative funeral cover solution.

Pay-as-you-use Account

In 2019 the Pay-as-you-use (PAYU) Account was the first of its kind in the South African market to offer zero monthly fees for a transactional account. It provides banking access to entry-level clients who are often excluded financially due to irregular or low cash flows. It is a card-based transactional account that offers a range of free services such as travel insurance, card swipes, stop orders, email statements and a linked savings account. In 2021 we opened over 376 000 PAYU accounts, building on the 410 000 accounts opened the previous year.

PAYU accounts opened
(Number)



SDG 8: Decent work and economic growth continued

Supporting small businesses with affordable banking solutions

South African business owners have had to weather severe headwinds since the beginning of 2020.

The ongoing Covid-19 restrictions and protracted lockdown response have resulted in extra costs and/or loss of revenue for most businesses. The civil unrest in July 2021 and subsequent supply chain constraints further hampered business activity and placed many businesses at risk of closure.

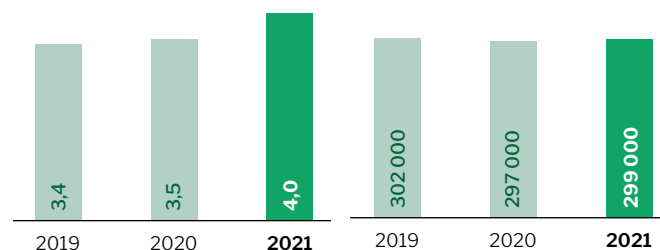
Against the backdrop of all these challenges, the importance of SA's small, medium and microenterprise (SMME) sector as a vital contributor to the country's sustainable economic growth has been highlighted. Not to mention the role that SMMEs have to play in the creation of much-needed employment opportunities. The provision of business support for SMMEs, including access to funding and markets, has never been more critical.

Nedbank, through its Small Business Services (SBS) division, is delivering this support via a comprehensive suite of payment, investment and finance solutions, as well as industry specialisation and services that extend beyond banking. Today, SBS offers this service and support to 299 000 businesses that have an annual turnover of up to R30m each.

In 2021 SBS continued to deliver this valuable business support, advancing R4,0bn (2020: R3,5bn) in finance facilities to our clients. This allowed Nedbank to maintain its position as a market leader in the small-business banking sector and see a 1% gain in urban market share to 24%. Ongoing improvements in client experience and market perception have served to entrench Nedbank as a go-to brand in the small-business community.

SBS advances to clients
(Rbn)

Number of SBS clients
(Number)



To grow this momentum while meeting the growing need for small-business support, especially for start-ups, Nedbank introduced the Startup Bundle, offering six months' free banking for new Nedbank single-owned businesses (via digital application only) and various feature-rich, low-cost merchant solutions.

The Nedbank Money app and Online Banking services were also enhanced, enabling business clients to open transactional accounts for companies with multiple directors from their smartphones. Other new features included the introduction of international payments, the MoneyTracker invoicing and transaction tracking tool, and merchant servicing via a dedicated merchant portal.



Building SMMEs and creating jobs

The Nedbank Enterprise and Supplier Development (ESD) Programme has been in operation since 2015. It combines business mentorship with specialist guidance and financial support to help SMMEs operate across various industries to succeed, grow and create employment opportunities. In 2021 our ESD Programme continued to support businesses and provided tailored solutions to help address their diverse needs. The following businesses and initiatives were supported in 2021:

Programme/ Business	Nedbank support for training and mentorship	Businesses receiving support (and jobs created)
RLabs	R3,6m	104
AWIEF Accelerator	R2,6m	50 women-owned
Fix Forward	R3,6m	100 (plus 116 permanent jobs and 71 temporary jobs)
Riversands Hub	R2,9m	60 (plus 139 jobs)

For details on some of the enterprise development highlights in 2021, please refer to the [Transformation Review](#).

SDG 8: Decent work and economic growth continued

Case study

Supporting small businesses to grow the township economy



- Business owners in Mamelodi, Tshwane, and Kathorus, Boksburg, were assisted after widespread looting and unrest in KwaZulu-Natal and Gauteng. Proud of My Town (PoMT)* sponsored cleaning equipment and supplies, and 436 volunteers were mobilised in four communities. A total of 30 small-business owners from the business rescue initiative were also onboarded to the Building Business Programme to receive six months' worth of business support, training and mentorship.
- The Chicago Business Collective was established in Paarl in the Western Cape, and 15 entrepreneurs held the community's first-ever market day, attended by over 200 residents. A total of 13 small-business owners also participated in a product showcase held in Lantana, Paarl, aimed at identifying entrepreneurs to be onboarded onto the Building Business Programme for 2022.
- The CoCreate Hub was officially opened in Stellenbosch. This is an economic development hub in the heart of the city that offers centrally located trading, meeting and training space to benefit majority-black-owned businesses based in the Stellenbosch municipal district. By the end of November 2021 a total of 40 entrepreneurs were trading from the hub.
- A total of 23 Stellenbosch-based entrepreneurs graduated from the 18-month Building Business Programme in 2021. Over the period 75% of the businesses increased their turnover by an average of 93%, grew their asset base and created more jobs. A total of 10 new jobs were created across these businesses.

* See details about PoMT in the [Transformation Review](#).

Nedbank Black Business Partners Legacy Programme

During 2021 Old Mutual and Izingwe withdrew from the Nedbank and Old Mutual Black Business Partners (BBP) Legacy Programme. Nedbank, Brimstone and WIPHOLD will see through their commitment to the endowment – a commitment that came about following the success of their BBBEE transactions.

The total endowment of R300m will now be reduced to R166m – comprising the Nedbank (R100m), Brimstone (R33m) and WIPHOLD (R33m) contributions. The funds are disbursed under three investment streams as follows:

- The commercialisation of small-scale farming and food security, led by WIPHOLD.
- Job creation and support for entrepreneurs, led by Brimstone.
- The development of township economies and urban renewal, led by Nedbank.

This programme is aimed at enabling and supporting sustainable development by providing capital funding to relevant projects over favourable periods and at low-to-zero interest rates. To date R126m has been invested in a range of projects. In addition to the Pick n Pay investment detailed below, some other investments are shared under **SDG 12**.

Pick n Pay Township Revitalisation Programme

Pick n Pay has partnered with a number of spaza stores across the country to support them by upgrading and formalising their operations to better meet the needs of the customers and communities they serve, while at the same time underpinning their sustainability and profitability. The Nedbank BBP Legacy Programme invested R20m in 13 stores. While the programme has experienced some challenges and it is likely that the model will need to be revisited in parts, in 2021 most of the participating store owners experienced

an uptick in revenue of around 8% to 10%, which allowed them to regain some of the revenue lost in 2020 due to the lockdown restrictions.

A total of 218 jobs were sustained in 2021 across all active stores, which is a nominal 1% decrease from the 2020 job figures. Nedbank also provides transactional banking to 32 of the market stores and has provided more funding to a further 16 stores outside of the Nedbank BBP Legacy Programme.



SDG 9: Industry, innovation and infrastructure

It is a business and moral imperative that we ensure we hand over a sustainable world to the next generation. Prioritising investment in infrastructure and technology is key to driving sustainable economic growth and development. In addition, a thriving infrastructure sector has the potential to create untold employment opportunities, and sound infrastructure is integral to the effective operation and profitability of most businesses. Nedbank intends taking a leadership role in funding these solutions. Our ambition is that there is a future state where there isn't a need to differentiate between policy and sustainable policy, or banking and sustainable banking – they should all be sustainable. We are determined to leverage our expertise in this area to fulfil our purpose for the benefit of our stakeholders, especially in Africa.

Anél Bosman
Group Managing
Executive: Corporate
and Investment Banking



Key SDG 9 progress findings for 2021

Due to tariffs and trade tensions between the world's dominant economies, global manufacturing growth was already in decline before the Covid-19 pandemic. When it struck, the movement of people and goods was restricted, disrupting global value chains, as well as the global manufacturing and transport industries. Small-scale industries, in particular, have been affected severely.

Investment in innovation and infrastructure is more crucial than ever

– For the global community to achieve SDG 9, industrialisation, improvements in infrastructure, and the promotion of technological innovation by increasing investment in research and development are key. The development and production of vaccines against Covid-19 in record time is one example of the power of technological innovation, which has given the world cause for hope.

Access to credit is essential – Access to credit for small-scale industries remains uneven across countries and regions. Countries in sub-Saharan Africa and least-developed countries suffer the most from a lack of credit – approximately one in six small-scale industries in these countries have a loan or line of credit, compared with almost half in Latin America and the Caribbean.

Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 9 in 2021 include the following:

Investment in 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.

Helping to bridge Africa's digital divide

Nedbank has developed a formal digital strategy to unlock resources and capacity to support and fund projects that have the potential to help eliminate Africa's digital divide by delivering equitable and inclusive digital access for all. Examples of digital deals funded in 2021 include the following:



Rain Holdings –

We participated in a R700m senior secured revolving credit facility valued at R2,5bn for Rain Holdings. The facility will be used to fund capital expenditure as Rain continues to roll out its 5G network footprint across SA.



Seacom Limited –

We completed a US\$65m senior secured term loan facility to Seacom Limited, acting as the mandated lead arranger and sole funder. The facility will be used to fund capital expenditure as Seacom embarks on its business strategy to upgrade and expand its network footprint across the African continent.



THABURE

Thabure TowerCo –

We provided R181m in empowerment financing to Thabure TowerCo. The Independent Communications Authority of South Africa has licensed them to build, own and lease passive infrastructure, and to provide telecoms services in rural and peri-urban geographies.





SDG 10: Reduced inequalities

While Covid-19 is a global virus, its impact has been felt unevenly, highlighting and, in many cases exacerbating, existing inequalities, particularly on the African continent. Reducing those inequalities, whether based on income, gender, age, disability, sexual orientation, race, class, ethnicity or religion, is imperative and urgent, and can be achieved only through the creation of a trusting and well-performing society. Nedbank develops innovative financial products and services that fuel sustainable economic growth and reduce social inequalities. We also support all efforts to address inequality by contributing to and endorsing policies that govern our sector and the way we and our banking peers operate. ♡

Iolanda Ruggiero
Group Managing
Executive: Wealth



Key SDG 10 progress findings for 2021

Before the Covid-19 pandemic income inequality had fallen in some countries, low-income countries continued to benefit from preferential trade status, and the transaction costs of remittances were trending down. However, inequality persists, whether in income, wealth, opportunities or other dimensions. The pandemic has exacerbated these inequalities and hit the most vulnerable people and the poorest countries hardest.

Improvements in income inequality are under threat

– Before Covid-19 the average Gini index for emerging-market and developing countries were falling. However, the International Monetary Fund World Economic Outlook for October 2020 estimated that Covid-19 would increase the average Gini index for these countries by 2.6. This would reverse the fall in inequality since the global financial crisis in 2008, with SA still the country in the world with the highest Gini coefficient along with many of the other sub-Saharan African countries.

Low incomes put many at risk of being left behind

– Latest estimates show that in some countries as much as 25% of the population live on less than half the median income.

Remittance costs are low, but more effort is still needed

– Over the past decade significant progress has been made in reducing the transaction cost of remittances. Despite the pandemic, the cost of sending money reached a record low of 6,5% in the final quarter of 2020. However, on average, it is still expensive to send money to sub-Saharan Africa. Coordinated efforts remain necessary to achieve the target of a global average cost of 3%.

Source: UN Sustainable Development Goals Report 2021



Please refer to the Transformation Review for more information on our BEE and empowerment financing.

Nedbank's contributions to SDG 10 in 2021 include the following:

Enabling inclusive banking

The acceleration of our digital journey continued in 2021, with core capabilities built to make clients' lives easier and more convenient, security enhanced to counter cybercrime and onboarding experiences and transactional capabilities improved.

Improvements included functionality that enables clients to join the bank through our self-service kiosks (SSKs) and have their bank card issued immediately. They can also apply for homeowner's insurance and claim directly through the bank's digital platforms and apply for an overdraft digitally. Informal traders can now also join the bank easily and get a pay code via a simple cellphone banking process.

Clients' payment and investment experiences were also improved, with an array of unit trusts, over 230 airtime and data products and an improved experience for claiming free basic electricity rolled out. A host of user-friendly features was introduced, including the ability to redeem Nedbank Greenbacks into a savings or investment account or to donate them to a charity, enhanced statements, and a more seamless loan application process.

Significant transacting capabilities, like getting cash at an ATM by scanning a QR code (a first in SA), the launch of Apple Pay and a new WhatsApp-based payment functionality, have proved to be valuable and convenient features for our clients.

We also established key strategic relationships that will deliver products through an application programming interface (API) marketplace, further extending our digital distribution capability beyond Nedbank-owned channels. Notably, Gumtree has partnered with our Motor Finance Corporation (MFC) division to use the vehicle

asset finance (VAF) APIs to connect buyers and sellers on Gumtree Auto. Global small-business cloud accounting platform Xero has collaborated with Nedbank to provide SME clients with access to their financial data through a fully digital, API-enabled bank feed.

All the above activities resulted in digitally active clients increasing to 2,3 million, with 1,6 million clients using the Nedbank Money app. Digital sales grew strongly, with the digital contribution to total retail sales increasing to 49% in 2021.



SDG 10: Reduced inequalities continued

Optimising our physical footprint

Nedbank's physical footprint reflects both the increased drive towards client self-service and a diverse South African consumer base that still requires personal assistance. In response to shifts in client behaviour and preferences that were fast-tracked by Covid-19, we continued to optimise our branch footprint. This reduction in physical branches has not affected our coverage of the bankable population in SA, which remains around 85%.

We further expanded our ATM footprint in 2021, and 89% of cash transaction volumes are now happening through cash-accepting ATM devices.

We continued to improve the client experience at our devices through the roll-out of our new ATM front end, which enabled first-in-market functions such as app-initiated withdrawals using QR codes, meaning that clients do not have to insert cards into our ATMs when withdrawing cash.

Our network of 438 in-branch SSKs enables clients to complete self-service actions such as changing their ATM limit, maintaining their profile, issuing statements, and blocking and replacing personalised cards for PAYU and Savvy Plus Accounts. Clients can also pick up cards round the clock, without having to go into a branch, by using one of our 92 locker offerings, or have their cards delivered to them.

In 2021 we identified the need to change our distribution approach in the township economy and we have piloted in-community branches and mobile operating units successfully in a number of locations throughout SA. This model will be expanded in 2022.

Cross-border remittances

SA hosts approximately 3,2 million foreign nationals who earn an income in the country and send money back home to support their families and friends.

In partnership with Ecobank, we introduced a cross-border remittance solution that enables documented people living and working in SA to transfer money instantly to people in 33 African countries at any time, day or night.

Clients pay a fee of just 4,5% of the total remittance value. (We acknowledge that this is still 1% higher than the SDG 10 target of 3,5% and we hope to drop the fee in time as volumes increase.) The offering can be accessed conveniently on the Nedbank Money app and Online Banking, and users are not required to provide any documents or visit a branch to make transfers. We have also leveraged our internal treasury function and associated systems to ensure that real-time forex rates at appropriate costs are available. The average value of remittances sent in 2021 increased by 38% yoy, despite the financial impact of Covid-19 on many individuals.

Educating for inclusion

We continue to leverage our resources and technology to help the communities in which we operate to achieve more inclusive financial wellness. In 2021 we reached over 15,2 million people across SA through various initiatives and channels, including radio stations, personal workshops, digital platforms, and social and mass media.

During the same period 18 179 clients were trained through our personal consumer financial literacy workshops, which focused on empowering people to make better, informed financial decisions. We also opened over 20 000 new accounts following financial fitness training offered in collaboration with JLD Fuze and BLC Academy in KwaZulu-Natal.

As part of digital consumer financial literacy and education platforms we launched #BeMoneyWise, designed to reach rural communities. The programme was rolled out in Mokopane, Limpopo, and reached approximately 35 000 people.



SDG 11: Sustainable cities and communities

By 2050 more than two-thirds of the world's population will be urban. That is because most of the world's economic activity takes place in and around cities. Urbanisation is thus a fundamental component of social and economic development. That is why it is imperative that we ensure that our cities can cope with the massive influx of people, and that they are safe, efficient and sustainable. Nedbank seeks out opportunities proactively to help realise this vision of sustainable, smart cities through appropriate partnerships and finance solutions. ,

Ciko Thomas
Group Managing
Executive: Retail and
Business Banking



Key SDG 11 progress findings for 2021

Cities in many countries became epicentres of Covid-19, exposing their vulnerabilities due to lack of adequate and affordable housing, insufficient public health systems, and inadequate urban infrastructure such as water, sanitation and waste services, public transport and open public spaces. Recovery from the pandemic offers the opportunity to rethink and reimagine urban areas as hubs of sustainable and inclusive growth.

The pandemic has worsened the plight of the vulnerable – Slum dwellers are most prevalent in three regions: Eastern and Southeast Asia (370 million), sub-Saharan Africa (238 million) and Central and southern Asia (226 million). The needs and concerns of these people are rarely considered in conventional urban planning, financing and policymaking, leaving an enormous segment of the global population behind. Without concerted and collaborative action, the number of slum dwellers will continue to rise in most developing countries.

Safe, accessible and reliable public transport is imperative – Only about half of the world's population live within 500 m walking distance of low-capacity transport systems (such as buses or trams) and within 1 km of high-capacity systems (such as trains and ferries). Access to public transport was significantly disrupted during the pandemic. As the pandemic response continues, countries and cities need to provide options for clean, accessible, safe, reliable and sustainable public transport systems.

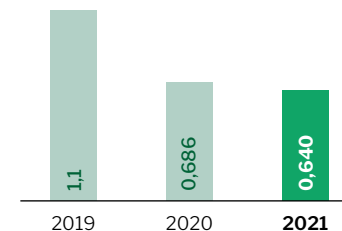
Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 11 in 2021 include the following:

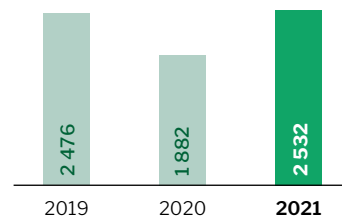
Affordable housing

Access to adequate housing is one of the key challenges of democratic SA, as government grapples with lingering backlogs in the provision of housing and steadily rising demand. To help address this issue Nedbank provided R640m (2020: R686m) for the development of affordable housing for lower-income households in 2021. This brings the total funding we have provided to this sector since 2015 to R5,5bn. Affordable housing is defined as housing priced at R880 000 and below, or rental housing with monthly rentals of R8 000 and below. Our funding to this segment facilitated delivery of 2 532 affordable- and social-housing units in the 2021 financial year.

Affordable-housing loans
(Rbn)



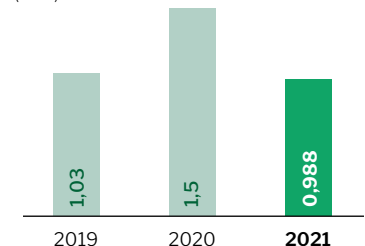
Affordable- and social-housing units
(Number)



Home loans for affordable housing

In 2021 Nedbank Home Loans provided R988m in home loans (2020: R1,52bn) to clients in the affordable-housing market. We continue to support this market through improved distribution and product enhancement aimed at making housing solutions more affordable for South Africans. Interventions included a cashback bonus of R5 000 to help clients settle in their new homes and a 50% discount on attorney bond registration costs.

Value of home loans provided
(Rbn)



SDG 11: Sustainable cities and communities continued

Case study

Green residential development bond – a first for Africa

In the year under review Nedbank structured and arranged a R1,09bn green residential development bond, issued under its domestic medium-term note programme and listed on the Sustainability Segment of the JSE on 10 December 2021.

This innovative instrument is a first of its kind from a commercial bank in Africa and was the result of a collaborative effort with the IFC to develop a blended-finance solution that would enable the scaling up of green building financing, particularly in the residential sector. This is critical to supporting the decarbonisation of SA's built environment.

The solution will offer Nedbank clients in the affordable-housing segment with attractive funding for green-accredited homes in green residential developments. Technical training and certification support for the bank and prospective developer clients will also be provided.

Green buildings

Nedbank is focused on investing in green and sustainable buildings that improve the quality of life for occupants and reduce carbon emissions and other negative impacts on the environment. In assessing these transactions, we consider properties that:

- are green-certified (includes EDGE-accredited and Green Star-rated buildings); and
- have sustainable features (including gas, solar PV, solar geysers, wind or hydro power, rain harvesting, and black- and grey-water systems).

We currently have R25bn of exposure linked to green-certified properties and those containing sustainable features. However, this number should increase as we get more sophisticated in how we track these kinds of investments, particularly within properties that are already on our books.

In 2021 we also financed 17 EDGE-certified residential developments (1 755 units) worth a total of R1,5bn and exposure of R520m. No new green-certified buildings were financed.

Case study

Using technology to support clients

The Covid-19 pandemic and resulting lockdown presented the Nedbank Property Finance (PF) business with numerous challenges, including restrictions on travel.

The PF Team could not visit construction sites to monitor progress and authorise disbursements of development loans, which had the potential to inhibit construction progress for clients severely.

The PF Team implemented a solution called OpenSpace, which involves the installation of 360-degree cameras on the hard hats of site managers, enabling real-time photographic and video evidence of on-site construction progress. The platform uses artificial intelligence (AI) and computer vision technology to document and compile images photographically to form a visual walk-through of the construction site.

The technology, a first to be used by banks globally, enables regular and remote monitoring of construction sites. Clients can view the development of the property as frequently and in as much detail as they want, reducing costs and the time to resolve queries, making it a significant value-add to their business.



SDG 12: Responsible consumption and production

6 Successfully balancing and integrating economic growth with environmentally sustainable actions remains one of the biggest challenges to the achievement of the Sustainable Development Goals. The only way to achieve this is by moving away from the traditional linear economy and embracing a circular approach in which resource wastage is eliminated and all members of society have access to the sustainable means to meet their needs. This circular economy can be achieved only by design and through deliberate, collaborative effort. ,

Khensani Nobanda
Group Executive:
Group Marketing and
Corporate Affairs



Key SDG 12 progress findings for 2021

A growing global population, combined with the unsustainable use of natural resources, continues to have a devastating impact on the planet – propelling climate change, destroying nature and raising pollution levels. About 14% of the world's food is lost along the supply chain prior to the retail level. Estimates put SA's food loss due to wastage at closer to 25%. Around the world, one million plastic drinking bottles are purchased every minute, and five trillion single-use plastic bags are thrown away each year.

Progress on eliminating fossil fuel subsidies remains uneven – Fossil fuel subsidies from governments provide incentives to produce and consume fossil fuels, such as coal, crude oil and natural gas, over the development and use of clean and renewable energy and material feedstocks. Subsidies were expected to decline sharply in 2020 due to cratering demand and the oil price shock. That drop in fossil fuel subsidies (measured as a proportion of GDP) is likely to be smaller than expected however, due to a simultaneous decrease in worldwide GDP in 2020.

Need to tap into potential for renewable energy and materials – Globally, new renewable-electricity-capacity installations witnessed remarkable development over the past decade, outpacing installations in non-renewable electricity capacity since 2012 and consistently since 2015. In 2018, for the first time, most of the new renewable electricity capacity was installed in developing countries. The most recent data show that renewable-energy capacity continued to grow at even higher levels, despite Covid-19.

Source: UN Sustainable Development Goals Report 2021

Nedbank's contributions to SDG 12 in 2021 include the following:

Supporting the recycling sector

We continue to support a range of SA's prominent recycling businesses. These businesses not only remove waste in the form of glass, paper, plastic and other non-biodegradable materials from the environment, but also create work for many families that collect and sell waste to recyclers. Recycling also creates alternative income streams for factories where waste materials may be sold to recycling entities rather than being dumped in landfills.

In 2021, in addition to our suite of clients who are supported at a balance sheet level, new transactions of R55m were concluded and a number of other transactions are underway for completion in 2022. We also approved a R100m facility for the importation and installation of polyolefin (rigid plastics) recycling equipment.

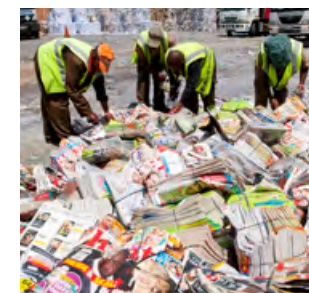
Case study

Mpact impacts positively

Nedbank is proud to bank Mpact, the largest paper and plastic packaging and recycling business in southern Africa, whose integrated business model focuses on closing the loop on plastic and paper packaging through recycling and beneficiation.

They have 47 operating sites and over 5 100 employees and generated a revenue of R11,5bn in 2021.

Mpact values the principles of the circular economy and recycles most of the products it produces. The paper business is particularly well integrated, converting recovered paper into paper products used for packaging and corrugated containers. The recycling division recovers around 530 000 tonnes of recyclable material annually. The plastics business is continually increasing recycled content in non-food-grade packaging products.



SDG 12: Responsible consumption and production continued

Financing sustainable agriculture

Nedbank offers an innovative sustainable-agriculture funding solution aimed at mitigating the risks and challenges for farmers associated with rising temperatures and lower rainfall.

The intention is to support farmers directly, or through a financing arrangement with their local cooperative, with sustainable farm interventions ranging from water storage maximisation solutions and soil health to cutting-edge irrigation equipment and shade netting to reduce evaporation. Sustainable-agriculture highlights delivered through this funding in 2021 include the following:

- **Finance for shade netting** – This offering for the horticultural sector has been embraced by the citrus industry, which has about 1 400 growers with an area of 77 708 ha under production. In addition to the R50m facility used by the Humansdorp Cooperative during 2021, six deals totalling R64m paid out, with a strong pipeline for 2022 in place.
- **Humansdorp Cooperative** – We funded a R50m term loan for the installation of shade netting over the citrus orchards of farmers in the Humansdorp service area. To date 3 867 ha of citrus have been covered with netting, resulting in a saving of 11,2 million cubic metres of water annually. To put this saving into context, a total of 375 000 medium-sized swimming pools can be filled with water saved every year. In addition, the citrus yields graded for export have increased by up to 35 tonnes per hectare (from 42 t/ha to 77 t/ha, or 83%). At a realisable value of R16 387 per tonne of export fruit, this translates to an increase in revenue of R575 000 per hectare annually.
- **Ideafruit solar PV plant** – We structured an innovative amortising term loan facility to enable long-standing Nedbank client Ideafruit to install a PV energy plant that enables the fresh produce exporter to refrigerate up to 70 000 bins of apples and pears in controlled-atmosphere cold rooms using solar energy.

Electricity savings to date amount to R2,6m, with a total of 1 963 MWh having been produced and used for refrigeration.

- **Ghana cocoa industry** – We are actively funding sustainable enterprises in Africa, such as the Ghana Cocoa Board (COCOBOD), a statutory public board established in 1947 to supervise Ghana's cocoa industry principally by purchasing, marketing and exporting Ghana's cocoa production. Nedbank has been a mandated lead arranger and major syndication partner to the Ghana COCOBOD syndication for more than a decade, with current participation valued at US\$100m (R1,6bn).

Contributing to the vital work of FoodForward SA

Nedbank continues to partner with FoodForward South Africa (FFSA) in several ways, including support for its Second Harvest Programme, which encourages large commercial farmers to donate their agricultural surplus to address hunger and reduce the environmental impact by diverting good-quality, edible surplus food. The WWF Nedbank Green Trust also committed funding to FFSA to the amount of R4,7m over three years. The money will be applied to fund research to reduce waste at a farm level and help FFSA to expand its footprint across all provinces, enabling the distribution of nutritious food parcels. Currently, FFSA supports over 1 850 beneficiary organisations that collectively serve 700 000 people and families.

Support for emerging and small-scale farmers

The Nedbank BBP Legacy Programme is committed to providing financial support to emerging farmers under its 'commercialisation of small-scale farming and food security' funding stream. Two of the projects currently supported are as follows:

- **Centane and Mbashe Agricultural Initiative** – The Centane and Mbashe Agricultural Initiative (CMAI) was started by WIPHOLD as a project focused on proving that communally owned land can be farmed in a profitable and sustainable manner. The project has been running since 2012 and annually benefits about 3 000 community members, 60% of whom are women. After a good start to the 2021 season, with decent rainfall and healthy crops, operating conditions became more challenging when a severe summer drought set in. This had a devastating impact on maize crops. On the positive side, maize and soybean prices for the season were very high, helping to offset some of the yield losses. Despite its many challenges, the CMAI continues to have a considerable positive social impact in Centane and Mbashe. Since its inception, almost R70m has been distributed to participating community members in the form of cash payouts and maize allocations.
- **KwaDrabo Trust** – In 2021 Nedbank and Brimstone approved a R10m rural livestock borrowing facility to the KwaDrabo Trust. KwaDrabo Trust has constructed a cattle-holding station (CHS) near Butterworth in the Eastern Cape. The CHS will purchase, process and condition cattle bought from the local small-scale cattle farmers in the Eastern Cape at market-related prices. The animals will then be sold to Beefmaster, a Nedbank client. It is estimated that up to 10 000 small-scale farmers will benefit from the initiative, with between R30m to R50m flowing into the local community through the sale of these cattle annually. In addition, participating farmers will receive training on animal husbandry and other business-related issues. The model is highly replicable and scalable, and we aim to work with other commercial abattoirs and rural communities across the country to encourage the adoption of similar models based on the success of this investment.



SDG 12: Responsible consumption and production continued

Advocating for more sustainable farming

• Promoting sustainable dairy farming

In 2021 Nedbank funded the compilation of a comprehensive business case motivating for regenerative farming practices in dairy production. The business case, undertaken by WWF and Trace and Save, proves that implementing sustainable best practices on dairy farms will lead to more profitable milk production and a lower environmental impact. This is advantageous for farmers, milk processors, consumers, and the dairy industry as a whole. We have been promoting sustainable agriculture practices across our client base and the Sustainable Dairy Business case provides the necessary proof and guidance for more clients to adopt new ways of farming.



Learn more about the impact that sustainable dairy is having on farmers.



• MPO Nedbank Stewardship Awards

Profitable farming requires constant adaptation to keep up with rapidly changing technology, the challenges of climate change and the increasing demands from government and consumers. Living up to these expectations is a formidable task, which is why Nedbank, in partnership with the Milk Producers Organisation (MPO), recognises and rewards outstanding farmers through the MPO Nedbank Stewardship Awards every year. Winners share their knowledge with other farmers to improve the performance of the sector as a whole.

Winning farmers must do the following:

- 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 and high-quality product.
- Improve profitability continuously by increasing the business's resilience or capacity to deal with volatility and adverse events, and improving on-farm efficiency.

Nedbank client Andrew Morphew of the Colbourne farm in the Howick district, KwaZulu-Natal, was declared the winner of the fifth annual MPO Nedbank Stewardship Awards during the virtual Congress of the MPO in October 2021.



The winner of the 2021 MPO Nedbank Stewardship Awards





SDG 15: Life on land

Ultimately, every living organism as well as our economies need a healthy and optimally functioning environment to survive and thrive. That is why sustainable land reforms that recognise historical ownership imbalances and protect biodiversity and ecosystems are essential. At Nedbank we recognise this, and through investment and key partnerships we are raising awareness of key issues and collaborating to find long-term solutions. ”

Mfundo Nkuhlu
Group Chief
Operating Officer



Key SDG 15 progress findings for 2021

Ending environmental decline and restoring our planet are fundamental to sustainable development. Nevertheless, forests are being cut down, biological diversity is declining, and terrestrial ecosystems are being degraded at alarming rates, with profound consequences for human survival and well-being. The Covid-19 pandemic has reminded us that by threatening biodiversity, humanity threatens its own survival.

Risks of species extinction are rising – Human activities are causing biodiversity to decline faster than at any other time in human history. The Red List Index of the International Union for Conservation of Nature, which monitors the overall extinction risk for various species, shows a 10% decline since 1993. Among 134 400 species assessed, 28% (more than 37 400 species) are now threatened with extinction.

Safeguarding key biodiversity areas (KBAs) has stalled – The protection of KBAs has long been considered a cornerstone of biodiversity conservation. However, increases in protection coverage have plateaued over the past five years. On average, more than half of each KBA remains outside of protected areas.

Source: UN Sustainable Development Goals Report 2021



More information on Nedbank's approach to biodiversity is available on our group website at nedbankgroup.co.za.

Nedbank's contributions to SDG 15 in 2021 include the following:

Securing SA's biodiversity assets

Humankind, including businesses and the economy as we know it, depends on biodiversity for everything that sustains it, including water, food, fuel and fibre, energy, medicine and other genetic materials. Healthy biodiversity is also critical for the regulation of our climate, water quality, pollution, pollination services, flood control and storm surges. SA is renowned for being one of the 17 megadiverse countries in the world, meaning that we are counted among nations with the greatest variety of plant and animal species.

The banking sector has a significant impact on biodiversity and natural capital through the financial support it provides to high-impact sectors such as forestry, mining, oil and gas, fisheries, water delivery and infrastructure, or sectors that are using genetic resources such as biotechnology, pharmaceuticals, agriculture or cosmetics.

At Nedbank, we believe that we can play an important role in protecting the natural capital sector by selecting our clients and the projects that we finance critically and by creating mechanisms to encourage best practice and sustainable practices.

Through our Social and Environmental Management System we encourage our clients to identify, measure and value the biodiversity dependencies and impacts of their operations to establish biodiversity action plans, disclose their risks and performance and have a monitoring system in place.

In addition to working with our clients, we partner with key stakeholders such as the WWF. One of the focus areas of the current

partnership between Nedbank and WWF is 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 these 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 2021 year was the second year of the partnership and great strides were made in co-funding key areas of WWF's Conservation Strategy within the regional node of the Eastern Cape over the 12 months.

Achieving the necessary scale of impact and change required to address the over-exploitation 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 works to do this at a systemic, landscape level that brings together multiple land users, public and private sector business and industry partners, as well as communities ranging from smallholders, traditional authorities and local communities to civil society partners.



SDG 15: Life on land continued

Partnership progress in 2021

- **Eastern Cape and southern Drakensberg spatial node** – The work in the Eastern Cape and southern Drakensberg spatial node is focused on contributing towards the national Community of Practice in Water Source Areas, as well as securing critical biodiversity areas as part of the Provincial Eastern Cape Protected Areas Expansion Strategy. A dedicated water source partnership coordinator has been appointed in Matatiele to facilitate the efforts of key stakeholders to promote long-term water yield of the water source areas in the region. The project will also track new jobs created in rural areas through direct employment in roles that are not currently government-funded.

Key achievements in 2021 included the following:

- The formation of the Maloti Thaba Tsa Metsi Protected Environment Management Authority. Its constitution, adopted by six traditional authorities, is geared towards improving the management of 49 200 ha of communal watershed.
 - A springs hydro-census that provides an extensive database of 3 204 sites. This data will help to select spring protection areas.
-
- **Kouga and Sundays River spatial node** – The partnership's work in the Kouga and Sundays River spatial node is focused on supporting awareness and training, as well as monitoring the adoption of industry standards for better production practices across the citrus, dairy and forestry sectors in the Eastern Cape. The partnership is also geared towards supporting the development of sustainable value chains, improved markets, and innovative financial products that incentivise communities and producers.
- #### Key achievements in 2021 included the following:
- Ongoing sustainable-farming capacity building with the citrus growers in the area.
 - The launch of the business case for sustainable dairy production.
 - Identification of additional opportunities for ecological infrastructure restoration projects.

Grasslands National Park expands protected areas

The grassland biome is one of the most threatened biomes found in SA, with only 3% conserved formally, despite being home to the largest proportion of our Strategic Water Source Areas. The WWF Nedbank Green Trust is currently funding work towards the establishment of a dedicated Grassland National Park in the Eastern Cape through appropriate mechanisms, including land purchase and biodiversity stewardship agreements with surrounding community and commercial landowners.

The establishment of this national park will mark a new and innovative approach to protected-area expansion as it will be located within a working agricultural landscape. Not only is this area rich in biodiversity and endemic species, but it also lies within the Eastern Cape Drakensberg Strategic Water Source Area, which is a natural source of freshwater for people downstream. When declared, the park will also improve formal protection of SA's grasslands, which have been identified as a national conservation priority.

To date three landowner participation applications have been received, involving 5 000 ha, which is a positive development given the total target of 30 000 ha by 2024. The next step is a biodiversity assessment to determine the merit of additional potential land purchases.




Supporting conservation in southern Africa

Nedbank Namibia's Go Green Fund celebrated its 20th anniversary in 2021. Since inception the fund, which is a partnership with the Namibia Nature Foundation, has supported more than 40 conservation projects totalling N\$7m. In 2021 the Go Green Fund disbursed more than N\$700 000 to support approximately 15 projects in environmental education and other environmental projects.

Funding for marine protected areas

Many of SA's fishery resources are overexploited or collapsed, or the stock status is simply unknown. Mitigation and adaption measures are critical to conserving our oceans better and ensuring our fisheries are sustainable going forward. Part of the solution is marine protected areas (MPAs), which support fishery sustainability by providing safe spaces in which fish can breed undisturbed and protecting spawning and nursery areas that let young fish mature into adulthood. MPAs also serve to maintain healthy ecosystems and provide a refuge for marine resources as climate change becomes more severe. SA currently has 42 MPAs. The WWF Nedbank Green Trust has provided catalytic funding for MPAs over many years and recently approved a new round of funding, R3,9m, for the South African MPA network project (SAMPAN). A key part of SAMPAN is capacitation of management authorities with training for MPA employees, including legislation and enforcement to improve the effectiveness of MPAs in protecting marine species from exploitation and illegal fishing. The funding is also used to coordinate an MPA forum. The forum facilitates regular engagement and collaboration between parties to encourage better, quicker and more systemic decision-making with regard to the management and future of SA's ocean resources.



A photograph of two Black women in an office. One woman is standing and pointing towards a computer monitor, while the other is seated and smiling. The background shows office equipment and a window with a city view.

This chapter discloses progress in relation to our Human Capital Strategy. The strategy seeks to position Nedbank as an employer of choice that builds, attracts and retains critical talent and skills to ensure that we succeed as an organisation.

Human Capital Review

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Introduction

Macro shaping such as digital transformation, the ongoing pandemic, and SA's unique social, economic and political challenges continue to shape the needs of Nedbank's workforce and business alike.

The effects of the pandemic on our clients and workforce and, in particular, on the families of colleagues we lost over this period heightened our focus on the physical and mental well-being and safety of our workforce. With 62% of our workforce working remotely, we continued to adhere strictly to the Covid-19 safety protocols and supported our workforce through well-being programmes focused on prevention measures and risk management through vaccination, as well as on how to deal with related trauma, grief and the loss of 55 Nedbank colleagues due to Covid-19 in 2021 (2020: 14).

62%
of our workforce
worked remotely

Given the significant disruption organisations faced more broadly over the past two years, Nedbank's Human Capital Strategy was reviewed and has expanded to support the changing world of work.

Our Human Capital Strategy seeks to position **Nedbank as an employer of choice that builds, attracts and retains critical talent and skills** to ensure that we succeed as an organisation and are able to fulfil our purpose of **using our financial expertise to do good for individuals, families, businesses and society**. Our strategic priorities remain relevant and include the following:

- The right skills and demographically representative workforce, at the right time and cost to meet the rapidly changing demands of our clients and workforce, to ensure the long-term viability of the organisation.
- An engaged, healthy and productive workforce.

- A positive workforce experience shaped by our culture, leadership and practices.

During 2021 we made significant progress against these strategic priorities.

Our Human-centred Leadership approach was launched with a focus on new ways of leading. We also expanded our diversity, equity and inclusion (DEI) programmes to include more executive leadership teams across the bank, as part of our culture journey, to create winning outcomes and promote a sense of belonging for all. We further reviewed our transformation plans to ensure we continue to improve the demographic representation of our workforce while focusing on the evolving skills requirements to support our digital transformation.

The launch of our digital learning platform (DLP) reinforced our commitment to lifelong learning, which is critical to the sustainability of our business operations.

This opportunity was embraced by our people and their uptake of learning offerings exceeded our expectations. In addition to online learning, we invested R1,1bn in skills development.

Invested
R1,1bn
in skills
development

Going forward, we will continue to transition the Human Capital agenda in the context of a resized, more-blended and hybrid workforce in support of achieving Nedbank's business objectives and long-term success. More so than ever, our competitive culture, employer brand and the lived experience of our workforce are essential to ensuring Nedbank's attractiveness as an employer for existing and potential talent.



2021 highlights

Notwithstanding the challenges experienced over the past two years, we continued to build on the foundations that were laid for Nedbank's human capital agenda in 2020 towards continuously improving our workforce experience.

The voice of our workforce and feedback on their lived experience were captured in the 2021 Employee Insight Pulse surveys, which were conducted in March, August and November. Despite the continued challenges, employee engagement levels remained high and **our workforce sentiment Net Promoter Score (NPS) improved to 19 (from 17 in 2020 and 7 in 2019).**

Following extensive input and co-creation with our leaders, **we launched our Human-centred Leadership approach** in January 2021. The approach recognises the catalyst role that leaders play in culture change and positions Nedbank's expectations for new ways of leading.

The **automation of key people practices** in four business units in Nedbank Africa Regions improved the workplace experience of our workforce.

As an employer committed to inclusion and creating a sense of belonging for all, **Nedbank continues to invest in its LGBTQIA+ community.** As an example of our commitment the head office in Sandton, Johannesburg, was lit in the colours of the rainbow Pride flag during Pride Month.

Nedbank has a larger societal contribution to make and so we pledged our support to combating youth unemployment through SA's Youth Employment Service (YES) initiative. **We celebrated our second YES programme with an intake of 1 905 YES youth** at Nedbank or at our participating partners. To date, Nedbank has been the largest contributor to have participated at this scale.

We are committed to enriching our employee experience through growth and development of our internal talent and encourage the movement between teams and clusters. **During 2021, our talent mobility increased to 15,8% (2020: 9,7%)** through internal career opportunities.

Through the launch of the DLP, we laid critical technological foundations to improve the workforce experience and enabled 24/7 access to learning. The uptake of the **digital learning offering exceeded all expectations, with more than 18 000 active users** on the platform.

Notwithstanding an elevated focus on digital learning, **the 2021 BBBEE skills development target of 14,25 was exceeded with the achievement of a 15,89 point score (2020: 16*).**

Access to skills of the future is essential in building talent pipelines. Our aspiration towards being an **employer of choice is evidenced and recognised by young talent** in our winning Best digital campaign for the #YoungDifferenceMaker and being runner-up for the 2021 Employer of Choice (Commercial and Retail Banking) awarded by the South African Graduate Employers Association (SAGEA).

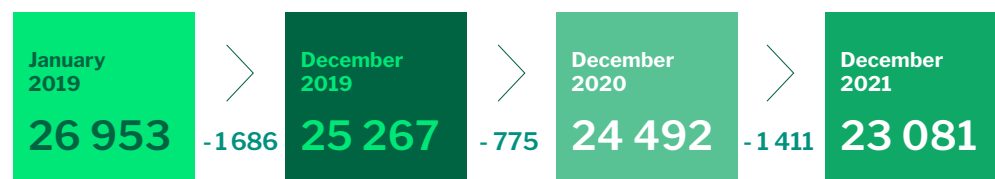
We reviewed and pivoted some of our core workforce benefits, such as medical aid and leave, and offered greater choice for a more modern workforce. This resulted in the **launch of our flexileave benefit and a new, more competitive, open medical aid scheme** that aligns more closely with industry trends.

* A score of 15,99 was reported for 2020, but it changed to 16 after an in-depth audit.

Our workforce in review

We continue to evolve our organisational design and business model to be more client-focused, digital, agile and competitive. Our South African permanent workforce size continues to decrease in support of organisational changes, with the impact being predominantly on semi-skilled and junior management headcount as illustrated below:

Total South African permanent headcount



Over the past three years Nedbank has reduced its permanent workforce by 3 872 employees, largely attributed to natural attrition and proactive vacancy management, as a result of the following:

- An attrition rate higher (9,27%) than the external recruitment rate (3,15%).
- An ongoing increase in our investment in reskilling and upskilling our employees, and the filling of available vacancies internally, where possible.
- A total of 242 (2020: 234) impacted employees redeployed to alternative roles in the organisation.
- With Nedbank priding itself in using retrenchment only as a last resort, 70 (2020: 18) employees whom we could not redeploy having been regrettably retrenched.



As our business context continues to evolve, we are focused on having the right skills at the right time to provide our clients with the best service experience. A comparative snapshot of our workforce profile over the past three years looks as follows:

	2021	2020	2019
South African permanent employees at the beginning of the year	24 492	25 267	26 953
Recruitment	747	712	1 004
Conversion of employees to permanent	94	309	175
Terminations (actual year to date)	2 201	1 770	2 840
Resignations	1 434	1 047	1 840
Deaths	101	48	29
Dismissals	254	280	306
Retirements	286	262	349
Retrenchments	70	18	158
Emigration	42	29	43
Disability	9	79	81
Other*	5	7	34
Reclassification of employee category (changed from permanent)	51	26	25
South African permanent employees at the end of December	23 081	24 492	25 267
Permanent headcount change on previous year	(1 411)	(775)	(1 686)
Additional categories – Non-permanent workforce			
Contractors and financial planners	1 129	1 059	955
Temporary employees**	15	8	190
Non-payroll contingent workforce	427	608	171
Other categories			
International employees (including Nedbank Africa Regions)***	2 588	2 659	2 929
External entities (Holsboer vacation employees)	63	61	62
Total number of employees at 31 December	27 303	28 887	29 403
YES programme participants in Nedbank	146	–	239
YES programme participants with Nedbank partners	578	–	1 390
Total number of employees, including YES programme	28 027	28 887	31 032
Total attrition rate including voluntary and involuntary (%)****	9,27%	7,12%	10,80%

* Includes employees who exited with undefined reasons.

** Reported on the basis of full-time equivalents – on the Nedbank payroll.

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

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

Our workforce in review continued

The SAP Fieldglass system, which was operationalised in 2020, was embedded during 2021. The system enables the management of the contingent workforce and refined our classification by introducing new categories for reporting our non-payroll contingent workforce. During 2021, Nedbank reported the following shifts in our non-permanent workforce: payroll contractors and financial planners increased by 70, temporary workers increased by seven and our non-payroll contingent workforce decreased by 181. The reduction in non-payroll contingent workers could be a result of contingent workers having completed their projects prior to the reporting date.

Nedbank's 2021 attrition rate of 9,27% (2020: 7,12%) includes voluntary and involuntary (retirements, death, retrenchments, dismissals and disability) losses.

In 2020 Nedbank reported nine deaths as result of Covid-19; however, the deaths of another five colleagues during December 2020 were reported after the 2020 review period.

In line with the industry trend, we saw a significant reduction in resignations during 2020, attributable to high levels of job market uncertainty. As the labour market started to adjust to the unusual reality of operating in a pandemic, resignations started to return to pre-2020 patterns (2021: 1 434; 2020: 1 047; 2019: 1 840).

The war for talent with scarce skills, particularly talent from underrepresented groups, contributes to the higher voluntary-attrition (resignation) rate of 5,91%, based on the average headcount (2020: 4,33%). In this number we reported a 3,39% (2020: 0,55%) voluntary-regrettable-attrition rate of 805 (2020: 140) employees. The increase in voluntary regrettable attrition reported is a result of a decision to expand the criteria on which 'regrettable loss' is calculated. The numbers for 2021 include performers and high-performers from all race groups, while the 2020 numbers included underrepresented groups only.

Employee terminations by age group

Age	Average number of employees		Number of terminations		Attrition by age group	
	2021	2020	2021	2020	2021 %	2020 %
< 20	1	–	–	–	–	–
20–29	3 145	2 663	383	226	12,2	8,5
30–39	10 165	10 595	913	768	9,0	7,2
40–49	6 647	7 113	428	350	6,4	4,9
50–59	3 513	3 889	281	205	8,0	5,3
60–69	271	602	196	221	72,3	36,7

Note: All termination categories are included in the table above, to indicate the average net loss to the organisation.

The highest attrition rate was in the 60–69 years category, which is the normal trend given the number of employees in that age group who retire. Several employees in the 50–59 age category opted for early retirement, which explains the increased attrition in this category. A more active labour market, combined with the war for talent (as discussed above), increased the attrition rates in the 20–39 age groups.

Employment equity demographics year-on-year growth

In addition to our focus on introducing young talent and scarce skills to refresh our workforce profile, we continue to work towards a more diverse workforce that represents the demographics of the communities that we serve. Despite a total permanent headcount decrease of 3 872 over the past three years, Nedbank continues to increase its representation of underrepresented groups across senior-, middle- and junior-management levels, evidencing its commitment to transformation.

The table below reflects the consistent progress made in this regard over a three-year period.

Occupational level	2021 %	2020 %	2019 %
Top management			
Black people	41,2	38,9	41,2
Black females	17,6	16,7	23,5
Africans	23,5	22,2	23,5
Senior management			
Black people	47,7	45,1	43,0
Black females	20,7	19,3	18,4
Africans	20,3	18,0	16,3
Middle management			
Black people	65,6	64,1	62,3
Black females	35,3	34,3	33,5
Africans	32,2	30,4	28,8
Junior management			
Black people	89,7	89,1	88,5
Black females	61,5	60,7	60,2
Africans	59,8	59,1	58,0
Disability	2,5	3,1	2,6*

* An audit exercise was conducted to ensure that employee disability declarations are supported by a confirmation letter from a registered medical practitioner in compliance with BBBEE requirements. As result of the audit, the disability representation decreased from 3,1% in 2020 to 2,5% in 2021.

Note: Transformation figures comprise employee groups that are defined by the Department of Employment and Labour (DoEL) and that are processed through Nedbank's payroll and residing and working in SA.

Representation in top management for black and African people recovered in 2021 with the promotion of Dr Terence Sibiya to Managing Executive of Nedbank Africa Regions.

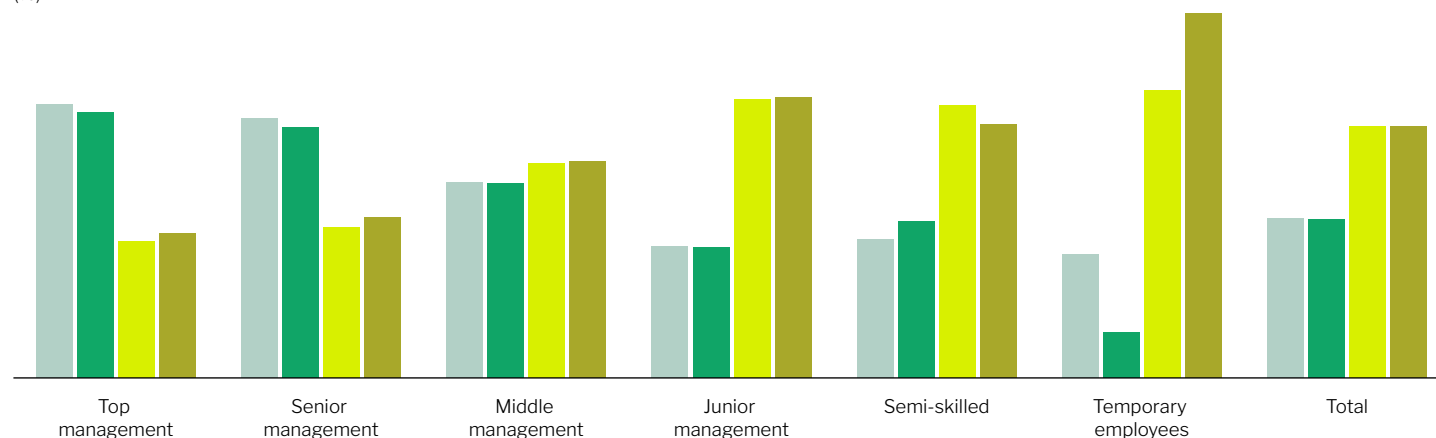
Our workforce in review continued

We celebrate our progress towards the representation of women at all management levels and will continue to focus on gender representation at senior-management level. We will continue to prioritise targeted development programmes and opportunities at this level. The total female representation is 61,4% (2020: 61,2%).

We understand the importance of creating positive lived experiences for all our employees in attracting and retaining top talent. In particular, underrepresented groups need to experience Nedbank as a place where they belong and are valued. DEI is central to our culture transformation.

The table below provides a view of the gender representation per management level.

Gender breakdown: 2020–2021
(%)



	Top management	Senior management	Middle management	Junior management	Semi-skilled	Temporary employees	Total
Male %, 2020	66,7	63,2	47,7	32,1	33,7	30,0	38,8
Male %, 2021	64,7	61,0	47,3	31,7	38,1	11,1	38,6
Female %, 2020	33,3	36,8	52,3	67,9	66,3	70,0	61,2
Female %, 2021	35,3	39,0	52,7	68,3	61,9	88,9	61,4



Culture that unlocks value for our clients and workforce

Nedbank has established itself as a purpose-led, values-driven and people-centred organisation. We have defined our required culture to enable Nedbank’s strategic aspirations.

Our culture transformation journey targets the following outcomes:

- Achieving identified culture and leadership shifts.
- Embedding Human-centred Leadership to unlock the culture shift.
- Strengthening our vision to position Nedbank as an employer of choice.
- Making Nedbank a ‘great place to work’ for all.



Our People Promise (EVP)

Purpose-led



Our purpose is clear: to use our financial expertise to do good.

Service excellence



We are one team and we deliver world-class service with purpose.

High performance



It’s in our nature to look at the world differently. Our purpose fuels us to make an impact and this drives us to perform better, work smarter and reach higher.

Growth and development



Growth comes from striving to be a better version of ourselves each day.

Diversity and inclusion



We strive to create a culture of inclusion and belonging.

For more information on our People Promise click here



Our People Promise was launched in 2020. It encourages our workforce to #BeTheDifference by living Nedbank’s purpose and positions what it means to work at Nedbank and what differentiates us from other employers. It is the basis for our engagement with employees and is integral to our people practices. Initiatives targeting the improvement of the workforce experience included regular communication; a hybrid workforce model; enhancements and embedding of the performance management approach and recognition practices; the launch of the human-centred leadership approach; the DLP; flexileave and other interventions.

We also continued to apply our agreed organisational design principles and new ways of working during various organisational restructures that seek to flatten hierarchy and reduce handoffs. Cross-functional teams across clusters are working together to achieve service excellence.

DEI has been central to the development of the overall culture programme to create a sense of belonging for all Nedbankers.

Our employee insights strategy enables more frequent, real-time feedback from our workforce, demonstrating that the voice of our people and their experiences are important to our leaders.

Our employee insights strategy

Our highest-ranked score is 91% for ‘In my team we deliver service excellence for clients’. This is the first favourability score in the 90s for all of our Pulse checks to date, and I am delighted that it is one that relates to client service excellence. We exist only because of our clients, and it is through the value that we create and deliver for our clients that we can first and foremost live our purpose, be the difference that impacts our world, and create value for all of our stakeholders in a sustainable way. ,

Mike Brown,
Chief Executive



Before 2020 Nedbank obtained employee feedback through the Barrett Values and Compass surveys, each of which was conducted biannually. Given the speed of change, a decision was taken in 2019 to discontinue both surveys.

New employee surveys were developed and our new survey technology now offers real-time natural-language processing, analyses and immediate results in a user-friendly and interactive dashboard. At business and team levels we want to remain responsive and empower conversations and actions to improve the workforce experience in alignment with the People Promise.

At organisational level, the collective voice of our workforce is used as critical input into guiding the reset of our culture, and trends are tracked over time. This helps us protect those elements that shape the positive experience of our workforce, address concerns and guide leaders on the required corrective actions and priorities.

Our first Pulse check (employee engagement survey) took place in November 2020 and 14 817 Nedbankers shared their views. In 2021 we saw an increase in participation.

In 2021 we varied the open-ended questions to enhance the voice

of different perspectives on topics like DEI, leadership, and growth and development.

In November 2020, 47% of our employees shared their views in the first Employee Insights Pulse survey. The participation increased to 60% in March and again to 64% in August with a slight decrease to 62% in the November 2021 survey that was conducted.



Other key insights from the November 2021 employee survey include the following:

- Our workforce has a more positive sentiment towards working at Nedbank, as indicated by our ‘great place to work’ NPS of 19 (2020: 17) and ‘great place to bank’ NPS of 31, which is a 21-point increase since our 2019 measure in the Compass survey.
- The workforce felt positive about the regularity with which information is shared.
- They appreciated and requested the continuation of the flexible work practices and Covid-19 safety protocols.
- Employees highlighted the importance of a work-life balance and called for fewer meetings to allow for more time to be productive.
- In response to the question of whether they feel they can challenge the status quo, the score increased to 64% in the November 2021 survey (November 2020: 55%; March 2021: 55%; August 2021: 59%). We are tracking this measure closely, as it is one indicator of psychological safety.
- In November 2021 the score for the DEI statement ‘In my business area we value diverse backgrounds, talents and perspectives’ increased to 80% (November 2020: 74%).

‘Great place to work’ NPS of
19
(2020: 17)

We believe that leadership is key to unlocking our required culture – we depend on our leaders to inspire and influence our workforce to model behaviour and change mindsets. We further acknowledge the critical role that all line managers play in shaping our culture.

OUR NEDBANK LEADERSHIP STORY

Our Nedbank leadership story – a Human-centred Leadership approach

Our Human-centred Leadership approach was introduced in January 2021. It is the outcome of a collaborative exercise with our leaders that resulted in a future-fit leadership framework that defines what differentiates a Nedbank leader and challenges all leaders to #LeadTheDifference. Following the launch, various initiatives were implemented to promote human-centred leadership.

Leaders at Nedbank now have a clear understanding of what our core leadership beliefs, attitudes, values and principles are; what is expected of them; and what they should focus on. Leadership at Nedbank harnesses the power of the collective; everyone has the ability to be a leader.

Leadership, Values and Culture goal and assessment

We believe as leaders that how we deliver is just as important as what we deliver. For this reason, we included the Leadership, Values and Culture (LVC) goal in the goal commitment contracts (GCCs) of the Group Exco as well as cluster exco and divisional committee levels in 2020.

The purpose of this goal is to enable our required culture where values-based, ethical behaviour is held in the highest regard.

This goal is measured using a suite of reference points to identify and reinforce positive leadership behaviour and areas for development. The LVC goal assessment is obtained through 360-degree feedback from management, colleagues and subordinates on key behavioural statements, aligned with our new leadership framework. One of the dimensions that was measured was whether the leader 'intentionally drives diversity and inclusion'.

A total of 487 (2020: 131) leaders participated in the 360-degree assessment of their LVC behaviour during 2021. Feedback reports are provided to both leaders and their line managers as input into their performance reviews and development discussions.

487
leaders participated
in the 360-degree
assessment
(2020: 131)

Leadership development

Our Human-centred Leadership approach was developed in collaboration with our leaders in response to the challenge to lead in a disrupted world, while navigating towards Nedbank's required culture. This underscores the urgency with which leaders are required to equip themselves for new ways of leading.

Leaders need to pivot their way of working while upskilling themselves to inspire and support their teams at speed.

To help equip our leaders to do this, the DLP provides two dedicated leadership development offerings. The table below depicts the number of leaders who have taken advantage of the opportunity to develop themselves through these offerings.

Offering	Total views	Total completions
Leadership@Nedbank Focuses on creating an understanding of what human-centred leadership looks like at Nedbank and the mindsets, practices and behaviour expected of all our leaders.	16 242	5 658
Leadership capabilities Explores the identified capabilities required for human-centred leaders at Nedbank, including emotional intelligence (EQ), collaboration, complex problem-solving and change resilience.	12 901	6 250

During 2021 we also focused on integrating the following in formal leadership development programmes:

- Nedbank's human-centred leadership approach.
- Adopting a growth mindset, to encourage teams to innovate and learn from failures.
- Understanding the role of the leader in Nedbank's culture transformation, including their role as coach.

During 2021, 217 (2020: 95) leaders participated in formal development programmes. At executive level, six programmes were launched, with a total of 40 leaders at different stages of completing their programmes. We have already identified an additional 26 leaders who will be participating in the 2022 intake.

The leadership and managerial-level programmes had 177 participants across four programmes, covering junior, middle and senior managers but not executives. The table below provides more information on the programmes and the number of participants.

217
leaders participated
in formal development
programmes
(2020: 95)

Culture that unlocks value for our clients and workforce continued

Programme	African		Coloured		Indian		White		Number of leaders
	M	F	M	F	M	F	M	F	
Executive programmes									
Bankseta IEDP International Executive Development Programme		2			1			1	4
Wharton Executive Development Programme		1						1	2
USB Executive Development Programme	2	3	2		1			2	10
McKinsey EMEA Management Accelerator Programme	8	12							20
McKinsey EMEA Executive Leadership Academy	1	2							3
INSEAD Advanced Management Programme							1		1
Senior management programme									
Henley Lead Programme	9	13	2	2	5	6	4	5	46
Middle management programme									
Henley Influence Programme	6	12	2	8	9	3	7	5	52
Junior management programme									
Henley Ignite Programme	5	9		1	4	2	1	2	24
Novia One Disrupt Programme	10	22	3	5	5	6	3	1	55
Total	41	76	9	16	25	17	16	17	217

Feedback from some of our leaders on the Nedbank management development programmes:

“Taking the time to think before diving into a situation will be more productive in the long run and allows you time to apply your mind. I believe that it all starts with me. Therefore, I need to improve my ability to listen and appreciate varying points of view when problem-solving. I need to show more appreciation for others by giving more meaningful and genuine feedback.”

“Using my understanding of self to be purpose-led, create a sense of purpose with others.”

“Embracing collaboration in my approach to projects and working with others – inspire, empower and embrace diversity.”

“As a leader you have to set the atmosphere of “safe space” and “trusted place” where your colleagues can work and communicate.”

“Getting to understand that you must be able to lead yourself in order to lead others. Do not fear failure; have big dreams with goals.”

Culture that unlocks value for our clients and workforce continued

In keeping with the Nedbank Learning and Development strategy to increase our focus on digital learning experiences, the DLP provides two dedicated leadership development offerings:

- **Leadership@Nedbank** focuses on expanding the Human-centred Leadership Framework and the mindsets, practices and behaviour expected of all leaders at Nedbank. It provides a clear understanding of what our core leadership beliefs, attitudes, values and principles are. It explains the new leadership framework and what leadership at Nedbank looks like.
- **Leadership Capabilities** explores the identified capabilities required for human-centred leaders, as set out in the Human-centred Leadership Framework. Examples include innovation, EQ, collaboration, complex problem-solving, and change resilience. The digital leadership offerings were well received and the table below provides a view of the number of leaders who have taken the opportunity to view, and develop themselves in line with, the offerings.

Offering	Total views	Total completions
Leadership@Nedbank	16 242	5 658
Leadership Capabilities	12 901	6 250
Total	29 143	11 908

We remain committed to a blended approach in leadership development, which is evidenced through an increase in our investment as indicated in the table below:

Comparative view of total leadership development expenditure yoy

Organisational level	2021	2020	2019
Senior management	R71 359 419	R44 321 200	R70 373 848
Middle management	R407 730 026	R431 363 822	R266 471 941
Junior management	R494 709 690	R416 271 298	R357 970 262
Semi-skilled	R17 498 394	R32 426 749	R65 268 726
Total	R991 297 529	R924 383 068	R760 084 777

While a focus on leadership remains the most critical unlock of our culture transformation, we acknowledge that the practices of performance management and recognition too are catalysts for our transformation efforts.

Performance management

Given the complexities associated with new working patterns where some employees work from home while others work from the office (or a hybrid of the two), regular real-time conversations are even more critical. The following are the key principles of our performance management approach:

- A collaborative conversation between the line manager and employee to set clearly defined, agile performance goals.
- Regular, real-time feedback and feedforward performance discussions.
- Formal mid-year and year-end performance reviews.
- Future-focused, strength-based performance and career conversations with a growth mindset.

These key principles of our performance management approach link closely to our human-centred leadership approach, which focuses on the role of the leader as coach. Continuous performance discussions are a human-centred approach to promoting, reviewing, and improving employee performance.

During 2021, 98% (2020: 83%) of our employees participated in mid-year performance reviews, while 96,7% participated in the year-end performance review (2020: 96%).

Employees participating in mid-year performance review

98%
(2020: 83%)

The implementation of SAP SuccessFactors in Namibia, Zimbabwe, Eswatini and Lesotho meant that we could automate part of the performance management practice for Nedbankers in those countries and improve their experience. Our performance management approach was further embedded through educating, engaging, and training our leaders on the practice to focus on the outcomes of performance.

In 2022 we will continue to focus on coaching to embed continuous performance management discussions while ensuring a balanced focus managing both underperformance and outperformance.



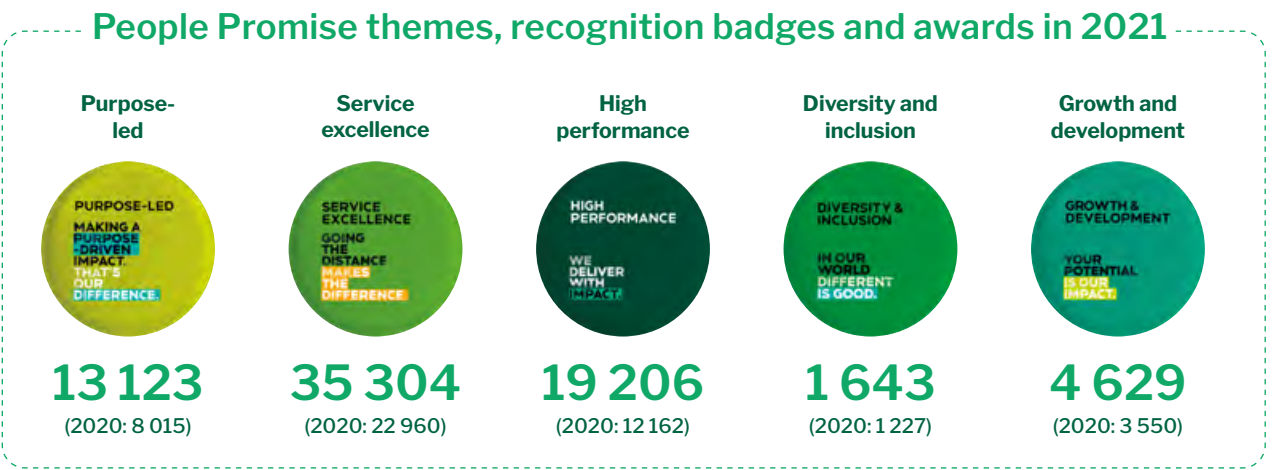
Culture that unlocks value for our clients and workforce continued

Recognition



Nedbank’s informal and formal recognition programmes are closely aligned with and support our culture transformation. They promote the recognition of the achievements of individuals and teams.

Our **informal recognition programme** provides employees with the opportunity to appreciate colleagues by awarding virtual badges aligned with the People Promise to promote the required behaviour. Virtual badges have gained popularity with Nedbankers and we continue to see a significant increase in their uptake year on year, as illustrated below:



A total of 73 905 virtual badges were awarded in 2021 (2020: 47 914; 2019: 46 230). Similar to 2020, the top three badges awarded in 2021 were for service excellence, high performance and being purpose-led.

A total of
73 905
virtual badges were
awarded in 2021
(2020: 47 914)
(2019: 46 230)



Culture that unlocks value for our clients and workforce continued

Our **formal recognition programme** acknowledges individuals and teams for their outstanding performance and display of the desired Nedbank values. Nominated employees stand a chance to win a Top Achiever award, which usually includes a prestigious dinner event and an incentive trip.

The overseas incentive trips for 2020 and 2021 (for 2019 and 2020 achievers) were impacted by Covid-19 travel restrictions. As a responsible employer, we considered the well-being of our employees when we made the decision to award Top Achievers with a financial prize in lieu of a trip.

The formal recognition programme had the following winners:

121 individual Top Achievers	One Top Team with 20 team members	1 Chief Executive Award winner
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What our workforce has to say about our recognition programme

“ I always strive to do my absolute best and push beyond the boundaries of what’s possible. Being recognised for this reinforces that my contribution at work really matters and spurs me on to be an even better version of myself. I am fortunate to be employed at Nedbank, where recognition is part of our culture, and to have leaders who understand that celebrating employee success is key to the Power of N. ”

Rizwana Cassim,
Data Architecture Lead

“ Recognition validates the value of your efforts. It fuels you to become even better than before. Soon you’ll reach mastery; a task that took you hours, days or weeks to complete will become a walk in the park. This has been my experience of being recognised. ”

Jack Phiri,
Business Data Manager

Our culture transformation priorities for 2022 include the following:

Continued cluster
exco culture
transformation
engagements.

Team-orientated,
human-centred
practices.

Continued enterprisewide
change and communications
to support awareness,
engagement and learning,
while aligning all stakeholders
on the winning outcomes to
which we aspire.



Transforming our workforce through valuing diversity, equity, inclusion and learning

A diverse, transformed and skilled workforce broadly representative of the demographics of our society is clearly reflected in Nedbank's Human Capital Strategy.

Our culture transformation journey also integrates DEI and promotes it as a defining characteristic that gives all Nedbankers a sense of belonging. DEI is central to our People Promise and leadership framework. Nedbank needs a steady supply of the right talent and skills, with the right demographic composition, at the right time and cost to meet our rapidly evolving business demands and execute on our business strategies. To achieve this, we integrate our talent practices closely with employment equity planning, enabling the proactive reshaping, resizing, reskilling and demographic transformation of our workforce.

Following a diagnostic conducted in 2019 to determine the high attrition rate of African talent, various interventions have been implemented to address the identified areas for improvement, particularly for senior and middle management. The table below depicts the attrition of African talent at senior- and middle-management levels:

Employee category	2021 %	2020 %	2019 %	2018 %
Senior management	9,6	3,8	5,9	10,3
Middle management	12	9,6	2,7	17,3

Implemented initiatives include the promotion of talent mobility across businesses and teams to encourage growth and the evolution of our equal-pay-for-work-of-equal-value (EPWEV) and performance check-and-challenge practices to identify and mitigate unjustifiable performance and pay differentials.

Overseeing our transformation mandate is the responsibility of the Transformation Human Resources Committee (Tahrco), which is a Group Exco subcommittee, and the GTSEC, which is a board subcommittee. The Nedbank Diversity, Equity and Inclusion Forum (NDEIF) (formally known as the Nedbank Employment Equity Forum) is a consultative forum linking management and nominated employee representatives. The 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.



Transforming our workforce through valuing diversity, equity, inclusion and learning continued

Transformation forums and initiatives

In addition to a focus on an inclusive and diverse workplace, Nedbank further continued to promote its transformation objectives through various forums and initiatives.

LGBTQIA+ Forum

In its third year of existence, Nedbank's LGBTQIA+ Forum provides a platform for members to participate fully in the bank's transformation agenda.

- Participated in the South African Workplace Equity Index (SAWEI) benchmark to determine the level of the organisation's inclusivity in terms of the LGBTQIA+ workforce.
- Nedbank was awarded a bronze status by SAWEI, which highlights that we are moving in the right direction, despite still having some work to do.
- Participated in the International Day Against Homophobia, Transphobia and Biphobia, held on 17 May 2021 through our DLP.
- Continued to provide an internal social interaction platform, The Kommune.
- Focused on acceptance in the workplace in a presented webinar in partnership with ICAS (Nedbank's employee well-being programme service provider).
- Presented a third online session entitled 'Dare to be you' to enlighten colleagues through interactive conversations on LGBTQIA+ inclusion and self-expression.
- Representatives of the LGBTQIA+ Forum attended various cluster employment equity forums, cluster engagement sessions and sessions with graduates with the intent to raise awareness.
- During Pride Month (October) the Nedbank Sandton head office was lit up in the colours of the rainbow Pride flag. This was supported by a campaign to educate Nedbank employees on the meaning of the colours of the flag.

Women's Forum

The Nedbank Women's Forum embraces the Employment Equity Act, 55 of 1998, and the UN SDGs, including goal number five, which is aimed at the advancement of women and gender equity. The forum was established in 2002 and continues to focus on promoting equal opportunities and fair treatment in the workplace.

Focus areas and activities during 2021

- **Communication and awareness** – The forum partnered with various stakeholders to host or provide access to over 20 engagements on the following topics:
 - » International Women's Day (#ChooseToChallenge, for achieving gender equity).
 - » Youth Day (reflecting on the courage of youth and leadership in times of disruption).
 - » Africa Day (celebrating the contribution of women in Africa).
 - » Breast Cancer Awareness.
 - » TraumaCall GBV Webinar (16 Days of Activism Against Gender-based Violence).
- **Voices of Change 2021** – Nedbank participated in Voices of Change for the fourth consecutive year, by promoting the awareness of gender equality with global organisations. A total of 15 corporates and over 5 000 people participated virtually in the event. The theme 'She, He, We is Power' centred around inspiring inclusion and had a strong message: To harness the power of diversity, collective effort is needed. The forum launched a social initiative, *The Soar* book, which aims to empower schoolgirls through resilience, confidence and informed career choices. Nedbank contributed R25 000 towards *The Soar* book drive.
- **United Nations Women's Empowerment Principles Gap Tool Project**
In 2020 Mike Brown signed a statement in support of the seven UN Women's Empowerment Principles (UN WEPs). A gap analysis was completed in August 2021. Nedbank scored 53%, which translates to an 'Achiever' position and means that while Nedbank's commitment and implementation are good, we could enhance identified policies and practices. An action plan towards improvement has been developed.
- **Participation in the 2021 Gender Mainstream Awards** – Nedbank leader Brian Duguid was named joint winner of the 'Most inclusive leader' award in the listed-company category for SA.

Disability Forum

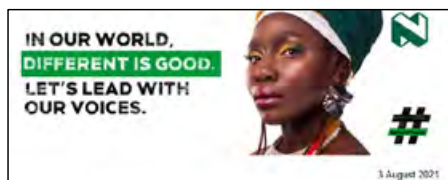
Nedbank remains committed to improving the representation of and reasonable accommodation for people with disabilities in the workplace. The Disability Forum was established in 2008 with the aim of representing the interest of Nedbankers with disabilities in the workplace.

The forum hosted a virtual session titled 'Disability Power-Hour Be inspired' during the international month of persons with disabilities (3 November to 3 December) and 86 employees attended. The purpose of the session was to empower disabled members of our workforce or those with disabled family members. The following topics were discussed during this session:

- Hanli Stehli spoke about how negative beliefs can hold us back.
- Shani Little, a visually impaired psychology student, empowered attendees with an inspirational message.
- Siaya Lucas, a living example of becoming the victor of disability through his life journey, fielded questions on disability and what Nedbank is doing to reduce the workplace barriers of colleagues living with various disabilities.
- The session was highly interactive and attendees expressed their gratitude to Nedbank for hosting it.



Transforming our workforce through valuing diversity, equity, inclusion and learning continued



“The bank hopes that these visual demonstrations of solidarity will help to spark awareness and a deeper understanding of the LGBTQIA+ community and the challenges that many of its members face every day.”

Craig Barnes,
Nedbank LGBTQIA+
Forum Chairperson



Youth Employment Service

In 2019 Nedbank invested in the YES initiative, which was sponsored by President Cyril Ramaphosa. The initiative seeks to create one million jobs for SA's unemployed youth. To date, Nedbank has been the largest contributor among the South African banks to have participated in this initiative at a large scale.

In 2020 the national lockdown prevented Nedbank and its implementation partners from completing the necessary participant onboarding processes, ie applicant interviews, assessments and verifications. After much consideration of the associated risks, Nedbank decided to postpone the programme.

Despite the continued uncertainty, Nedbank remained true to its undertaking and hosted 1 905 YES youth in collaboration with our implementation partners in 2021.

YES youth are placed with implementation partners in line with the 'green economy'. The green economy is a Nedbank CSI strategy focused on social upliftment and inclusion, and the protection of the country's natural ecosystem. The green economy focuses on agriculture, energy, water and waste.

YES youth were placed across the country as follows:

YES youth intake

Organisation	2021 intake	2019 intake
Nedbank	150	250
WildTrust	1 109	1 715
UnlockD	–	800
ORT SA	204	400
Tradeway	–	150
Youth@Work	272	25
Conservation SA	68	–
RLabs	102	–
Total	1 905	3 340

Of the 150 YES youth that were placed in Nedbank, 100 were onboarded into the Nedbank Contact Centre in May – 70 in Durban and 30 in Johannesburg. The remaining 50 were onboarded in various clusters in June. Cluster-specific induction programmes were conducted. Nedbank YES youth worked from home under the supervision, mentoring and coaching of their respective line managers.

Implementation partners also conducted induction programmes for their allocated YES youth across the country. The inductees received smartphones and the YES4Youth office inducted all YES youth placed with implementation partners on the use of phones and applications, to ensure they are set up for more virtual ways of working. Nedbank youth were also provided with access to our DLP (including LinkedIn Learning) to support their upskilling.

On 3 November 2021 all YES youth attended a NedTalk virtual event in collaboration with Nedbank clusters, implementation partners and the YES4Youth office. The objective of this talk was to encourage the YES youth to consider entrepreneurial opportunities, given that not all of them would be absorbed by their hosting organisations.



▶ Insights into the YES programme



Transforming our workforce through valuing diversity, equity, inclusion and learning continued

The impact of our collective growth and development effort

Youth development

- 1 905** YES youth participants
- 290** unemployed ACI candidates in learnership and internship programmes
- 36** of ACI learnership and internship participants absorbed into Nedbank and permanently employed
- 78** undergraduate external bursars
- 5** postgraduate external bursars
- 87** participants in Nedbank Graduate programmes
- 88** Nedbank study grants awarded to children of employees

Talent attraction

- Invested** in the design and delivery to digitise recruitment and onboarding
- Conducted** surveys to measure the experience of the new employee
- Was **awarded first prize** by SAGEA in the category Best Digital Campaign for the #YoungDifferenceMaker
- Connected** with students from 23 universities in virtual career fairs in partnership with SAGEA

Investing in internal skill development

- R1,1bn** total training spend
- 8,4%** of basic payroll spend on training
- R907,5m** spend for black employees
- 41** average learning hours per employee
- 240** employees completed formal qualifications
- 2 647** employees participated in learnership programmes

We invest in **youth development** to develop future skills and create a platform to **attract talent** as an employer of choice. Investing in **leadership development** sets the foundation towards creating a learning culture where we continue to invest in **skills development**. An organisation with a learning culture requires access to **skills through digital learning** and **talent mobility** provides the opportunity to apply the new-found skills practically.

Increasing access to skills through digital learning

- Over **18 000** users
- 1 092 296** courses viewed
- 982 417** course completions
- 98%** repeat visitors
- 9 194** virtual classroom sessions

Leadership development

- R991,3m** spend on leadership development
- 217** leaders participated in formal development programmes

Creating internal learning opportunities through talent mobility

- 15,8%** of our talent moved to alternate Nedbank roles
- 45,8%** of our talent mobility beneficiaries were African

Transforming our workforce through valuing diversity, equity, inclusion and learning continued

Nurturing our internal and external-talent pipelines

As the scale and pace of technological advancement escalate, the shape and size of organisations are changing. There is a decrease in the demand for routine, 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. This calls for Nedbank to adopt a combination of workforce strategies to nurture our internal and external pipeline, while developing our workforce for a new reality.

We believe that lifelong learning is necessary to enable the ongoing capability shifts Nedbank needs. In addition to an enabling culture, this is made possible through relevant learning solutions. During 2021 we made a substantial investment in digital learning, while continuing our investment in formal programmes to grow our own internal talent pipelines and ensure that skills sets remain relevant.



Enabling lifelong learning through digital learning

In February 2021 we launched the DLP, enabling self-directed learning that is available anytime, anywhere, while promoting lifelong learning. It provides our people with the opportunity to upskill and reskill themselves for a future at and beyond Nedbank.

The platform leverages machine learning and AI to recommend solutions in line with learning goals and topics of interest in smaller, consumable chunks. In addition to the open web content, we have integrated paid content libraries into the DLP, such as LinkedIn Learning, Udemy and Coursera, to make it easier to find and consume learning content.

Our initial focus was to embed the adoption and utilisation of the DLP and we celebrated the following milestones at the end of December:

- Since the launch of the DLP, courses offered have received 1 092 296 employee views, with 982 417 course completions.
- Over 18 000 users were active on the platform, 98% of which were repeat visitors.
- Our NPS has consistently been in the range of 70–90% since the launch. The combination of repeat visits and the NPS are indicators that we are on the right path in meeting the needs of our workforce.

“Firstly, it’s the opportunity. I have worked in other companies before where you don’t have the opportunity to learn and expand your skills. If you really wanted to do something, you needed to pay for yourself and it’s very expensive. So, to be given an opportunity like this ... I just embrace it with open arms. It’s really exciting. There’s so much information, it’s so well laid out and it’s easy to find, and that’s exciting.”

Tania Erskine



“I like that you can choose your skills or your interests. Every day the system would give me a few articles and I would start there and then I would read the articles and decide, “OK, I see something interesting. Yeah, let me now go and search for certain keywords on that.” I would go and actually bookmark this stuff that I am interested in and then I would work out my week to see how I would learn them.”

Stefan Hendrikse



Nedbankers have also embraced the collaborative functionality of the platform, sharing learning content among each other 5 000 times. Over 982 417 learning completions have been recorded, excluding mandatory compliance and face-to-face workshops.

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

- We integrated our DLP with our centralised knowledge repository to access ‘just in time’ information at the point of serving clients, which contributes to an improved client experience.
- We developed curated pathways that align with future capabilities and talent pipelines – Nedbankers received 5 941 badges for completing learning in future-skill areas such as AI, empathy, continuous learning, robotics process automation, cloud and digital capabilities.
- The number of course completions on our paid learning content libraries (LinkedIn Learning, Udemy, Coursera, etc) has doubled.
- The DLP was launched to our Lesotho colleagues in November, which means that the team will no longer be reliant on external maintenance of their learning portal.
- Partnerships with the LGBTQIA+ Forum, Women’s Forum and well-being teams saw us develop curated paths and embed related messaging to support their change efforts.

Transforming our workforce through valuing diversity, equity, inclusion and learning continued

During 2021 we also launched a digital classroom capability in partnership with Adobe Connect. This technology empowers facilitators to deliver lessons virtually with engagement strategies and benefits similar to face-to-face learning, including using whiteboards, polls, games and discussion forums. The table below indicates the shift to virtual workshops:

Medium	2021	2020	2019
Virtual	9 194	4 535	408

We look forward to enhancing the features of the DLP to enable and encourage data-driven approaches in support of Nedbank's skills transformation.

Our investment in skills development

Our commitment to lifelong learning is further evidenced by increased year-on-year spend, which saw us exceeding our skills development target of 14,25 and achieving a 15,89 point score, as depicted in the table below:

Training expenditure according to FSC report	2021	2020	2019
Total basic payroll	R13 291 986 300	R13 875 442 233	R15 082 586 997
Total training spend	R1 116 805 713	R924 383 068	R759 665 181
Training spend as % of basic payroll	8,4%	6,7%	5,0%
Training spend for black employees	R907 500 042	R743 249 080	R601 912 861
Training spend for black female employees	R591 439 375	R484 481 212	R364 101 281
Training spend for black employees with disabilities	R14 238 818	R16 878 686	R10 391 308
Training spend for black female employees with disabilities	R10 304 880	R12 562 679	R7 684 390
BBBEE dtic score	15,89	16*	15,67

* A score of 15,99 was reported for 2020, but it changed to 16 after an in-depth audit.

With our increased focus on creating a learning culture, we have seen a significant increase in the average learning hours to 41 hours per employee (2020: 31 hours). A total of 24 746 employees benefited from learning interventions learning across the organisation (including compulsory compliance training) (2020: 24 391).

Average
learning hours
41
hours per employee
(2020:31)



Transforming our workforce through valuing diversity, equity, inclusion and learning continued

Extending our learning opportunities through strategic partnerships

Nedbank has formed a strategic partnership with the University of Johannesburg (UJ) after having started providing bursaries to students at UJ in 2018. The partnership has now extended to building AI-related competencies for our existing workforce, while developing a pipeline of talented students from this dynamic university. This partnership introduces practical solutions that align the strategies and strengths of both organisations. Through this partnership, research, skills, technologies, data analytics sciences, financial algorithms, cybersecurity, and a host of other initiatives are made available to our workforce.



The seven pillars of the partnership continue to evolve:

1 Align Nedbank and UJ to redefine the industry-academia nexus

The partnership set out to cross the traditional divide between academia and industry. The initial focus included data science, machine learning and AI, but was later expanded into the broader science, technology, engineering and mathematics (STEM) fields, equipping individuals from research careers in physics and maths so they can transition into investment banking and AI start-up careers.

2 Nedbank Research and Innovation Chair

The Nedbank Research and Innovation Chair was established in the Institute for Intelligent Systems at UJ with the mandate to foster Fourth Industrial Revolution (4IR) activities in SA and pursue data-driven innovation opportunities underpinned by AI. The chair also provides Nedbank with the flexibility to pursue an open-research agenda to leverage the intellectual property of the university, while fostering the development of MSc and PhD candidates.

Nedbank and UJ co-create new content aimed at reskilling and upskilling human capital to benefit both organisations.

3 Nedbank talent sourcing for future roles

In line with its Human Capital Strategy, Nedbank seeks to reskill existing internal talent with a particular focus on scarce and future skills to fill the void that exists. In 2021 this included the following initiatives:

- Engaging with top-of-class, mainly African, students with scarce and relevant 4IR skills to equip them and give them exposure to business and workplace experience twice a year. During the pandemic the workplace experience was virtual and positive feedback was received from all involved.
- Exposing Nedbankers (although it is available to all Nedbankers, African employees are especially encouraged to participate) to skills of the future, through sharing and integrating with UJ students, while transferring skills where possible.

4 Exposure via vacation work and ad hoc projects

In our first intake a total of 39 students were given an opportunity to work in various Nedbank business units. Of these students, 98% were African talent studying towards BSc Actuarial Science, BEng (Electrical and Electronic) and BSc Information Technology.

5 Create awareness through webinars and masterclasses

Masterclasses and webinars were conducted to create awareness among Nedbankers. Topics presented by UJ speakers included data analytics, machine learning, unsecured lending and risk.

6 Resolution circle – beyond Nedbank

The primary objective is to provide Nedbankers with the opportunity to pursue their passions and reinvent themselves in alternative careers outside of Nedbank, while remaining economically active (outskilling).

Examples of available programmes include carpentry, boiler-making, household electrical installation and repairs, fitting and turning, and solar installation.

7 Social responsibility

The Nedbank Research and Innovation Chair remains dedicated to the UN sustainability goals to promote inclusive, equitable education and lifelong learning and to enhance scientific knowledge, research and technology.

The symbiotic partnership between Nedbank and UJ continues to evolve, not only serving our common strategic needs, but also contributing to the greater society.

Transforming our workforce through valuing diversity, equity, inclusion and learning continued

Talent mobility

Talent mobility is the promotion or reassignment of talent from one Nedbank role to another, where the talent is needed. It was identified as a root cause for the attrition of African talent in a 2019 diagnostic and has since been prioritised to help retain top talent and talent from underrepresented groups.

A total of 15,8% of our talent moved to alternate Nedbank roles during 2021 (2020: 9,7%). This includes cross-cluster and divisional movements, as well as changes in management level (promotions). The functional areas that benefited most from talent mobility are Risk, Audit and Compliance; Project, Process and Product; Investment Banking; and Sales and Services.

Overall, 79,9% of beneficiaries of talent mobility were black ACI employees, of which 45,8% were African.

Talent mobility
15,8%
(2020: 9,7%)

79,9%
of talent moving internally were
black ACI employees

Our investment in bursaries for formal qualifications

Nedbank remains committed to the continuous professional development of our employees. 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 2021, **bursaries to the value of R14 477 079 (2020: R15 209 279) were awarded to 508 (2020: 616) employees**. The table below provides a comparative breakdown of the bursaries awarded:

Occupational level	Number of bursars			Actual payment		
	2021	2020	2019	2021	2020	2019
Senior management	25	8	17	R2 170 642	R518 541	R669 932
Middle management	243	298	376	R6 902 489	R7 780 713	R7 449 520
Junior management	232	285	444	R5 201 534	R6 362 195	R5 369 633
Semi-skilled	8	25	25	R202 414	R547 830	R346 530
Total	508	616	862	R14 477 079	R15 209 279	R13 835 614

Continuous professional development facilitated by the addition of workplace experiential learning was enabled through several additional programmes that resulted in 240 employees gaining formal qualifications (2020: 203). These programmes address needs in response to identified development areas as shown in the table below:

Programme title	dtic category	African		Coloured		Indian		White		Grand total
		M	F	M	F	M	F	M	F	
Advanced Certificate in Financial Planning	B	4	0	0	0	2	0	1	1	8
Graduate Programme	B	4	5	0	0	0	2	1	0	12
Higher Certificate in Financial Planning	B	3	2	0	0	0	0	0	0	5
Higher Certificate in Financial Products	B	0	0	0	0	0	2	0	0	2
Higher Certificate in Short-term Insurance	B	2	7	0	1	1	2	0	2	15
Postgraduate Diploma in Financial Planning	B	6	0	1	0	0	3	2	2	14
Higher Certificate in Management Practices	B	5	8	0	1	4	3	1	2	24
Advanced Certificate in Management Practices	B	13	27	2	10	13	7	9	6	87
Postgraduate Diploma in Management Practices	B	15	15	6	2	9	10	9	7	73
Total		52	64	9	14	29	29	23	20	240

Recognition of Nedbank's employer brand

The SAGEA awards celebrate the achievements of SA's leading graduate employers. The awards are decided entirely by successful jobseekers who have received confirmed job offers from graduate employers. In 2021

Nedbank was awarded first prize by SAGEA in the category Best Digital Campaign for the #YoungDifferenceMaker. We also received the following accolades from the SAGEA candidate insights 2021 survey:

- Top three (Finalist) Graduate Employer of Choice 2021 in the commercial and retail banking graduate programme sector.
- Top 10 Aspirational Graduate Employer of Choice 2021 across 85 graduate programme organisations spanning 23 sectors.
- Top three (Finalist) Best Work Experience Programmes 2021.
- Top 10 Best Graduate Recruitment Literature.
- Top 10 Best Recruitment Website.
- Top 10 Best Online Media Campaign.
- Top 10 Best Integrated Graduate Recruitment Campaign.
- Top 15 Best Recruitment Processes.

We recognise the role that our talent acquisition and onboarding practices play in shaping the workforce experience and the attractiveness of our employer brand.



Transforming our workforce through valuing diversity, equity, inclusion and learning continued

Talent acquisition and onboarding

During 2021 we invested in the design and delivery of critical foundations with the aim of ensuring that our recruitment and onboarding process is more digital and candidate-centred. We further invested in surveys measuring the experience of the new employee, which now provide us with insights into how to protect our investment in new hires at different intervals. These insights inform our 2022 priorities.

In addition to evolving these critical practices, we continued our focus on infusing young talent and scarce skills into our talent pipelines through learnerships, internships, bursaries and graduate programmes.

Learnerships and internships

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

Following the successful pilot of the 2020 Bankseta Cybersecurity Internship, Nedbank again hosted eight unemployed youth as interns in the 2021 academic year, providing them with cybersecurity experience. We enhanced the academic component of the qualification through collaboration with learning providers, enabling more virtual ways of delivering learning while maintaining the required standard. Despite the challenges posed by lockdown restrictions, we provided the interns with as much exposure to the workplace as possible, including a focus on technical and interpersonal skills. We received positive feedback from interns and their line managers, which is a testimony to the importance of giving unemployed youth the opportunity to gain skills and work experience.

We also introduced two new learnership programmes in 2021:

- Data Science Learnership (23 learners).
- Higher Certificate in Wealth Management Learnership (58 learners).

Following a successful orientation in December, the learnerships will be piloted and completed in 2022.

The New Venture Creation Learnership provided 15 existing Nedbankers with the skills and knowledge to explore entrepreneurial opportunities in or outside of Nedbank. The request for a new intake in 2022 is evidence of the success of this learnership.

	2021				2020				2019			
	Total intake	Nedbank employees enrolled in learnership	Unemployed	Total absorption	Total intake	Nedbank employees enrolled in learnership	Unemployed	Total absorption	Total intake	Employed with Nedbank	Unemployed	Total absorption
Learnerships and internships	2 937	2 647	290*	36**	2 401	2 045	356*	99**	1 714	1 517	197	99*
Black (ACI) representation	90%				88%				90%			

* Unemployed number includes ACI and white learners and interns.

** Absorption is relevant only to black (ACI) unemployed learners and interns.

As is evident from the table above, in line with our strategy we have continued to prioritise the development of Nedbankers while also contributing to the development of unemployed youth. The latter is considered to be over and above Nedbank's investment in the YES programme, which also targets unemployed youth.

Transforming our workforce through valuing diversity, equity, inclusion and learning continued

External bursary programme

The Nedbank Educational Trust awarded 83 bursaries in the 2021 academic year (2020: 131; 2019: 97) to the value of R13,5m (2020: R18,1m; 2019: R12,5m).

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	
	2021	2020
New bursars (2021 intake)	11	34
Current bursars (2020 and earlier)	67	87
Total undergraduates	78	121
Postgraduate (limited to prior undergraduates in bursary programme)	5	10

The 32 bursars who achieved an aggregate of 75% and above received a prize of R5 000 each.

Nedbank graduate programmes

Nedbank remains committed to the development of future leaders by investing in graduate programmes to establish a talent pipeline of young people to fill scarce skill roles in the organisation. The programmes aim to build foundational skills for young talent and provide them with the opportunity to apply theoretical knowledge with workplace experience. As part of Nedbank's aspiration to be an employer of choice that builds, attracts, and retains critical talent and skills, the bank hosted 87 (2020: 62) graduates across its various graduate programmes.

Programme	2021	2020		2019	
	Intake	Intake	Absorption %	Intake	Absorption %
Graduate Programme (RBB and Compliance)	0	12	50	10	50
CIB Graduate Programme	15	24	100	29	86
CA Training Programme	9	13	100	11	90
Quants Graduate Programme	12	13	78	10	88
Group Technology Graduate Programme	51	0	100	9	First year of two-year programme*
Total	87	62	86	69	76

* Note: Absorption percentages depend on the length of the programme and may therefore include graduates from previous years' programmes.

The Nedbank Young Talent programmes leveraged innovative digital marketing strategies to position Nedbank as a graduate employer of choice in the graduate programme landscape. The disruption to traditional graduate recruitment in-person events caused by the Covid-19 pandemic gave Nedbank the opportunity to connect with students from 23 universities by partnering with SAGEA to host virtual career fairs. This virtual platform enabled 28 000 students to connect and engage with graduate employers across the country via their mobile devices.

The Corporate and Investment Banking (CIB) Graduate Programme embraces diverse thinking, which was highlighted in their recruitment events and included the following:

- An online campaign in partnership with Golden Key
- Masterclasses and webinars with key universities
- Targeted faculty and school events
- Engagements with professional student organisations
- Social-media activations



The digital and online marketing strategy for the 2021 Quants Graduate Programme and Chartered Accountants (CA) Training Programme included the following:

- During 2021 Nedbank Young Talent programmes successfully had exposure to over 30 000 university students across SA through the participation in various virtual career fairs as well as other digital student experiences curated by Nedbank Young Talent programme managers.
- The Nedbank CA Training Programme and Nedbank Quants Graduate Programme successfully concluded a three-day 'virtual' vacation work experience programme for 40 students from across South African universities pursuing studies in accounting, mathematics, statistics, data analytics and other quantitative-related degrees. This virtual vacation work experience gives South African youth very necessary work readiness skills and exposure to financial, technical and quantitative career opportunities in Nedbank.
- The Nedbank Quants Graduate Programme also participated in the Quantify Your Future quantitative-skills virtual internship (along with other peer banking quants programmes) for over 130 students in STEM university qualifications, exposing them to emerging career skills and much-needed work exposure.
- The CA Training Programme collaborated successfully with UJ, the University of Venda, the University of Pretoria and the University of the Witwatersrand to curate an assignment (which was incorporated into the university curriculum) that allowed the students to apply their theoretical academic knowledge to a real-life banking credit assessment decision. These assignments serve as a much-needed bridge between the classroom and industry. This collaboration demonstrates our commitment to using our financial expertise to do good.

Healthy and high-performing employees

Globally, the ongoing impact of the pandemic and the state of the economy give rise to concerns regarding the physical, mental and financial health of employees. In these unprecedented times, Nedbankers demonstrated resilience and higher engagement levels.

Although employees adapted with agility to new work patterns and Covid-19 protocols, we are specifically monitoring the impact of these on their mental health and burn-out risk, in line with global trends.

The August Pulse survey indicated that 73% of the workforce agreed that their business area cared about their overall well-being. Despite the positive sentiment, workforce analytics indicated that many employees working remotely worked long hours and spent excessive time in meetings. Some employees struggled to set boundaries, but some employees felt that new and more agile ways of working enhanced collaboration between teams.

With this in mind, our well-being agenda remained critical in 2021. We continued to provide proactive physical, mental and financial support, in addition to ongoing Covid-19 and vaccination education and support.

Managing the impact of Covid-19 on our workforce

In support of the government's efforts to combat the spread of Covid-19, Nedbank developed a dedicated Covid-19 portal. The portal contains Covid-19-related information and resources such as standard operating procedures, guidelines and policies, news updates, frequently asked questions (FAQs) and vaccination updates. It is updated regularly to ensure that information related to Covid-19 is current as well as readily available and easily accessible to all employees. Employees are always informed of the new developments or decisions taken at the Pandemic Steering Committee (Steerco) to combat the spread of the virus.

The number of Covid-19 infections and fatalities increased significantly year on year, as depicted in the table below:

	Infections	Recoveries	Fatalities
2020	2 415	2 382	14
2021	6 813	6 240	55

During 2021, 6 813 Nedbankers tested positive for the coronavirus. There was a sharp increase of 86% in Covid-19 hospital admissions. We are saddened by the death of 55 of our employees, which will have a lasting effect on their families and colleagues. It is further evident from our insights that many of our employees were dealing with grief and loss of loved ones and colleagues.

Several measures were put in place to ensure the safety and security of our employees and clients, and we recognise the importance of regular communication and information. The Covid-19 portal, which was established in 2020, contains relevant information on policies, processes, practices, vaccination support and updates, and remains available to our people. The portal was supported by a regular Covid-19 newsletter and an extensive change and communication campaign to encourage our workforce to get vaccinated and to report their vaccination status to Nedbank voluntarily. At the end of December 2021, **11 223 employees had reported that they have been vaccinated.**

In addition to information sharing, we distributed a Covid-19 newsletter. We implemented paid time off for all employees who took the vaccine and/or who needed to accompany family members to get vaccinated. Employees were also encouraged to use our flexible work practices, special leave and family responsibility leave benefits, which are already available to them. Employees who suffered any side effects after having received the vaccine qualified for sick leave.

Virtual Covid-19 vaccination information sessions were attended by 2 699 members of our workforce. The sessions were hosted by medical practitioners and covered a range of topics dealing with the effect of Covid-19, facts and myths around vaccinations, etc. The webinars were interactive and questions posed by our workforce were answered during the sessions.

The effects of the Covid-19 pandemic are likely to continue impacting our workforce and their holistic well-being for some time to come. We will continue to monitor this impact and play our part in managing the pandemic responsibly, in support of national government policy.

Sick leave

Overview	2021	2020	2019
Average annual leave days taken	3 days	3,9 days	4 days
Absenteeism rate	2,7%	2,5%	2,4%
Average sick leave days taken per employee	7,3 days	6,5 days	6,4 days

During 2021, there was an increase in the number of sick leave days taken and the number of employees who took sick leave. The absenteeism rate related to sick leave increased slightly against a national average of 4–5%. The increase in sick leave could be attributed to the impact of Covid-19 as the infection rate and hospitalisation of employees increased.

The reduction in average leave days taken is a result of employees taking fewer leave days on a more regular basis, eg extending weekends to long weekends. This could be due to the uncertainty around lockdown measures.



Healthy and high-performing employees continued

Employee Well-being Programme (EWP)

The Nedbank Employee Well-being Programme is supported by ICAS, an independent service partner that offers confidential, independent counselling services to help employees and their family members deal with personal and professional problems.

Given the sharp increase in trauma-related incidents in SA, our EWP also established a partnership with TraumaCall – an organisation that provides trauma management solutions for critical incidents within two hours. Our employees can access this service through a panic button on their mobile phones, telephonically and via email. A number of service partners are then made available to Nedbankers to provide urgent support if needed. We noted an increase in the number of employees who contacted TraumaCall during the review year (2021: 1598; 2020: 1 423).

Overall, we saw the same trend with an increase in the utilisation level of the EWP, at 37% during 2021 (2020: 33,4%). ICAS extended its counselling service to include virtual access through digital media such as WhatsApp, live chat and video counselling, which may partly explain the trend. Stress and relationship issues remained the most common problems reported by our workforce. This insight made it possible for us to pivot our well-being focus to deal with stress and relationships.

We continued to empower leaders with support and tools to promote the well-being and performance of their teams. In partnership with NeuroLeadership, an external service provider, a virtual well-being indaba for HR representatives and leadership was hosted in September and November 2021 and attended by 3 315 leaders and HR representatives.

Utilisation level of the EWP

37%
(2020: 33,4%)

Physical and mental well-being

We believe it is important to empower our workforce with information and support, and for them to take responsibility for their own well-being.

During 2021 we observed a 3% increase in mental health admissions, which enabled us to prioritise a bankwide virtual campaign on mental well-being, including a variety of webinars that were attended by 22 402 employees during the year. The topics included the following:

- Caring for your mental well-being.
- Available mental well-being services.
- Prioritise your career well-being for your mental health.
- Effects of illness on your mental well-being.
- Managing demands and communicating with management.
- Anxiety, depression, stress, and demotivation.
- Empowerment and support on matters relating to gender-based violence.

In addition, during the 16 days of activism campaign, we created awareness to Nedbankers about TEARS – an organisation that provides support and a place of safety for victims of abuse.

The uptake of health risk assessments through the medical aid (health risk assessments and flu vaccinations) was low in 2021. The executive health programme continues to show increased utilisation, at 51% (2021) vs 38% (2020), both years being higher than the sector average of 10%.

Preventative health risk screenings and assessments	2021	2020
Total employees (NMAS) – flu vaccinations	709	1 574
Executive health risk assessments	472	354

Financial well-being

Interface is our financial well-being partner and it is part of ICAS. During 2021, 2 424 employees attended a wide variety of financial health webinars, which included the following topics:

- Secrets of financial success for women.
- The importance of a will.
- Money relationship.
- Teach your child to be the CFO of their financial future.
- Building financial courage and confidence in 2021.

The Holsboer Trust, named after Dr Bernard Holsboer (former Managing Director who retired in 1967), is a legacy that continues to benefit Nedbankers. The objective of the trust is to:

- provide affordable, good-quality holiday accommodation to Nedbank employees;
- provide medical assistance to employees who are faced with unforeseen and excessive financial commitments as a result of their own or a family member's illness;
- provide educational assistance to employees who earn below a certain income bracket; and
- provide grants towards education fees for children and legal dependants, through Holsboer Education Assistance.

During 2021 the Dr Holsboer Benefit Fund provided the following support to our employees and retired employees:

- **Holsboer Vacations** – 4 071 employees and pensioners made use of the Holsboer Resorts and Easy Holidays timeshare benefit (2020: 3 226).
- **The Dr Holsboer Education Fund** – 2 143 employees (2020: 2 158) were assisted with grants towards their children's education to the value of R4 320 724 (2020: R4 133 020).
- **The Dr Holsboer Benefit Fund** – 877 employees (2020: 936) were assisted with grants towards their medical shortfalls to the value of R2 709 493 (2020: R2 935 244).
- **The Gerry Muller Fund** – 269 Nedbank pensioners (2019: 298) were assisted with grants towards their medical shortfalls to the value of R1 124 098 (2020: R1 008 769).
- **Nedbank Study Grants** – 88 children of employees (2020: 116) were assisted with funds to study towards first-time degrees or diplomas to the value of R1 241 370 (2020: R1 589 339).

The focus on occupational health and safety increased with the onset of the Covid-19 pandemic. The following section focuses on the 2021 activities of the relevant team.

Healthy and high-performing employees continued

Occupational health and safety

The vision of Nedbank's Occupational Health and Safety (OHS) Team is to be a centre of excellence that creates, promotes, and maintains a work environment where appropriate programmes are implemented to embed a mindset of health and safety, thereby ensuring a safe and healthy environment for our workforce and stakeholders.

The team guides the group on all health and safety matters and ensures compliance with legislation and regulatory updates. Nedbank must comply with the OHS Act, 85 of 1993, and its regulations, as well as the Compensation for Occupational Injuries and Diseases Act (COIDA), 130 of 1993. Although Nedbank does not have an international OHS system certification (as it is not a legal requirement), best-practice standards are implemented where possible. The OHSAS 18001 ISO is in the process of being phased out and will be replaced by ISO 45001 as an international OHS accredited standard. The intention is to adopt the international standard in the near future.

All Nedbank foreign subsidiaries must adhere to the relevant OHS laws and regulations in the countries in which they are located. It is also compulsory for subsidiaries to comply with the Nedbank Group OHS Policy.

During 2021 the team continued to play a pivotal role in ensuring that Nedbank Group maintained a safe and healthy workplace during the Covid-19 pandemic and that the organisation complied with all the relevant additional regulatory requirements contained in the regulations and directions issued in terms of the Disaster Management Act (DMA), 57 of 2002.

Nedbank Group Covid-19 Compliance Officer and compliance officials

In its fight against the Covid-19 pandemic Nedbank appointed a Group Covid-19 Compliance Officer, in line with the regulations issued under the DMA and the OHS directions issued by the DoEL. The role of the Covid-19 Compliance Officer is to ensure adherence to, and the continuous monitoring of, all the Covid-19 preventative measures. They are a member of the group Pandemic Steering, which is tasked with the overall management of the group's response to pandemic and provides subject matter expertise, advice and guidance to business. The Group Covid-19 Compliance Officer assigned section 16(2) appointees as compliance officials for their respective areas of responsibility in campuses and branches.

Occupational health and safety committees

It is compulsory for the Nedbank head office, regional offices, and branches to have fully functional OHS committees.

Compliance audits and baseline risk assessments

Independent OHS compliance audits are conducted annually and the results of these audits are reported to management. In the year under review 269 sites were reassessed (2020: 320) and the findings were presented to the relevant heads of various portfolios to be addressed. The lower number of reassessed sites is a result of the social unrest in Gauteng and KwaZulu-Natal during July, during which many sites were looted, damaged and closed. Other assessments had to be suspended in August due to the rising Covid-19 infection cases. Standard operating procedures were developed to address common findings from the risk assessment reports.

During 2021 Covid-19 risk assessments were conducted at selected sites. The purpose was to assess the risk of exposure; to implement mitigation measures; to establish the effectiveness of procedures, controls and measures implemented to prevent the spread of Covid-19; and to comply with DMA regulations.

Standard operating procedures and guidelines were developed and updated in line with the revised guidelines from the National Department of Health, where relevant, to address common findings from the Covid-19 risk assessment reports. Recommended control measures from the reports were implemented and continuously monitored for adequacy and effectiveness.



Training and awareness

Management is responsible for ensuring that OHS appointees are available and trained in their health and safety roles as part of their daily work-related activities, with refresher programmes having to be attended regularly.

In 2021 a total of 1 176 OHS appointees (2020: 508) received this training. With the introduction of virtual learning to reduce the risk of infection, a higher number of OHS appointees were trained.

A total of
1 176
OHS appointees
(2020: 508)

It is compulsory for all employees to complete online OHS awareness training and to formally acknowledge that they have read and understand the Nedbank Group OHS Policy and the Incident Reporting and Investigation Procedure. The completion of the training and policy acknowledgements is tracked and progress is reported to the relevant governance committees.

Safe Work Instruction for first aiders was developed and implemented to guide first aiders on the precautions to be taken when rendering first aid to persons during the Covid-19 pandemic.

Employees were encouraged to disclose their vulnerabilities to enable line managers to make special arrangements to accommodate them. Some of the measures taken included allowing vulnerable employees to work from home and dedicating some office space for the sole use of vulnerable employees, with extra precautionary measures taken for those that could not work from home due to operational reasons.

Regular employee awareness interventions were provided, including a quarterly newsletter and communications and messages from the CEO, Group Chief Compliance Officer and other Group Exco members delivered through Group Communications and the dedicated Covid-19 portal.

World Health and Safety Day

World Health and Safety Day was observed worldwide to remember workers who died from work-related injuries or illnesses. This day also provided us with an opportunity to reflect on how to prevent occupational injuries, diseases, and deaths. Due to Covid-19 restrictions, Nedbank joined the global community virtually. The 2021 commemoration focused on the impact of the Covid-19 pandemic and ways to minimise its effects.

Healthy and high-performing employees continued

Emergency medical 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 number of 455 first aiders were trained during 2021 (2020: 142).

Total number
of first aiders
trained

455
(2020: 142)

Incident reporting and attendance

Our incident investigation and reporting procedure was updated and aligned to cater for reporting occupationally acquired diseases. The analysis of workplace incidents is key to preventing the recurrence of incidents. Line managers investigate these incidents, identify the root cause, and implement appropriate remedial and preventative measures.

All injuries on duty (IODs) are attended to by our trained and accredited first aiders. IODs are immediately reported to the Compensation Commissioner in terms of COIDA. The table below reflects the number of incidents recorded:

Incident category	Number of incidents 2021	Number of incidents 2020	Number of incidents 2019
Medical	22	53	151
Workmen's compensation claims – Nedbank	40	45	90
Workmen's compensation claims – contractors	0	0	0
Injuries – public/visitors	18	37	48
Fatalities – Nedbank	0	0	0
Fatalities – public/visitors	0	0	1

In 2021 there were eight (2020: 43) first-aid cases, which included IODs leading to minor treatment such as applying a plaster.

Our lost-time injury frequency rate (LTIFR) for the period under review is 0,57 (2020: 0,32). LTIFR increased due to the increase in the number of days employees booked off from work. The total recordable injury frequency rate is 0,15 (2020: 0,14). The increase in this rate can be attributed to the lower headcount when compared to the previous year. Medical conditions such as migraines, nausea and asthma attacks are 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.

Covid-19 controls monitoring

To ensure that all risks related to the management of the Covid-19 pandemic have been assessed and appropriate controls have been implemented in alignment with the various regulatory requirements that had been issued, Nedbank developed a groupwide risk assessment plan that was approved by the Group Exco. The risk assessment was also submitted to the DoEL in line with the regulatory requirements. The plan is updated regularly in line with changes in regulatory requirements.

Based on the outcome of the risk assessment, a questionnaire covering all compliance requirements and that business is required to adhere to was developed. The questionnaire is completed monthly by the compliance officials in the branches and campus sites. In addition to serving as self-assessment of the levels of compliance, the questionnaire also serves as a reminder and a checklist of the controls that must be adhered to. The questionnaire was updated with questions to cover the risk items that were identified in the risk assessment reports. The self-assessed levels of compliance have been consistently high since the questionnaire was implemented. The number of areas requiring improvement was communicated to management for remediation and decreased with each questionnaire issued. The results of the questionnaire and the completion status are reported to the Pandemic Steerco. Group Compliance further conducted independent monitoring of the controls implemented by Nedbank to ensure compliance with the Covid-19-related regulatory requirements.

On-site reviews by the authorities

The DoEL conducted on-site inspections at 128 Nedbank sites. Only one improvement, one statutory and 11 contravention notices were issued during the year. The findings were resolved and the notices were accordingly withdrawn. No further notices were issued during all the subsequent inspections.

Covid-19 reporting

Covid-19-related reports are submitted to various regulators in line with the regulatory requirements.

Ergonomic risk assessment

Ergonomic risk assessments were conducted in selected sites. The purpose was to comply with the OHS Act and ergonomics regulations, including with the aim to minimise workplace ergonomic hazards.

In the year under review 81 sites were assessed and the findings were presented to the relevant stakeholders to be addressed. These assessments are conducted on an ongoing basis and will be done once every two years at each site. The outcome of these assessments will assist Nedbank to ensure improved health, productivity, efficiency, and prevention of occupational incidents and adverse health effects.

Ergonomic risk assessments to improve well-being of our workforce

An ergonomics training video was developed to assist and empower our workforce on setting up an ergonomic workspace at work or while working remotely as part of the flexible-work-practices framework adopted by Nedbank.

Corporate social initiative

Hard hats and bibs formed part of the safety gear for the health and safety teams and were replaced with new caps and matching reflective vests. As part of our CSI project, which encouraged recycling and reuse, we donated hard hats to recycling companies and extended an invitation to charity organisations to request bibs.

Health and safety for women in the workplace

Nedbank has further demonstrated its support for women empowerment in the workplace by declaring its allegiance to the UN WEPs. Principle 3 requires Nedbank to ensure the unique health, safety and well-being needs of all employees (specifically women) while they commute to work. Women in our workplaces play an active role in the health and safety programme as members of the OHS teams in various locations without discrimination.



» Healthy and high-performing employees continued

Employee benefits

In support of our vision to position Nedbank as an employer of choice that builds, attracts and retains critical talent and skills, a competitive and progressive range of employee benefit offerings remains our key differentiator.

We are leveraging insights to better understand the needs of the workforce. Effective change management and communication of our employee benefits offering are also critical to supporting our employees in making important benefit decisions that may impact them and their families. These engagements are important moments that build trust, increase awareness and empower Nedbankers to make well-informed decisions.

During the annual benefits selection period in November/December, two virtual interactive sessions provided approximately 18 000 attendees with the opportunity to engage with subject matter experts.

We further ran an Employee Benefit Champion programme, where employees volunteer to promote and encourage use of benefits by sharing stories about benefits through formal and informal networks. We invested in monthly empowerment sessions to equip champions with information.

Employee Benefit Champion programme volunteers promotes benefits

Employee benefit enhancements and policy changes

In response to the evolving world of work and needs of our workforce, we are continuously reviewing our employee benefits. During 2021 several employee benefits were launched or updated, supported by extensive change management and communication, including the following:

- Flexileave was introduced for the senior-management occupational level and above on an optional basis from 1 June 2021. Flexileave is uncapped paid time off with no leave balance, no accrual and no leave encashment option and still requires line manager approval. It is an important change that supports a workforce that increasingly finds itself 'always on' and we believe that paid time off should be governed by a trusting relationship between an employee and their line manager. The number of employees who opted for flexileave gradually increased month on month and by the end of December 2021, 11,41% (124) had taken up the benefit.
- The Leave Policy was revised with enhancements to parental leave, specifically maternity leave. Subject to line manager approval, employees who chose to take flexileave were allowed to extend the four months' paid maternity leave with a further two months. Furthermore, in the event of the death of an infant after six weeks of maternity leave having started, maternity leave would cease, and compassionate leave may be granted at management's discretion.
- Improvements were implemented to sabbatical leave: the expectation that an employee uses their annual leave for the first month of sabbatical leave was removed from the Leave Policy. 'Rejuvenation and family break' sabbatical leave provisions were simplified, having been set to a maximum of four months, subject to management discretion.

Leave enhancements in 2021

- In line with our aspiration of positioning Nedbank as an employer of choice that builds, attracts and retains critical talent and skills, we offer a wide variety of parental leave, including paternity and maternity leave, surrogacy maternity leave, commissioning surrogacy maternity leave and adoption leave. All permanent employees qualify for parental leave. Our parental leave provisions across leave categories comply with legislative requirements and extend further benefits to employees in order to promote a more inclusive, progressive and family-friendly workplace. The table below indicates the uptake and retention of the employees that made use of the leave options for 2021:

Gender	Eligible employees	Parental leave taken	Return from parental leave	Still in employment at Nedbank 12 months post-return from parental leave	Retention percentage of those that took parental leave
Male	9 776	476	462	471	92,53%
Female	15 577	982	785	808	89,98%

(Figures above include paternity leave, maternity leave, surrogacy maternity leave, commissioning surrogacy maternity leave and adoption leave.)

- The Nedbank Medical Aid Scheme (NMAS) was a restricted scheme with compulsory membership for employees. Of the 25 689 members, 19 052 were active employees and 4 301 were pensioners or employees on disability. We received feedback through our communication platforms and a subsequent survey that a growing number of employees (90% of respondents) wanted greater choice when it came to their medical aid scheme. After consultation with the NMAS Board of Trustees and with input from the appointed healthcare consultant, Alexander Forbes, it was decided to offer employees a choice of three open medical aid schemes. The trustees independently identified a potential amalgamation partner and other preferred medical aid schemes. Members were invited to vote formally and results were audited by Deloitte. Of the NMAS members who voted, 75% voted in favour of a proposed amalgamation between NMAS and Bonitas Medical Fund, effective 1 January 2022. Nedbank employees now have an enhanced medical aid offering with a choice of three medical aid schemes: Bonitas Medical Fund, Discovery Health Medical Scheme and Bestmed Medical Scheme.
- As a result of the various levels of lockdown and Nedbank's decision to adopt a hybrid work model, a number of employees decided to relocate to other provinces since travelling into the office was no longer a daily requirement. This observation resulted in broadening the flexible work practices policy to include semigration. The formal launch of this policy will take place early in 2022.

Greater choice of medical aid


Continuous enhancements of benefits to meet the changing needs of our workforce

In 2022 we will continue to review our employee benefits offering to meet the evolving needs of our workforce and offer greater choice, while promoting relevant information to empower them to make informed choices.

Healthy and high-performing employees continued

Employee volunteerism

Many Nedbankers make a difference in society by giving their time, expertise and resources and tangibly displaying our Nedbank purpose. We have aligned our workforce volunteerism efforts to support the Nedbank Foundation green-economy CSI strategy (focusing on agriculture, water, waste and energy) and will be measuring our impact according to identified key performance indicators.



Payroll giving

Through our payroll-giving initiative, regular financial donations from employees are made to non-profit organisations through a structured programme. During 2021, through the support of 3 786 Nedbankers (2020: 4 020), 10 partners benefited from this initiative. The total donations received from our employee payroll giving in 2021 came to R3,2m (2020: R3,2m; 2019: R2,8m).







Community Builder Awards

We recognised our local heroes and teams virtually for their commitment to volunteerism in their communities. Beyond giving recognition, the event aimed to encourage volunteers to network and continue their efforts, while challenging other Nedbankers to get involved. The winners received donations towards the organisations they support.

Team Challenge

Teams who join the Team Challenge initiative get the opportunity to apply business solutions to social issues that impact their local communities. This way we build partnerships with local communities and further demonstrate Nedbank's purpose.

Participation in the Team Challenge extends to our workforce outside of the South African borders. Despite the unprecedented context in which Nedbankers found themselves in 2021, there was a significant increase in their participation: a total of 85 teams (2020: 20) and 1 398 (2020: 341) employees took part.

	 Eswatini	 Lesotho	 Mozambique	 Namibia	 Zimbabwe	 South Africa
Teams	5	4	3	9	8	56
Volunteers	22	40	18	90	72	1 156

Local Hero

The Local Hero Programme aims to provide financial support to the organisations at which Nedbankers volunteer and to recognise their efforts accordingly.

Our 67 Local Heroes (2020: 73) spent more than 700 hours in communities in 2021 and 92 communities benefited through their projects (2020: 73).

Nedbankers also raised R40 471 to support the areas impacted by the social unrest in July.

Local heroes spent

> 700

hours in communities

92

communities benefited through volunteerism (2020: 73)



Managing our employee relations

We have adopted innovative ways of effectively managing and leading a hybrid workforce to maintain high levels of productivity and engagement, while the protection of employees' well-being remains a priority. To ensure the effective management of employee relations, and where issues occur, we respond in line with Nedbank policies and, where required, work with our recognised trade union, Sasbo.

Grievance procedures

A stable employee relations climate depends largely on the ability of employees to raise grievances freely and for Nedbank to resolve these grievances effectively. To this end, our Grievance Policy encourages resolution of grievances as quickly, informally, and close to source as possible, with escalation allowed where resolution has failed. Formal grievances continued to decline year on year. In 2021 we had 134 cases (2020: 178 and 2019: 252).

Reduction
in formal
grievance cases

134
(2020: 178)

It should be noted that Nedbank continued to discourage face-to-face engagements as far as it was practically possible during 2021. This meant that our grievance and disciplinary inquiries were conducted virtually.

Disciplinary procedures

Our Disciplinary Policy and procedures establish processes for managing employee misconduct. We are committed to ensuring that cost-effective and efficient disciplinary measures are taken to correct employee misconduct progressively as and when it occurs. In 2021 the total number of incidents of misconduct addressed via disciplinary processes increased by 124 to 3 178 (2020: 3 054).

CCMA referrals

Our commitment to the fair treatment of employees is demonstrated continuously in the relatively small number of disputes that are referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) when compared with the total incidents of disciplinary action. Aligned with an increase in disciplinary incidents during 2021, CCMA referrals increased to 172 in 2021 when compared with 119 in 2020 and 162 in 2019. The majority of the cases were decided in the bank's favour.

This highlights the robustness of our internal processes and our commitment to fairness. We will continue to seek fair settlements of

disputes, which minimises risk to the bank and increases stability. We will also continue to use learnings from CCMA and Labour Court decisions to improve our employment practices to avoid or mitigate further disputes.

Incapacity or underperformance

To remain competitive, Nedbank has consistent focus on its employees' ability to deliver on their goal commitments, while supporting them where they fall short. While informal and constant performance feedback is encouraged, serious cases of underperformance are addressed formally via our incapacity processes. In 2021 a total of 638 employees underwent incapacity processes (2020: 319; 2019: 786). This evidences a return to more stringent performance management practice, in line with pre-pandemic levels.

Collective bargaining

Nedbank respects the rights of employees to form and/or join trade unions of their choice. This commitment to freedom of association is reflected in a number of documents, including the employee relations policies and the Recognition Agreement. In terms of the Recognition Agreement, Nedbank recognises Sasbo as the collective bargaining agent for employees in the defined bargaining unit.

Matters on which we negotiate with Sasbo relate to salary increases and short-term incentive (STI) allocation. These negotiations commence on 1 February annually. Negotiations in respect of 2021 salary increases took place in a difficult economic and trading environment and we concluded a salary settlement of a 6,3% adjustment to the guaranteed package of the bargaining unit's remuneration bill for 2021.

The Recognition Agreement also sets out the matters on which we consult with labour. These include restructures, amendments to terms and conditions of employment, and amendments to benefits and fringe benefits with monetary impact. Monthly meetings are scheduled with Sasbo for this purpose with a mutually agreed agenda distributed five days before the meeting.

The Recognition Agreement and other references to the union are published on the bank's intranet, which is accessible to all employees. Sasbo officials can access any Nedbank site to conduct union affairs, including recruiting new members, without any hindrance from management.

Working
closely
with Sasbo

Industrial action

No hours were lost due to industrial action directed at the bank in 2021. This is also testimony to the strength of the bank's relationship with Sasbo, which is based on mutual appreciation and respect for each other's roles and commitment to peaceful resolution of differences.

Operating model change and the role of the Agility Centre

Nedbank has fully embraced the need to respond to changing client behaviour and the influence of digitalisation. Nedbank has remained committed to its digital transformation strategy over the past few years, and digitalisation was accelerated by the onset of the pandemic.

Nedbank has always been responsible when it comes to retrenching affected employees. Through consultations with Sasbo and affected employees as well as proactive vacancy management, we have implemented these changes successfully with minimal redundancies. In general, the period in which the consultation and termination process in respect of significant operational changes takes place is 90 days. This includes the statutory consultation period of 60 days in terms of section 189A of the Labour Relations Act, 66 of 1995; our redeployment process; and the one-month notice period to employees prior to termination.

Managing our employee relations continued

Despite a total permanent headcount reduction of 1 411 in 2021, only 351 employees entered the Organisational Redeployment Pool (ORP) in 2021 (2020: 298). As a result of our evolving operating model, there were fewer available internal opportunities for impacted employees. Nevertheless, we celebrated the successful redeployment of 242 employees to alternative roles in the organisation (2020: 234) and **regrettably retrenched 70 permanent employees (2020: 18)**.

242
employees
redeployed
(2020: 234)

This confirms Nedbank's continued commitment to retrenching only as a last resort, while stepping up efforts to assist impacted employees by helping them improve their skills or develop new skills so they can be better positioned for alternative opportunities in or outside Nedbank.

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

- 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 new DLP.
- 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.





This chapter provides an overview of our transformation efforts within the broader national context and highlights progress made during 2021.

Transformation Review

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Nedbank's transformation highlights 2017–2021

As a business anchored in its purpose, we strive to create long-term value and not to maximise short-term profits or enhance shareholder value at the cost of other important stakeholder groups. As such, we have continued to support our people and our clients through difficult times. This has been our number one priority and we have ensured that their overall well-being has been prioritised. We continue to play our part in ensuring that no one is left behind, by enabling transformation holistically, beyond a scorecard or any other measurement indicator, to deliver value to society. ,

Khensani Nobanda
Group Executive:
Marketing and
Corporate Affairs



Some accolades over the past five years:



16th Oliver Empowerment Award for **Legends of Empowerment** (2017).



South African Board for People Practices Award for **Diversity and Transformation** (2018).



Top Empowerment Award for **Youth Employment Service (YES)** (2019).



Loerie Grand Prix for **Truly Exceptional and Highest Standard of Creativity** (2020).

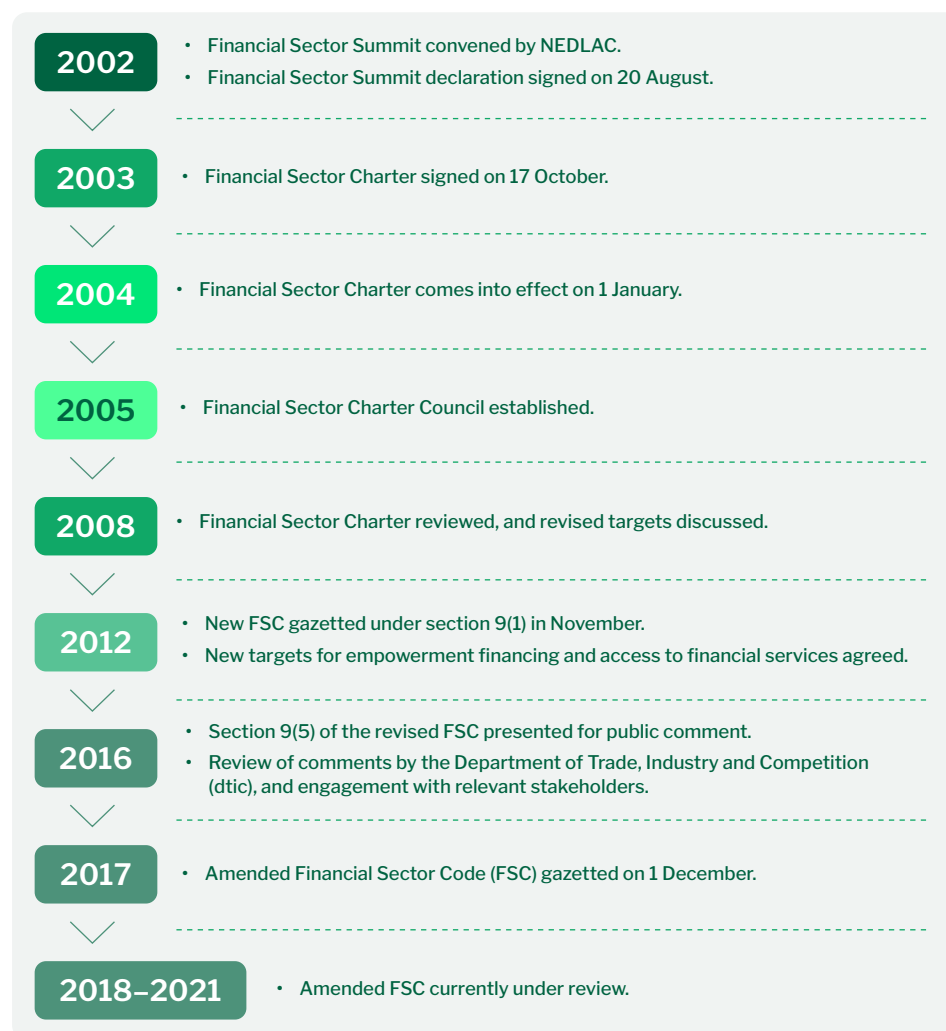


Oliver Top Empowerment Award for **Top Empowered Business of the Year** (2021).

The evolution of the Financial Sector Code

Broad-based black economic empowerment (BBBEE) is one of the government policies intended to advance economic transformation and accelerate the economic participation of black people to redress some of the inequalities and injustices stemming from the country's apartheid legacy. The financial services sector plays a vital role in driving transformation in the industry and contributing towards inclusive economic growth.

The legislative framework in the financial sector has evolved significantly to guide transformation in SA, as shown by the timeline below:



The FSC, as it currently stands, is the result of a 20-year transformation journey for the financial services sector that began in 2002 when the National Economic Development and Labour Council (NEDLAC) proposed the Financial Sector Summit Agreement. NEDLAC partners, including government, business, labour, and community constituencies, committed to the development of the BEE Charter to address inequalities in the financial services sector. The FSC came into effect on 1 January 2004 as the first voluntary BEE charter in SA, representing the commitment of an entire sector of the economy to transforming itself in line with the BBBEE Act, 53 of 2003.

Since then, the regulations to this act have steadily evolved, first into the Generic Codes in 2007 and then into the FSC, which was gazetted in November 2012.

The subsequent release of the Amended FSC in 2017, which comprises higher thresholds and targets than the previous FSC had, marked a new beginning in the reorientation of the transformation policy to focus more on productive BBBEE and priority elements, including ownership, skills development, enterprise and supplier development, and empowerment financing. The Amended FSC revived the participants' responsibilities of ensuring that the financial sector lives up to its transformation journey.

In the five years since the Amended FSC was gazetted, Nedbank has continued to embrace, support, and contribute consistently to this regulatory framework, which guides the transformation commitments and efforts of the financial services sector. This 2021 Nedbank Transformation Review details our own journey over this period, while offering evidence of our alignment with the national transformation imperative.

“ The Financial Sector Code (FSC) commits all participants to actively promote a transformed, vibrant and globally competitive financial sector that reflects the demographics of South Africa, and which contributes to the establishment of an equitable society by providing accessible financial services to poor and marginalised people and by directing investment into targeted sectors of the economy. ”

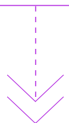
Tito Mboweni,
South African Finance Minister
(2018–2021)



Why transformation matters to Nedbank?

Nedbank's transformation journey and commitment precede the promulgation of the BBBEE legislation and transcends compliance with the codes. Transformation of our bank, our industry, and our country is the catalyst needed to achieve the desired levels of inclusive growth that our country requires.

We view transformation as both a **moral** and **business** imperative to remain relevant in the society in which we operate.



From a **moral perspective**, we play an important role in delivering redress for the historical social inequities as well as in helping to build the inclusive, equal-opportunity society of the future. As such, our transformation efforts align with our stated purpose to use our financial expertise to do good for individuals, families, businesses, and society.



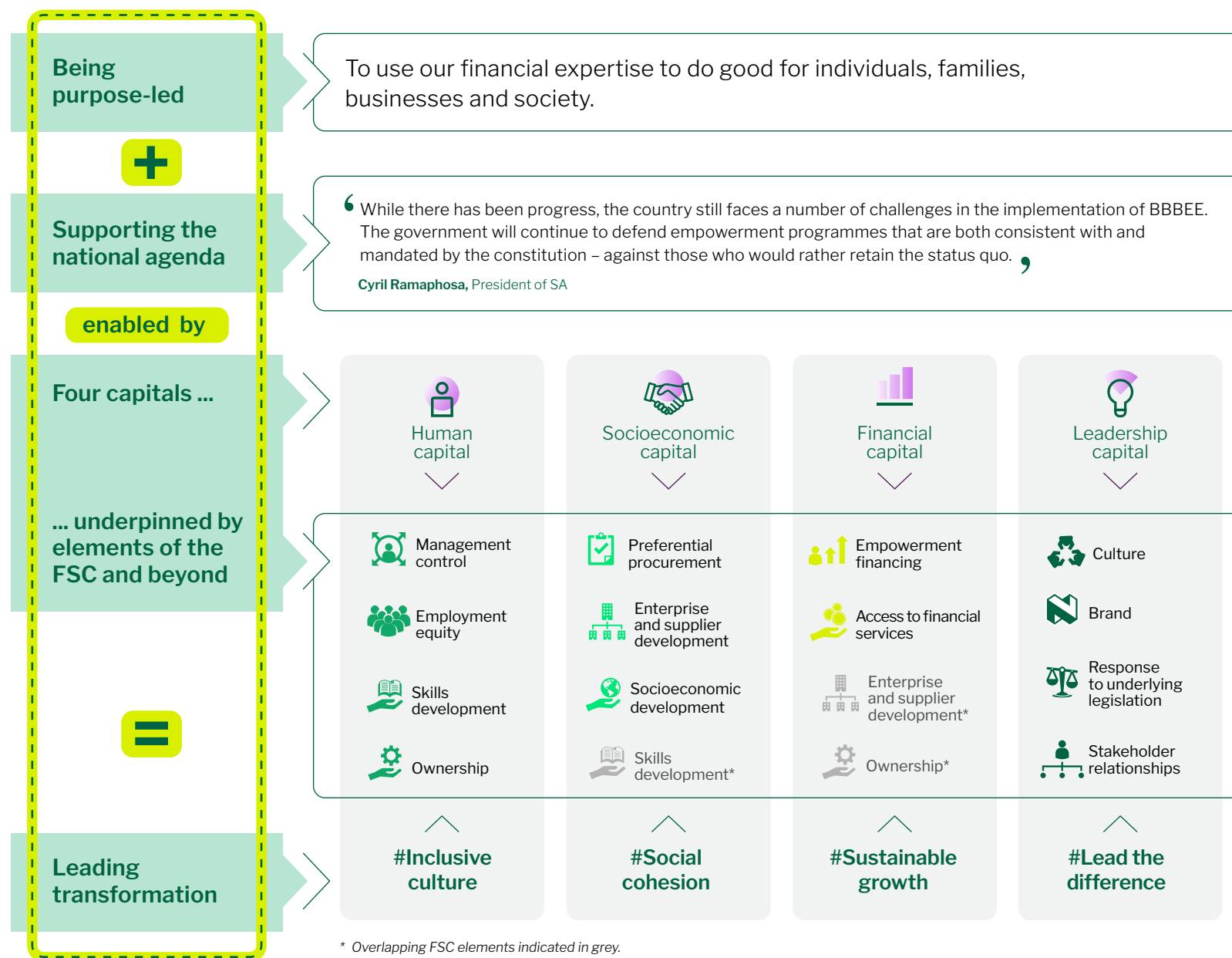
From a **business perspective**, we recognise that the successful transformation of our organisation, our sector, and the society in which we operate is essential to surviving, thriving and continuing to deliver sustainable value to our stakeholders. As such, our transformation journey is underpinned by the imperative of the National Development Plan, which is to deracialise ownership and control of the SA economy, reduce poverty, and achieve financial equality.



Our purpose-led approach to transformation

As a responsible corporate citizen of SA, we are committed to contributing to the social compact and supporting the national agenda towards rebuilding the economy. Our philosophy in driving transformation is linked to our stated purpose while leveraging human, socioeconomic, financial and leadership capital.

Importantly, this transformation framework is not static: it is constantly evolving in tandem with our changing operating environment and the evolving BBBEE regulatory landscape. While the framework may change over time, the primary objective remains supporting the national strategic transformation priorities and transforming our bank and industry for the sustainable good of society.



Level 1 BBBEE contributor status retained

The effectiveness of our approach to transformation is evidenced by the fact that we have retained a level 1 BBBEE contributor status under the Amended FSC since 2018 and saw a year-on-year increase in our overall score for 2021.

Prior to that we maintained a level 2 BBBEE contributor status for 10 consecutive years from 2009. We remain true to our purpose of using our financial expertise to do good, not only to transform inwards, but also to contribute towards a prosperous society. The results below reflect a culmination of our ongoing commitment to sustainable transformation.



Developing human capital



Management control



Employment equity



Skills development



Ownership

The significant impact that Covid-19 has had on organisational environments around the world has highlighted the importance of businesses focusing intentionally on culture and people, collective knowledge, skills, and experience to enable innovative and competitive solutions for clients and unlock value for all stakeholders.

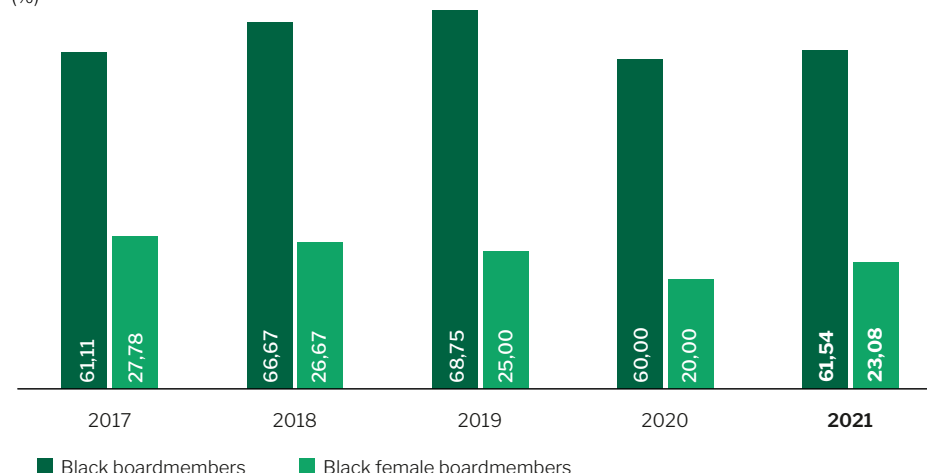
At Nedbank, the effective deployment of human capital is a key strategic imperative that is underpinned by, but is not limited to, the four FSC scorecard elements of skills development, employment equity, ownership, and management control. Our efforts around human capital further demonstrate our commitment to driving the growth of real business ownership of the country's financial assets, creating a workforce that is representative of the demographics of our country and investing in our people through learning and development.

Management control

Nedbank continues to place transformation at the core of its strategic priorities, while demonstrating its ongoing commitment to reflecting the country's demographics in its leadership composition.

Black representation on the Nedbank Group Limited Board since 2017:

Black representation
(%)



Nedbank continues to increase its representation of historically underrepresented groups across senior-, middle- and junior-management levels. The table below reflects the consistent progress made in this regard over the past five years.

	2021 %	2020 %	2019 %	2018 %	2017 %
Employment equity					
Total workforce	25 012	25 620	27 932	28 060	28 851
Black top management	41,18	38,89	41,18	41,18	50,00
Black senior management	47,66	45,10	43,09	40,16	37,71
Black middle management	65,55	64,07	62,34	60,77	59,78
Black junior management	89,73	89,14	88,59	87,62	87,58
Black people with disabilities (PWD)	1,59	1,94	1,48	1,64	0,00
Total black employees	79,90	78,87	79,52	77,44	76,92

Developing human capital continued

Composition of the Nedbank Group Limited Board and the Nedbank Exco for the financial year 2021.



Mpho Makwana ⁵¹

Chairperson:
Nedbank Group
and Nedbank
Limited
Years on board: 10



Hubert Brody ⁵⁷

Lead
Independent
Director
Chairperson:
DAC, Remco
Years on board: 4



Brian Dames ⁵⁶

Chairperson:
GCRC
Years on board: 7



Neo Dongwana ⁴⁹

Years on board: 4



Errol Kruger ⁶⁴

Chairperson:
GRMC, GCC
Years on board: 5



Phumzile Langeni ⁴⁷

New appointee



Rob Leith ⁵⁹

Years on board: 5



Linda Makalima ⁵³

Chairperson:
GTSEC
Years on board: 4



Prof Tshilidzi Marwala ⁵⁰

Years on board: 2



Dr Mantsika Matooane ⁴⁶

Chairperson:
GITCO
Years on board: 7



Stanley Subramoney ⁶³

Chairperson: GAC
Years on board: 6



Mike Brown ⁵⁵

CE
Years on board: 17



Mfundo Nkuhlu ⁵⁵

Chief Operating
Officer (COO)
Years on board: 7



Mike Davis ⁵⁰

CFO
Years on board: 1



More details on board skills and experience on page 28 of the Nedbank Integrated Report.

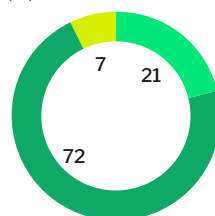
Our board profile

Independence – protecting the interests of all stakeholders



The majority of Nedbank's boardmembers are independent directors, which complies with King IV and global best-practice governance. The size of the Nedbank Board, at 14 members, is influenced by the demands of a large and complex banking industry. The size gives the board adequate membership for its 9 board committees, of which four are statutory, while maintaining adequate levels of independence.

Executive and non-executive directors (%)



- Executive directors
- Independent non-executive directors
- Non-executive directors

Board representation at 31 March 2022.

Board changes since 54th AGM

- Iain Williamson stepped down as a non-executive director in May 2021.
- Vassi Naidoo, our then-Chairperson, passed away in September 2021.
- Mpho Makwana (former Lead Independent Director and Acting Chairperson) was appointed as Non-executive Chairperson and Hubert Brody was appointed as Lead Independent Director of the companies' boards on 2 December 2021.
- With effect from 1 January 2022, Rob Leith was classified as an independent non-executive director of Nedbank Group and Nedbank.
- Phumzile Langeni was appointed to the board after the 2021 AGM and makes herself available for election by shareholders at the AGM to be held on 27 May 2022.

Board nominees for 55th AGM

Election

- Phumzile Langeni

Re-elections

- Mike Brown
- Brian Dames
- Rob Leith
- Stanley Subramoney

Developing human capital continued

Our Group Executive Committee

The Nedbank Group Exco is a diverse and experienced management team that comprises the CE, COO, CFO and 10 other members of top management.



Our nine prioritised SDGs are allocated to Group Exco members who champion groupwide responses to the SDGs.



Refer to pages 87 to 90 of the Nedbank Integrated Report for our progress on sustainable-development finance.

Executive directors

Frontline MEs

Shared-services Group Executives

Mike Brown ⁵⁵
CE

Exco member since:
17 June 2004
28 years' service
at Nedbank

Mfundu Nkuhlu ⁵⁵
COO

Exco member since:
1 January 2009
17 years' service at
Nedbank

Mike Davis ⁵⁰
CFO

Exco member since:
1 January 2015
25 years' service at
Nedbank

Anél Bosman ⁵⁵
Group Managing
Executive: CIB

Exco member since:
1 April 2020
20 years' service at
Nedbank

Ciko Thomas ⁵³
Group Managing
Executive: RBB

Exco member since:
18 January 2010
11 years' service at
Nedbank

Iolanda Ruggiero ⁵¹
Group Managing
Executive: Wealth

Exco member since:
1 May 2015
19 years' service at
Nedbank

Dr Terence Sibiya ⁵²
Group Managing
Executive: NAR

Exco member since:
1 April 2020
10 years' service at
Nedbank

Trevor Adams ⁵⁹
Chief Risk Officer

Exco member since:
5 August 2009
25 years' service at
Nedbank

Deb Fuller ⁴⁹
Group Executive:
Group HR

Exco member since:
25 June 2018
3 years' service at
Nedbank

Anna Isaac ⁵²
Group Chief
Compliance
Officer

Exco member since:
1 January 2019
24 years' service at
Nedbank

Priya Naidoo ⁴⁸
Group Executive:
Strategy

Exco member since:
1 January 2015
20 years' service at
Nedbank

Khensani Nobanda ⁴³
Group Executive:
Group Marketing
and Corporate
Affairs

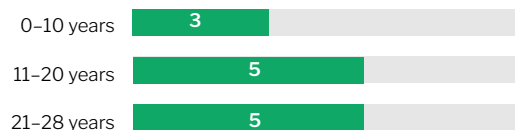
Exco member since:
15 May 2018
4 years' service at
Nedbank

Fred Swanepoel ⁵⁸
Chief Information
Officer

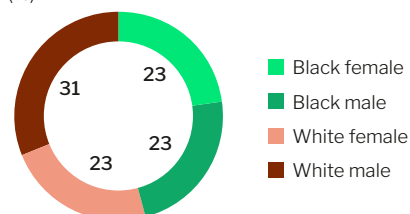
Exco member since:
1 November 2008
25 years' service at
Nedbank



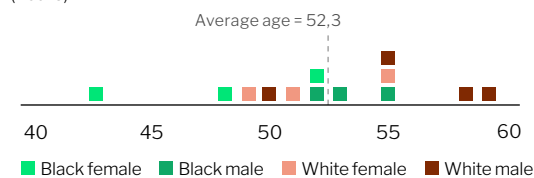
Group Exco tenure at Nedbank (Number of Exco members)



Group Exco demographics (%)



Group Exco age¹ (Years)



¹ Age at 31 March 2022.

Group Exco changes during the year:

Anna Isaac resigned as Group Chief Compliance Officer with effect from 30 April 2022. The appointment of a successor for Anna will be announced once our succession process has been completed and regulatory approvals have been received.

Retirements in the next two years:

Trevor Adams is due to retire in January 2023, and Fred Swanepoel reaches normal retirement age in May 2023. Suitable successors will be identified in accordance with the group's executive succession plan.

More than 230 years
of combined service.

13 Exco
members.

Nedbank policy: Group Exco members retire on reaching
the age of 60 unless otherwise agreed by the board.

Developing human capital continued

Employment equity

The tables alongside reflect the demographic profile of Nedbank employees at December 2021. In relation to the national economically active population (EAP), we have made great progress in the representation of black people and black females at the various occupational levels. In addition, various strategies have been initiated to improve representation and close the identified gaps in line with our employment equity plans.



For more information please refer to the Human Capital Review.



Workforce profile

At 31 December 2021 the Nedbank Group employee profile was as follows:

Headcount

Occupational level	Base 2020	Male				Female				Foreign nationals		Total
		African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	18	3	–	1	7	1	–	2	3	–	–	17
Senior management	1 040	118	38	138	338	104	31	91	190	34	9	1 091
Middle management	8 793	1 265	499	819	1 361	1 483	639	897	1 424	101	58	8 546
Junior management	14 916	2 640	736	595	465	5 777	1 698	1 174	926	19	35	14 065
Semi-skilled	833	343	105	22	11	605	138	16	20	8	16	1 284
Permanent employees	25 600	4 369	1 378	1 575	2 182	7 970	2 506	2 180	2 563	162	118	25 003
Temporary employees	20	1	–	–	–	4	1	–	3	–	–	9
Grand total	25 620	4 370	1 378	1 575	2 182	7 974	2 507	2 180	2 566	162	118	25 012

At 31 December 2021 the Nedbank Group employee profile for people with disability was as follows:

Occupational level	Base 2020	Male				Female				Foreign nationals		Total
		African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	–	–	–	–	–	–	–	–	–	–	–	–
Senior management	34	2	2	1	17	2	–	1	3	1	–	29
Middle management	297	12	8	17	53	23	18	25	69	1	–	226
Junior management	448	43	13	25	24	96	53	46	56	–	–	356
Semi-skilled	23	5	–	1	1	4	–	1	2	–	–	14
Permanent employees	802	62	23	44	95	125	71	73	130	2	–	625
Temporary employees	–	–	–	–	–	–	–	–	–	–	–	–
Grand total	802	62	23	44	95	125	71	73	130	2	–	625

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondments, and employees from external entities.

Developing human capital continued

Skills development

Skills development (SD) is a strategic focus area for Nedbank, and forms part of its commitment to nation-building and contributing to a more transformed SA. This commitment is reflected in the training investment over the past five years, as shown in the table below:

	2021	2020	2019	2018	2017
Total basic payroll	R13 292bn	R13 875bn	R15 083bn	R14 131bn	R13 602bn
Total training spend	R1 117m	R924m	R760m	R468m	R355m
Training spend as % of basic payroll	8,4%	6,7%	5,0%	3,3%	2,6%
Training spend for black employees as % of basic payroll	6,8%	5,4%	4,0%	2,6%	2,1%
Training spend for black female employees as % of basic payroll	4,5%	3,5%	2,4%	1,6%	1,3%
Training spend for black employees with disabilities as % of basic payroll	0,11%	0,12%	0,07%	0,04%	0,03%
Training spend for black female employees with disabilities as % of basic payroll	0,08%	0,09%	0,05%	0,03%	0,02%



For more information please refer to the Human Capital Review.

Ownership

Large banks are capital-intensive and require shareholders who are themselves able to access deep pools of capital. As a result, ownership of large banks around the world is almost entirely institutional, with low levels of direct individual ownership. South African banks are not materially different in this regard.

Following the success of Nedbank Group's BBBEE Eyethu transaction, which came to maturity at the end of 2015, Nedbank Group, together with Old Mutual Group, committed to continuing its transformational legacy by partnering with its black business partners (WIPHOLD, Brimstone and Izingwe) to establish three sustainable legacy funds worth R100m each with a view to funding suitable transformational business projects.

During 2021 Old Mutual and Izingwe withdrew from the Nedbank/ Old Mutual, Black Business Partners (BBP) Legacy Programme. Nedbank, Brimstone and WIPHOLD will see through their commitment to the endowment – a commitment that came about following the success of their BBBEE transactions. The total endowment of R300m will now be reduced to R166m – comprising the Nedbank (R100m), Brimstone (R33m) and WIPHOLD (R33m) contributions.

The funds are disbursed under three investment streams as follows:

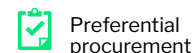
- The commercialisation of small-scale farming and food security, led by WIPHOLD.
- Job creation and support for entrepreneurs, led by Brimstone.
- The development of township economies and urban renewal, led by Nedbank.

This programme is aimed at enabling and supporting sustainable development by providing capital funding to relevant projects over favourable periods and at low-to-zero interest rates. To date R126m has been invested in a range of projects.

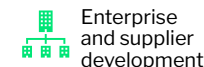


For more information please refer to the Sustainable Development Review, the SDG 8 section, under Nedbank Black Business Partners Legacy Programme.

Developing socioeconomic capital



Preferential procurement



Enterprise and supplier development



Socioeconomic development

Socioeconomic empowerment is essential to the achievement of all development outcomes, including those encapsulated in the UN SDGs.

In the South African context, given the country's long history of exclusion and inequality, a concerted focus on socioeconomic capital development is central to effectively enhancing individual and collective well-being. At Nedbank, we embrace our responsibility to contribute towards economic growth and job creation. Some of the ways we do this include supporting emerging enterprises; providing SMMEs with access to markets and growth opportunities; transforming our supply chain; and working to uplift the communities in which we operate.

Preferential procurement

Nedbank is committed to strengthening the participation of small businesses, not only in its own value chain but also in the broader marketplace. Rapid change is taking place in our society, and with it a new business landscape is emerging – one in which small businesses have greater opportunities than ever before. However, leveraging these opportunities requires smart partnerships with big companies, built on strong relationships. Our aim is therefore to strengthen relationships with strategic suppliers and explore potential avenues for growth and added value.

Nedbank's policies and practices in preferential procurement remain a key strategy for enabling transformation, job creation and community upliftment. They are designed to maximise the group's contribution to the development and economic transformation of the country, by giving preference to local suppliers over foreign suppliers, with emphasis on SMMEs.

As part of this focus, Nedbank entered into a strategic partnership with SAP Ariba to empower and develop small black-owned suppliers. Selected suppliers received a standard Nedbank business account, which gives them access to the Ariba platform to market their businesses and participate in the sourcing opportunities it provides.

Nedbank remains a signatory to the Prompt Payment Code, which means that smaller suppliers (exempted microenterprises) are paid within seven days, and all other small and medium enterprises (SMEs) within 30 days of having received their invoices. This gives SMEs quicker access to their funds to help them remain operationally viable.

Procurement spend over the past five years

	2021	2020	2019	2018	2017
Number of suppliers engaged or supported	5 480	5 759	6 580	6 877	6 778
Total procurement spend	R17,4bn	R17,0bn	R18,1bn	R17,9bn	R14,1bn
Total procurement spend on exempt microenterprises	R1,08bn	R888m	R1,3bn	R1,3bn	R950m
Total procurement spend on qualifying small enterprises	R1,70bn	R1,3bn	R1,7bn	R1,7bn	R1,6bn
Total procurement spend on ≥ 51% black-owned companies	R5,4bn	R4,5bn	R5,5bn	R4,3bn	R2,9bn
Total procurement spend on ≥ 30% black-owned companies	R3,6bn	R2,9bn	R3,1bn	R2,3bn	R1,9bn
Primary supplier locations and relative % of spend					
Gauteng	87%	87%	86%	87%	86%
KwaZulu-Natal	5%	5%	6%	5%	6%
Western Cape	4%	4%	4%	4%	4%
Other regions	4%	4%	4%	4%	4%



Enterprise and supplier development

The Nedbank ESD Programme has been in operation since 2015. It combines business mentorship with specialist guidance and financial support to help SMMEs operating across various industries to succeed, grow and create employment opportunities.

Some businesses and initiatives that were supported in 2021:

RLabs – Nedbank provided R**3,6m** to implement the Innovation and Enterprise Programme (IEP) with entrepreneurs from peri-urban, township and other marginalised communities across Cape Town. The IEP provides a variety of leadership, entrepreneurship, design, incubation, technology, and innovation programmes offering support, advisory services, resources, mentorship and incubation to women and youth-led ventures.

While the programme offers a multifaceted approach to support and development, the focus of the programme is to support the businesses with growth opportunities by unlocking additional market opportunities, launching the businesses onto digital platforms, and working with entrepreneurs on their growth plan. A total of **104** businesses received support through the programme.

Africa Women Innovation & Entrepreneurship Forum (AWIEF) Business Growth Accelerator – Nedbank provided **R2,6m** to the AWIEF Growth Accelerator to support 50 women-owned businesses across SA. The accelerator programme is designed to suit the unique needs of early-stage and high-growth-oriented enterprises with business modelling and growth strategy training, business leadership skills, corporate advisory, mentoring, coaching, networks, and orchestrating strategic partnerships. The main objectives of the programme include the following:

- Building capacity of women-owned businesses for growth and sustainability.
- Personal development through one-on-one coaching.
- Supporting capital-raising through opportunities with Nedbank and other active funders.
- Networking access to a pan-African and global network and peer connection to other women entrepreneurs.

The first cohort started in 2021 and culminated with a pitching session in December 2021. The programme will continue into 2022.

The Riversands Incubation Hub is a large-scale black-business incubator. A registered non-profit company, the hub was established in 2014 through a partnership between Century Property Developments and The Jobs Fund, with the purpose of incubating businesses for growth and expansion so that they can become sustainable, job-creating entities. The hub also offers rental premises for businesses at subsidised rates. Nedbank provided **R2,9m** to enable **60** businesses to receive support from the hub. The businesses are taken through professional online entrepreneurial leadership modules, seminars, and online programme-specific tools. Each SME receives business support services that focus on business model review, turnaround strategies and governance and compliance matters. There have already been major improvements evident in the participating businesses. A total of **R64,4m** in revenue was generated, and the businesses paid a total of R1,9m in salaries. A total of **139** jobs were created in the year under review.

Fix Forward is an incubation programme focusing on equipping tradespersons from low-income communities with the necessary skills to transition them from the informal to the formal arena. The objective of the programme is to empower the tradespersons to realise their potential as entrepreneurs and to help them grow successful businesses. Nedbank provided **R3,5m** for **100** contractors to participate in Fix Forward's 12-month Enterprise Development Programme. Over and above the 100 contractors supported through the workshops, coaching and mentoring, a further 67 contractors were afforded increased access to markets. These businesses created **116** permanent jobs and **71** temporary jobs. The contractors earned over **R8,5m** in revenue.

SimplyBiz, powered by Nedbank, is a free business development platform for all entrepreneurs (whether they bank with Nedbank or not). The initiative achieved 64% year-on-year growth and actively supports SDGs 4 and 9 through education, practical equipping, and entrenchment in a peer and expert community providing resources, ongoing learning, and support. To date over **43 000** business owners have received free assistance in the form of advertising, coaching, support materials and various strategic initiatives. Entrepreneurs can also access leads and collaboration opportunities, funding guidance and ongoing self-learning handbooks and personalised coaching through the SimplyBiz Academy.

Nedgroup Mogale ESD (Pty) Ltd is a fund aligned with the elements of the Amended FSC relating to enterprise and supplier development. The fund is focused on empowering businesses that have shown potential for high growth but may not have the means to secure funding through traditional commercial-banking methods.



Helping to develop SA's small businesses

Nedbank provides small-business services to SMEs with a turnover of less than R30m through the Nedbank RBB division.

During another tumultuous year, RBB's focus remained firmly on supporting small-business clients through the impact of Covid-19 and the civil unrest experienced over the second half of the year. Below is a summary of the initiatives, sponsorships and activities aimed at contributing to the growth and well-being of our small-business clients and, by extension, our communities and our country:

- **Startup Bundle**
This six-month, zero-monthly-fee business account that offers 20 transactions, SMS notifications, a dedicated banker and beyond-banking support was launched mid-2020. Since then approximately 4 000 start-up businesses have taken up the account.
- **SME marketing and sponsorship activity was pivoted** to focus on providing cash, education, and coaching support to clients:
 - » **Pitch & Polish** was transformed into a digital format, offering lessons on creating a compelling business investment pitch. Businesses were invited to pitch their business ideas and share how they would pivot during these challenging times. The grand prize winner benefited from business-building rewards to the value of R1m.
 - » **#HandUpforSmallBusiness** saw a total of 20 businesses across the country receive assistance worth R165 000, comprising a cash injection of R30 000, audio airtime worth R100 000 to promote their business, social-media exposure worth R10 000, a digital toolkit worth R10 000, and a gap analysis from business growth expert Matsi Modise of Furaha Holdings worth R15 000 to help the businesses adjust and rebuild.
 - » An extended partnership with the **South African Future Trust**, through the #Nomayini competition, saw 406 entrepreneurs share lessons on their resilience, innovation and steps taken to keep their businesses afloat for a chance to win a R10 000 cash prize, one-on-one coaching, and advertising.
 - » The Nedbank-sponsored **Breaking Barriers Runified Marathon** featured 34 small businesses on SABC 2 and SABC Sport, was live-streamed from the Nedbank YouTube channel and was published on the Nedbank Running Club Facebook page and SimplyBiz platforms. A total of 223 public-relations coverage pieces, valued at R14,7m, were delivered.
 - » The **Business Goals** initiative saw 50 small businesses win a share of R1m in cash, three months' personalised coaching and advertising exposure.

Approximately

4 000

start-up business
have taken up the
Startup Bundle

Socioeconomic development

One of the key vehicles through which Nedbank delivers on its purpose to do good is corporate social investment (CSI). This investment into socioeconomic development (SED) is primarily driven by our dedicated CSI arm, the Nedbank Foundation.

Group CSI investment in 2021

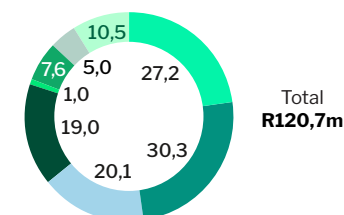
The total value of CSI support and investment delivered across the group was R120,7m (2020: R103m).

The total value of
CSI support and
investment delivered
across the group

R120,7m

(2020: R103m)

Total CSI investment in 2021 (Rm)



- Education
- Skills development
- Community development (including Children's Affinity/ Nelson Mandela Children's Fund)
- Green Trust
- Arts and Culture Trust
- Employee volunteerism
- Sports
- Unrest (disaster relief)

An evolving CSI strategy ensures growing socioeconomic impact

One of the biggest challenges for CSI in SA is the fact that demand for financial support of worthy causes and upliftment projects continues to outstrip supply massively. Responding to this challenge demands that organisations find ways to optimise the support they make available and ensure that every rand provided through their CSI initiatives delivers maximum bang for their CSI buck.

Responding appropriately and effectively to the growing need for social support led to a review of the Nedbank Foundation Strategy, with the green economy identified as a sustainable and meaningful overarching theme around which the group's entire CSI strategy and approach have been redesigned.

The green economy as the CSI anchor also allows Nedbank to consolidate and align CSI activities across the group, thereby maximising the value of the support it provides, making a real and lasting contribution to sustainable development, and catalysing scalable economic and employment opportunities.

Green economy strategic lever 1:

Agriculture



The agriculture pillar of the green economy strategy focuses on supporting innovative supply chains, beneficiation, diversification in the sector, appropriate land use and regenerative agriculture and building climate change resilience.

Supporting food security in the smallholder farming and informal-trading sectors

Most of the approximately two million smallholder farmers in SA rely on the land they work to feed their families and, hopefully, generate a small income from surplus yields. Given the importance of this sector in supporting large numbers of South Africans, Nedbank, through the Nedbank Foundation and the WWF Nedbank Green Trust, proactively seeks out projects it can support to deliver optimal outcomes for beneficiaries and bolster the overall resilience of the sector. Below are some of the projects supported in 2021:

- **Siyavuna Abalimi Development Centre (SDC)** – The centre, located in the south of KwaZulu-Natal, is implementing a *Bulbine frutescens* farming project. The project aims to grow Bulbine as a raw material input into the skin and cosmetic industry and has already secured an offtaker for their produce. The funding from the Nedbank Foundation has enabled SDC to secure five hectares of land for production, purchase Bulbine seedlings, and train SDC employees, youth and farmers on all aspects of Bulbine production. A three-hectare section of the land was planted in 2021 and 17 smallholder farmers and six youth were employed to work on the farm, bolstering local employment and knowledge.
- **Buhle Farmers Academy** – The programme addresses specific constraints that developing farmers face and supports them through training, skills transfer coaching, mentoring and start-up funding assistance. The project is in its third year of implementation. To date the Nedbank Foundation has provided close to R5m in support, which has enabled the 10 participating farmers to enhance the business performance of their farms,

deliver employment opportunities, maximise their involvement in the food value chain, and contribute to local economic development and food security in their communities. In 2021 the project supported over 100 jobs, and since its inception farm income has more than tripled annually.

WWF Nedbank Green Trust enables food security through sustainable small-scale farming

- **Supporting climate-resilient agriculture** – The trust has provided R3m to support the efforts of the Mahlathini Development Foundation to promote sustainable smallholder agriculture and enable greater nutrition security and income generation for the rural poor in the lower Drakensberg foothills of KwaZulu-Natal and Limpopo. The foundation is working with smallholders in learning groups to increase substantially their mixed farming production outcomes to produce enough food for their household consumption in the short term and, over time, generate a surplus for supply to local markets for income generation. A total of 350 participants have been supported since inception of the project in October 2020, and their monthly incomes have improved by an average of R2 418. In addition, households of participants have achieved improved food security and nutrition, while saving an average of R400 per month on food costs. Environmental benefits of the initiative include reduced rainwater runoff, improved soil health and fertility, and significantly improved water productivity.

Developing socioeconomic capital continued

Green economy strategic lever 2:

Energy



The energy pillar involves targeted support of the circular economy, access to energy by rural communities, innovation, generation, and climate change mitigation across the sector.

- **Kagiso Palesa Cares (KP Cares)** – This non-profit organisation invests in the development of around 100 youth and 10 SMMEs in deep rural parts of the Northern Cape and the Free State, with the aim of preparing them to take advantage of emerging opportunities in the fast-growing renewable-energy sector.



Green economy strategic lever 3:

Water



As a long-time leader in water stewardship, Nedbank has first-hand experience of the power of partnerships in building water resilience and security. The aim with this pillar is to build even more partnerships to maintain and restore water ecosystems and improve efficiency and availability.

- **Indalo Inclusive** – Indalo Inclusive South Africa is a non-profit company (NPC) established with a mandate to support and promote social, green, inclusive, and responsible entrepreneurship in SA. In partnership with the Nedbank Foundation, Indalo launched the Indalopreneur South African Green and Inclusive Enterprise Awards and Support Programme, which aims to support innovative entrepreneurial solutions, bringing about a climate-resilient society and an inclusive green economy, thereby addressing the country's triple challenges of poverty, unemployment and inequality. In 2021 the Indalovator programme was implemented, and 15 entrepreneurs (53% of them female) were selected to be supported with business skills training, mentorship, and a R50 000 grant per business. In the coming year the Indalogrow programme will be implemented through technical and financial support for green and inclusive enterprises in the water, energy, agriculture, and waste sectors.



Green economy strategic lever 4:

Waste



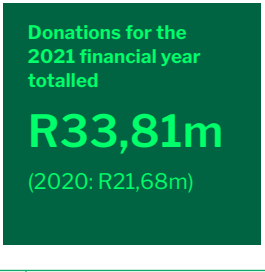
By supporting projects across the entire waste supply chain, Nedbank aims to improve waste management, drive innovation in the sector, and ensure the integration of the informal waste sector into the formal economy for the benefit of all stakeholders.

- **The Tafara Foundation** – This NGO is working to establish an end-of-life tyre-recycling plant that will recycle tyres into various reusable forms, reducing the number of these toxic items in landfills while also creating hundreds of formal and informal income-earning opportunities.

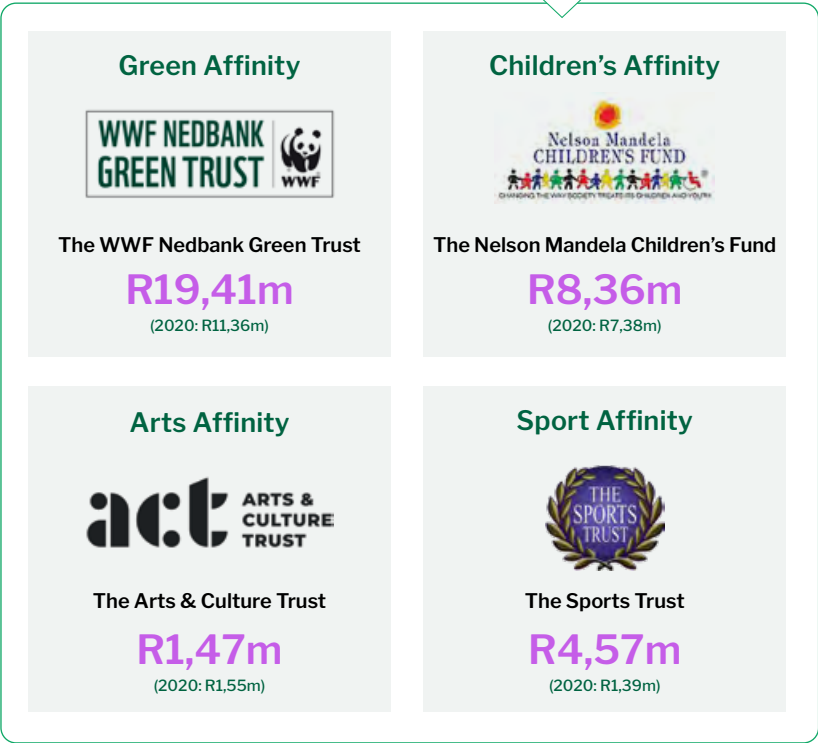


The Nedbank Affinity Programme

All Nedbank clients who are members of our Greenbacks programme can choose to support environmental and social causes through the WWF Nedbank Green Trust, Nelson Mandela Children's Fund (NMCF), The Sports Trust or The Arts & Culture Trust. The more our clients use their products and adopt good financial behaviour, the more we donate to their chosen cause at no cost to them. Donations to the trusts via our Affinity Programme this year were as follows:



broken down across the four trusts as follows:





Case study

The Nedbank Children's Affinity and the Nelson Mandela Children's Hospital

Since 2005 we have partnered with the NMCF to work together towards realising Nelson Mandela's dream of giving SA's children the best chance for a good future. In line with our support of SDG 3 and through the Nedbank Children's Affinity, we support various NMCF health and wellness programmes directly, particularly those aimed at improving the health of pregnant women and reducing the mortality rates of children in the first five years of their lives.

Key to this health and well-being focus has been support for the NMCF flagship investment – the Nelson Mandela Children's Hospital (NMCH). Inspired by Nelson Mandela's love for children, the hospital has been operating independently for four years and is one of two dedicated paediatric hospitals in SA.

The impact of the hospital is brought to life through the story of Luminjalo. Zonke Mtshololo gave birth to her son, Luminjalo, in August 2020, but her joy was short-lived when three days later he was struggling to breathe. The trauma of seeing her son ill was compounded by the difficulty of finding specialist care for her newborn. The hospital where her son was born referred her to the NMCH, as the facility can treat children with complex illness through world-class surgical interventions and high levels of intensive care. At NMCH Luminjalo received the best medical care, despite not having private medical benefits, and today he is thriving.



Case study

Working together to help end poverty



Proud of My Town

Against the backdrop of the myriad challenges facing our country, one of the biggest opportunities we have to change the current trajectory of SA and address poverty is to help unlock the incredible talent, value and positive energy that exists in our towns, townships, and neighbourhoods. PoMT is aimed at facilitating this in collaboration with our implementation partner, Ranyaka Community Transformation.

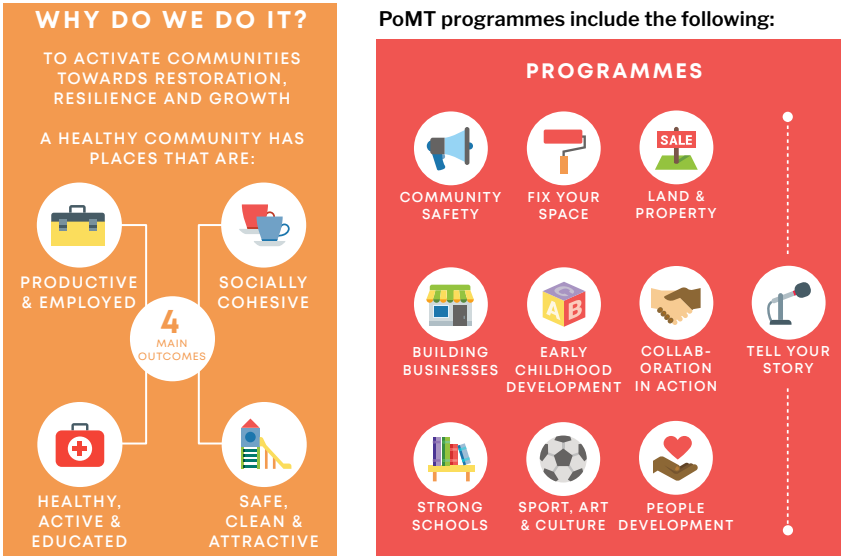
In 2021 we invested R11,3m in this holistic community transformation initiative, delivering 100 projects that touched 15 364 beneficiaries in 18 communities located in 12 towns across seven provinces. The towns are as follows:

- Mamelodi East, Tshwane (Gauteng)
 - Kathorus, Johannesburg (Gauteng)
 - Boitekong, Rustenburg (North West)
 - Mankweng, Polokwane (Limpopo)
 - Kanyamazane, Nelspruit (Mpumalanga)
 - Magaliesburg (Gauteng)
- Stellenbosch (Western Cape)
 - Paarl (Western Cape)
 - Khayelitsha (Western Cape)
 - Zwile, Gqeberha (Eastern Cape)
 - Umlazi, Durban (KwaZulu-Natal)
 - KwaMashu, Durban (KwaZulu-Natal)
- In each town PoMT focuses on the specific needs identified by the stakeholders for that area. These include school support, early-childhood development (ECD), building of businesses, land and property development, community safety and other identified priorities.



At its core PoMT is based on the belief that collective, authentic engagement with civil society, coupled with the activation of local change agents at grassroots level, has the potential to meaningfully address poverty and bring about positive transformation that is deep-rooted, systemic and sustainable.

The approach is collective and involves partnerships with the communities in the towns – it is a hand-up, not a hand-out, approach.



PoMT is Nedbank’s contribution to supporting and strengthening the resilience of the towns, townships and neighbourhoods in which we do our business. In every place where the initiative is rolled out, we adopt a collective approach from the onset, initiating the convening of a diverse group of stakeholders to identify the challenges to be tackled and the opportunities to be harnessed in those places. A crucial part of the process is to create a common agenda and provide a common sightline for all activities and projects in that specific area. Innovative and unique urban and spatial planning techniques that help stakeholders visualise proposed developments and programmes serve to strengthen the common agenda.

Case study

Working together to help end poverty continued



Some of the highlights of PoMT priority programmes in 2021 were as follows:

Community safety

- The Lantana Community Safety project in Paarl was launched and the PoMT team facilitated collaboration between various community safety stakeholders, like the police, neighbourhood watches and community policing forums, to introduce a control room with emergency response equipment and data management protocols.
- Fire safety and firefighting training days were held in Magaliesburg (Gauteng) and GaMamabolo (Polokwane).



Fix my space

Activities across the various towns supported included the restoration of playgrounds and sports facilities, painting of murals, and town clean-ups that involved hundreds of volunteers. In addition, the first Economic Development Hub was launched in Stellenbosch and is already benefiting 40 local entrepreneurs.

Land and property

Activities included the installation, expansion, or provision of new infrastructure for 13 food gardens in ECD centres, schools, and key NGOs. The impact of these food gardens is illustrated well through the example of Mphe Thuto Primary School in Magaliesburg. It is still producing vegetables for the school's 1 000 learners five years after the original food garden was established. The success of food gardens is reliant on commitment from school leadership and the knowledge needed to look after them. In 2021, 24 principals from Stellenbosch-based ECD centres were trained to ensure the success of food and community gardens.



Supporting communities impacted by the riots and looting in SA

The devastating impact of Covid-19 on the economic circumstances of many communities was exacerbated by the devastating riots and looting in parts of the country in July 2021. The Nedbank response included donations of close to R4m to organisations like Gift of the Givers, the 67 CEOs Foundation and the Township Enterprise Alliance. The funding was used for the following:

- **Emergency response** – the supply of humanitarian aid, including food, medicine, and hygiene packs to care homes, people with disabilities, women- and child-headed homes, the elderly, and communities affected by the violence.
- **Restoring the supply chain at hospitals** – supporting clinics and medical services through the supply of medicine, medical equipment, ambulances, oxygen, etc.
- **Financial assistance to micro and small businesses** – rolling out a financial and stock assistance package to enable communities to become self-reliant, thereby aiding the recovery of the local economy.
- **Restoring community communication channels** – rebuilding community radio stations to help restore community cohesion.

PoMT helped business owners in Umlazi, Mamelodi and Kathorus after widespread looting and unrest in KwaZulu-Natal and Gauteng. PoMT sponsored cleaning equipment and supplies, and 436 volunteers were mobilised in four communities. A total of 30 small-business owners from the business rescue initiative were also onboarded onto the PoMT Building Business Programme to receive six months of business support, training, and mentorship. A total of 12 business rescue initiative participants were also featured in the Nedbank Together, Beke le Beke media campaign.

Case study

Investing in quality education outcomes



Despite a refocus in the core strategy of the Nedbank Foundation on supporting projects that align with the green economy, a number of Nedbank's CSI investment vehicles still support access to and delivery of quality education at all levels, from ECD to primary, secondary and tertiary education.

Encouraging STEM subject competence in high-school learners

The successful Nedbank and Western Cape Government (WCG) Schools Essay Competition and Bursary scheme has been in existence for over 10 years. The objective is to promote tertiary study in the fields of economics, mathematics, and accountancy by running an essay-writing competition for Grade 11 learners taking these subjects. Learners use their essays to demonstrate that they have the skills and aptitude needed to undertake studies in these fields, and winners receive bursaries and most have internship offers at various WCG departments once they have completed their studies. Nedbank donates R600 000 annually towards the programme.

Supporting education through partnerships

In 2021 the Nedbank Private Wealth Educational Trust and Charitable Foundation refined their giving strategy for the next five years with longer-term commitments to key partners to ensure that they can provide more impactful support. Focus areas are maths and science in secondary schools as well as accredited vocational and/or entrepreneurial skills programmes for young people between the ages 15 to 25 in the green economy and technology. Partners supported include the following:

- Jumpstart Foundation Trust, in partnership with Penreach – a grant of R1,9m over three years was awarded to support 1 300 learners in Mpumalanga.
- Axiom Education – a grant of R2,7m over three years was awarded to support up to 120 Grade 10, 11 and 12 learners in rural Eastern Cape, with additional support in maths and science and career guidance.

Grants of
R4,6m
were awarded
over three years

Proud of My Town supports early-childhood development

The Nedbank PoMT initiative delivered extensive support to well over 200 ECD centres across SA in 2021 to help them with their infrastructure, management and teaching aid needs as well as additional Covid-19 requirements. Key interventions included provision of personal protective equipment (PPE), provision of books as part of the National BookDash campaign, donation of a new container classroom to the Lihlombo Educare ECD centre in Zwede (Eastern Cape), and ECD management support training for 79 ECD centres in the Western Cape.

Research chairs initiative

We have partnered with the National Research Foundation and individual universities (in some cases) to help strengthen the international competitiveness of South African universities through the provision of funding for research chairs. The value of strong university chairs is well documented in terms of the ability these positions have to strengthen and improve the research and innovation capacity of tertiary institutions, help produce high-quality postgraduate students and enhance research and innovation outputs. Supported positions include the following:

Ikusasa Student Financial Aid Programme

The Ikusasa Student Financial Aid Programme (ISFAP) was established in 2016 to develop a sustainable funding model to help SA's so-called 'missing middle', or families with a combined monthly income of less than R40 000, cover the high costs of accessing education. In 2021 Nedbank, through the Nedbank Eyethu Community Trust and Ikusasa Student Financial Aid Programme, provided R2m in funding to help the organisation meet the tertiary education funding needs of 40 students. The donation built on the long-standing partnership between Nedbank and the programme, with **R34m** having been donated to the programme since 2016.

The Ikusasa
Student Financial
Aid Programme
(ISFAP) was
established in
2016

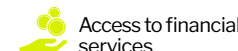
R34m
has since
been donated
to the
programme

Learnerships, internships, graduate programmes, and bursaries

These are key vehicles through which we are helping to address SA's skills shortages and, at the same time, deepen the talent pool in our organisation. The Nedbank External Bursary Programme is an example of one such intervention. It funds academically deserving students who do not have the financial means to study full-time towards a first undergraduate degree or diploma at a South African public university or a university of technology. The bursary programme is helping to address SA's skills shortages, with a specific focus on green-economy skills, in alignment with Nedbank's CSI Green Economy Strategy. The selection of bursars is done by the trustees of the Nedbank Educational Trust. In 2021 Nedbank invested R13,5m in the programme to support 88 students.

In 2021 Nedbank
invested
R13,5m
in the programme

Developing financial capital



Traditionally, financial capital was a measure of the amount of money a company had at its disposal to enhance the returns it could deliver to its shareholders. At Nedbank, we recognise that the real value of financial capital extends far beyond this limited understanding.

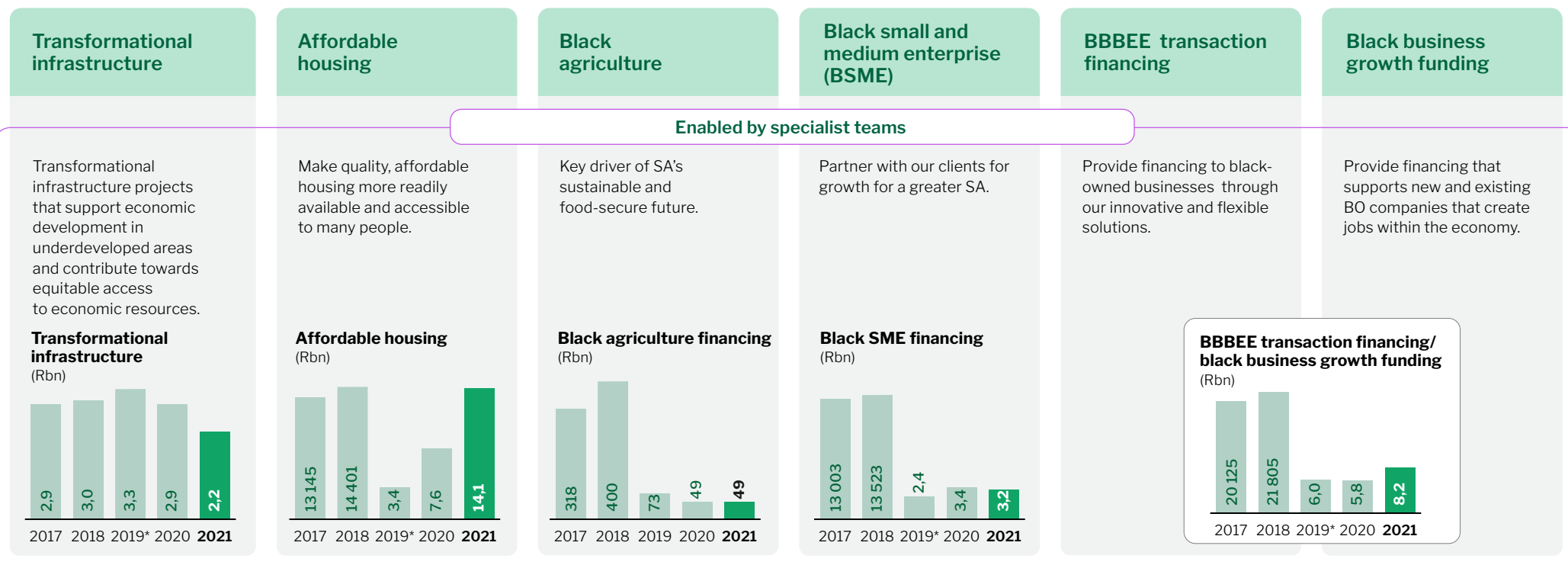
As encapsulated in our purpose to use our financial expertise to do good, we recognise the inherent value in financial capital as being its capacity to bring about meaningful and sustainable positive change and transformation. We strive to apply our resources, influence, and experience to unlock and develop that intrinsic financial capital value to support the equitable and sustainable evolution of the society in which we exist and operate. A key component of the transformative application of financial capital encompasses both empowerment financing and access to financial services. We recognise these as being two of the essential cornerstones on which effective redress will take place. These are also vital elements to ensuring that black-owned businesses in our country are enabled to overcome the many financial challenges that they still face. To this end, we prioritise the delivery of relevant and affordable products, solutions and services suited to all members of our diverse client base.

Empowerment financing

Nedbank prioritises the creation of real economic opportunities for black businesses in SA by partnering with them to ensure their success as viable, productive participants in the country's socioeconomic development.

By continuing with a holistic approach, Nedbank's empowerment financing model has led the group to provide funding for a range of initiatives, including transformational infrastructure projects, affordable housing, black agriculture, and black SMMs and BBBEE transaction financing. We recognise the importance of empowerment financing as one of the priority elements in the FSC scorecard, and it continues to be a key strategic focus area.

Our empowerment financing approach



* New five-year targets received from The Banking Association South Africa (BASA), and they include only cumulative deals written from 1 January 2018.

Developing financial capital continued

Affordable housing



Greening affordable-housing opportunities

We offer this unique proposition specifically for first-time homebuyers seeking a 'green living' experience. These ecofriendly (energy- and water-efficient) developments are accredited by EDGE.

One of our long-standing property development clients, Balwin, has secured EDGE accreditation for 16 000 residential units in 15 developments across the country. The benefits for our clients include the following:

- First-time homebuyers can qualify for up to 105% bonds.
- Clients enjoy preferential home loan interest rates.
- Clients have access to discounted attorney fees.



For more information please refer to the Sustainable Development Review, under SDG 11.

Access to financial services

Financial inclusion is imperative for SA's social transformation. Nedbank remains committed to improving access to inclusive financial services, particularly to the low-income market, by continuously innovating to offer low-cost products and services to these markets. Nedbank's Access to Financial Services Model continues to be multifaceted for Nedbank to respond to the needs of its clients, incorporating appropriate and suitable products and access.

Investment into providing access to financial services over the past five years

	2021	2020	2019	2018	2017
Transaction point geographic access	69,21%	68,55%	67,14%	53,62%	52,79%
Service and sales point geographic access	79,44%	79,45%	77,26%	61,94%	61,62%
Total number of clients	7,2m	7,6m	7,8m	7,9m	7,9m
ATMs	4 261	4 398	4 398	4 242	3 948
Consumer financial education	R19,79m	R21,59m	R52,93m	R27,40m	R34,38m

Multiple touchpoints for clients to engage the bank

Branch



Mobile



Third parties



MobiMoney



ATM/ID



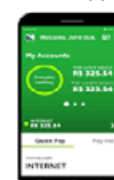
SSK



NCC



Web/App



USSD



For more information please refer to the Financial Inclusion Review.



Strong leadership is core to successful transformation. However, Nedbank does not subscribe to the traditional view of leadership as being the exclusive responsibility of a small number of senior people or executives. The group believes that every person and organisation has the potential, and responsibility, to be a leader. As such, the development of leadership capital requires a holistic view of leadership as a state of being that is achievable by all.

Nedbank exemplifies this leadership ethos through its approach to leadership capital that embraces a strong leadership culture, organisational leadership through a strong brand, a commitment to leading through compliance and good governance, and stakeholder engagements that deliver shared value. We strive to entrench this shared leadership culture not only in our business, but also in our industry, because we know that the more people there are in SA's financial services sector who have strong, principled and empowered leadership mindsets, the more effective the sector will be in supporting and driving transformation in all areas of society and business.

Our human-centred leadership approach was developed in collaboration with our leaders in response to this challenge to lead in a disrupted world, while navigating towards Nedbank's required culture.

For more information please refer to the 'Nedbank leadership story – a human-centred leadership approach', under the Human Capital Review.

Leadership as a corporate culture

Leadership inspires our people to serve a greater purpose of doing good through their money expertise. It drives greater impact on their performance. This in turn drives a greater impact on our clients and on the value we bring to their businesses, their families, their communities, and society.

Deb Fuller, Group Executive: Human Resources



Nedbank's leadership identity is to **inspire greater purpose to drive greater impact**. The group has established itself as a purpose-led, values-driven, and people-centred organisation. It has defined the culture required to enable its strategic aspirations. The culture transformation journey therefore targets the following outcomes:

- Achieving identified culture and leadership shifts.
- Embedding human-centred leadership to unlock the culture shift.
- Strengthening our vision to position Nedbank as an employer of choice.
- Making Nedbank a 'great place to work' for all.

The Nedbank leadership identity is connected to its leadership philosophy and describes what 'leaders at Nedbank will be known for' when that leadership philosophy is brought to life.

Refer to 'Culture that unlocks value for our clients and workforce' under the Human Capital Review for a detailed explanation.

A leading brand

As a bank that takes money seriously, Nedbank is focused on enabling people to improve their financial well-being and guiding them to make better and more sustainable money choices. This is key to not only transforming the lives and futures of individuals, but also enabling the sustainable growth and development of the South African economy.

From a client perspective, the Nedbank brand is essentially a promise by the group to go beyond banking for those it serves. This is embodied by the Nedbank client value proposition, which is an assurance that Nedbank will help its clients make better money choices – spending, saving and investing their money in ways that serve them best and help build the futures they desire.

In 2021 Nedbank was ranked the eighth most valuable brand among top 50 SA companies for the second year in a row. The value of the brand-by-brand finance is estimated at R15bn. During the 2021 financial year Nedbank saw a continuation of this trend through brand sentiment rankings, having consistently ranked as the number two bank in social-media brand sentiment as measured by Salesforce Social Studio. Our strategic focus is aimed at entrenching our brand positioning of 'see money differently', which is highly relevant and transcends all the segments we service.

Nedbank ranked eighth most valuable brand among top 50 SA companies

Value of brand-by-brand finance estimated at R15bn

Developing leadership capital continued

Response to legislation

The impact of Covid-19 will continue to be felt across the South African BBBEE landscape for many years to come, particularly given the likely continued impact on organisations' revenues and bottom lines. This will almost certainly have a knock-on effect in terms of reduced spend on procurement, skills development, and ESD.

At the same time, the Amended FSC review is in progress at industry level. The outcomes of this review will likely be stricter weightings and targets, as well as new technical assistance guidelines across the FSC scorecard. This will lead to an industry rebasing, potentially making it difficult for many organisations to retain their current BBBEE credentials.

Against this backdrop of foreseeable challenges, Nedbank continues to amplify its transformation efforts in line with an evolving strategic framework and dynamic regulatory environment. The group remains fully committed to providing input into these regulations and policies, and complying with them, to ensure that they further the transformation of the financial services industry and the broader South African society.

Leading through meaningful stakeholder relationships

Nedbank recognises that its ability to deliver on its purpose and contribute to the transformation imperative for SA is amplified through collaboration and partnership. As such, we continue to engage with BASA and the Financial Sector Transformation Council (FSTC) as our primary stakeholders, to advance transformation of the sector. To maximise the benefits and outcomes of these partnerships, Nedbank is committed to a comprehensive and integrated stakeholder engagement approach built around a tried-and-tested stakeholder engagement framework. This framework is informed and governed by a detailed stakeholder policy and engagement framework that is monitored at a board committee level to ensure, among other things, beneficial two-way communication.



Refer to the Stakeholder Review for more details on Nedbank's stakeholder engagements and outcomes in the 2021 financial year.

Oliver Top Empowerment Awards

Nedbank recognised as the Top Empowered Business of the Year

Nedbank was awarded the prestigious 2021 Top Empowered Business of the Year Award at the Oliver Top Empowerment Awards virtual ceremony on 15 July 2021. The independent panel of judges said Nedbank had deployed meaningful interventions to support clients and employees during the Covid-19 pandemic. Nedbank was also lauded for successfully leading transformation during this time.

In its 20th year, the Oliver Top Empowerment Awards recognise outstanding leaders – individuals or organisations who have exemplified inspiration, vision, innovation, leadership and action for empowerment and transformation.

The Top Empowered Business of the Year is awarded to the organisation that best demonstrates excellence in all spheres of the general criteria and the seven pillars of empowerment. An improvement in financial performance and the organisation's empowerment status hold high weighting for judges. Organisations in this category must also hold level 1 to 4 BBBEE scorecards. Previous winners include Nedbank, Old Mutual, Woolworths and MultiChoice.





This chapter discloses our progress in relation to the provision of financial services and equitable access to such for individuals, SMEs, entrepreneurs and underserved communities.

Financial Inclusion Review

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Using our financial expertise to do good through financial inclusion

The privilege to serve

Nedbank is a well-regarded financial institution and in 2021 alone received 25 international awards. We were named – among other accolades – Africa's best sustainable bank, best debt bank, most innovative bank and most helpful bank. Working from such a respected position, we are using our financial expertise to do good and to advance the cause of ESG matters in the communities and societies in which we operate. We are striving to uplift our continent, economically and socially, by promoting financial inclusion and financial wellness.

SA has one of the world's highest unemployment rates, as well as extreme wealth disparity. But the country also has highly developed infrastructure and well-developed mobile technology, which could increase access to financial services – a powerful tool in reducing poverty and inequality, as well as stimulating employment.

As a leader in financial inclusion and wellness, we continue to put in place a set of powerful initiatives and are already having a significant impact on the entry-level banking (ELB) market, the student community and broader society. This chapter illustrates the progress we have made, outlining recent initiatives and pointing to where we aim to go.

We are also actively targeting unbanked clients and underserved communities, and we highlight key initiatives for financial inclusion and wellness, which fall into the following categories:



Helping people to manage money better

Why we care about financial wellness

At Nedbank we use our financial expertise to promote financial wellness – ie financial education – in the communities and societies in which we operate. When individuals are empowered with the know-how to make sound and informed financial decisions, benefits accrue not only to those who are upskilled, but also to our economy and society at large.

Nedbank's financial wellness strategy falls into two broad areas:

- **Financial education** – A regulated financial programme that focuses on previously excluded clients and communities. The programme is generic; it does not focus on Nedbank-specific products and services.
- **Financial fitness** – A programme that empowers people with the skills, knowledge and ability to manage their personal finances prudently and make the right financial decisions.

Touchpoints for extending our impact

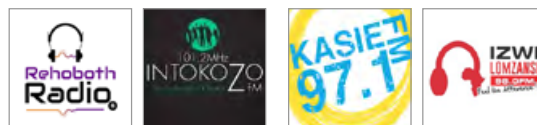
We continue to develop delivery models to make financial literacy more accessible to our targeted audience and have launched financial literacy initiatives via channels including radio, movies and the web to educate our clients and employees on money management.

In 2021, Nedbank reached 32,4 million consumers using delivery channels such as face-to-face interaction and virtual, social and mass media. We piloted an innovative strategy of communicating with our ELB segment using personalised video clips via SMS, which enables us to distribute financial education content focusing on digital banking to 30 000 consumers. Video clips became especially important during the national lockdown period.

Our radio strategy enabled us to reach rural communities through the strong relationship we have built with local community radio stations. Radio broadcasts covered topics such as:

- financial stability;
- maintaining financial health;
- how to better manage your money; and
- budgeting.

Local radio stations that partner with Nedbank



Partnerships for reaching rural and underserved areas

To ensure an extensive reach of our financial wellness programmes, we continue to maintain strategic partnerships and alliances with partners who are strongly rooted in communities across the country. Through our partnership with the organisation African Response, which primarily serves the deep rural areas of KwaZulu-Natal, Limpopo and the Eastern Cape, we have reached the underserved and unserved community using mass media, face-to-face workshops, social media and a digital education portal.

To disseminate financial literacy knowledge, we also partnered with CanPRO, an organisation that specialises in digital consumer financial education to create opportunities for youth and communities. Nedbank and African Response provided the curriculum material and leveraged CanPRO's mobile community engagement platform to reach people directly on their devices. The project enlisted local youth enterprises already providing online training to residents on a range of online services. Digitisation and gamification of content are used to explain financial concepts and encourage the use of online tools provided to support consumers. This platform was rolled out in an initial pilot phase in 2021, giving digital enterprises the opportunity to earn an income by training over 5 000 residents in Mokopane, Limpopo, on key and fundamental finance concepts. Since launching in October, the project has reached and empowered almost 3 300 consumers in the Mokopane community. Given the success of the project, we are now working on plans to scale to other communities across the country.

Nedbank's partnership with Africa Response and CanPRO



Helping people to manage money better continued

In urban and peri-urban areas, through our partnership with Heartlines Consulting, we reached 18 underserved and unserved communities, such as Mitchells Plain, Umlazi, KwaMashu, Tembisa and Alexandra. We have reached 4,1 million people through mass media and 4 846 people face to face. This included 92 people living with disabilities. Ensuring our content is customised for people with disabilities has been an important part of our education programme. This is a capability we intend to grow and extend across the country. Through our partnership with Heartlines Consulting, we developed our consumer financial education content into a movie to make it more relatable and easier to understand; it has been flighted on SABC and at Ster-Kinekor. This ensured significant scale and reach of the programme, reaching audiences who might not otherwise participate in financial education programmes.

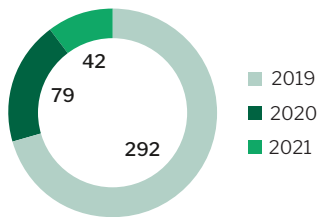
Heartlines Consulting’s reach in 2021



Financial fitness education at workplaces

We visit organisations ranging from the public sector to private businesses and corporate clients to educate and empower employees about money management and the Nedbank products and services available to them that best meet their needs.

Total companies engaged (Number)



A relationship manager ascertains the needs of the company and financial needs of the employees and we offer content relevant to those needs. We also curate additional content that companies request based on the needs of the employees.

Throughout the years we had made significant progress in ensuring we reach as many consumers (both Nedbank and non-Nedbank clients) as possible with our financial wellness programmes.

It is unfortunate, however, that disruptions from the global Covid-19 pandemic in 2020 and 2021, compounded with the civil unrest in July 2021, have had a significant impact on our ability to reach consumers with our programmes. This is despite our using digital platforms and working through radio stations.

We noted a fivefold increase in the total number of consumers reached from 2019 to 2020, with this success driven mostly by mass-media spread and the introduction of social-media engagements. Impacted by the July riot, the number of consumers reached has, however, decreased to 15,5 million in 2021 (2020: 17,1 million), which forced most companies to close shop. This meant a limited number of people could be reached in their workplaces.

Going forward, we aim to remedy this impact so that we can continue to empower individuals and communities across the country.

By preventing face-to-face engagements, the Covid-19-related lockdowns have accelerated our initiatives to provide educational content on easily accessible digital platforms, with no data costs.

Financial education spent and clients impacted in the past three years

(Social media and digital training introduced only in 2020.)

	2021	2020	2019
Mass media	15 million	15,5 million	3,1 million
Social media	455 049	1,4 million	None
Face to face	9 313	29 000	175 506
Digital training	3 993	5 003	None
Total reached	15,5 million	17,1 million	3,3 million

As part of our financial wellness programme, we do the same for employees by running internal programmes to educate and empower them about money management and the Nedbank products and services available to them that best meet their needs. A key example included a series of Money Meet-ups, sessions in which presentations were done to more than 500 employees on topics including retirement benefits, wills, the winding up of an estate, and saving.

Helping people to manage money better continued

Example of a webinar for our employees

Other virtual sessions

Join us for a webinar where we will unpack how to navigate money decisions during these times and discuss strategies to manage our finances prudently.

Our speaker line-up includes:

Dr. Tsheniso Motantjhe,
Educational Psychologist
and Life Coach

Dr. Rufaro Mucheka,
Head of Strategy at
Nedbank Financial Planning

Sisendile Cikido,
Head of Retail Investments
at Nedbank

Nthabiseng Matshega,
Executive Head of Group
Marketing at Nedbank

Webinar Topic: Navigating the economic turbulence

Wendy Saleibi
Head Staff Financial Care

Amy Underwood
Senior Behavioural Economist

Gugu Sidani
External Financial Planner

Edmond Abe
Nedbank Financial Planner

In addition, we offer our employees relief programmes for debt consolidation, which have been met with much appreciation.

Feedback

“ Thank you very much for your assistance during the process of internal financial rehabilitation. It’s been a great journey. Working with people that have financial obstacles is not an easy thing – it takes courage and bravery. You are dedicated and hard-working, and your focus and ability supersedes expectations. ”

Driving financial inclusivity and wellness in collaboration with township communities

Nedbank has long recognised the imperative to provide meaningful support and enablement to township communities, which are essential economies in SA.

The nature of township economies is such that truly useful support entails much more than just financial assistance. It requires a full understanding of what makes township economies work, and how best to enable and empower their participants to maximise success.

One of the ways in which Nedbank is responding is through **PoMT**. This holistic community transformation initiative is the first of its kind for corporate SA and was developed in partnership with Ranyaka Community Transformation. PoMT focuses on the specific needs identified by the stakeholders in each town. Through collective effort, the challenges to be tackled and the opportunities to be harnessed are identified, and then cooperative plans are developed to achieve the desired outcomes.

Proud of My Town desired outcomes



Helping people to manage money better continued

In 2020, we invested R8,5m in this initiative – delivering 104 projects and reaching 20 651 beneficiaries in 13 communities in nine towns across six provinces. PoMT exemplifies our evolved approach to supporting SA's township economies as a whole going forward. We recognise that thriving communities are needed to be able to create business value, and so we harness the power of collaboration and active citizenry to co-create such communities.

A big part of PoMT is how we integrate financial wellness programmes, working with communities to drive financial education for both individuals and businesses. We have taken our financial education commitment a step further by bringing it to townships and communities that have previously been underserved, as part of our larger commitment to community involvement. We are running community-based interventions that enable us to find out the needs of communities so we can establish initiatives that work for them.

We also have other PoMT initiatives, such as the Chicago Business Collective and the CoCreate Hub, which aim to provide financial literacy and support in the townships.

The CoCreate Hub is an economic development hub in the heart of Stellenbosch that offers centrally located trading, meeting and training spaces to benefit majority-black-owned businesses in Stellenbosch. By the end of November 2021, 40 entrepreneurs were trading from the hub.

In addition to the PoMT work, our 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 CV writing and courses on personal money management.

Looking forward

Nedbank has put in place a series of initiatives for the long-term thriving of our society and our organisation. Over the next few years, we have plans for growing our presence and capacity to do good.

As we continue to extend the reach of our financial literacy training, we plan to maintain a strong focus on radio broadcasts. South Africans, including those in rural areas, are keen radio listeners, which makes the medium an excellent way to build engagement. Radio options range from long-running dramatic stories that absorb listeners while providing education in financial wellness, to exciting competitions that build strong financial habits.

We are also working on an initiative to make banking terminology and concepts more accessible. We will work with a partner to explain features of personal finance in clear, visually oriented ways.



Driving financial inclusivity of underserved and unserved individuals

According to research conducted by Nielsen in 2018, 32% of South Africans do not have a bank account and two of the major reasons for this are the cost of data and transactions and the challenges with onboarding, especially with regard to required documentation. Approximately 13,8 million people live below the food poverty line in SA, and the majority of people do not have access to financial services. One of the biggest barriers to financial inclusion is access to loans for both individuals and small businesses.

Access to bank accounts and wallets

Nedbank offers a wide variety of products and services for individual clients to help them access financial services and manage their money better. We continue to work on making our products and services as cost-effective, accessible and easy to use as possible, with products such as MobiMoney, the Nedbank Pay-as-you-use Account, MyPocket and the Stokvel Account.

- The **Nedbank Pay-as-you-use Account (PAYU)** has no monthly fees, and the client pays for what they use and nothing more. Over 290 000 PAYU Accounts were opened in 2021. We have also coupled this transactional account with what we call MyPocket, savings pockets to which clients can transfer money from their main account. Each client can create as many pockets as they need to meet different savings needs while earning interest. In 2021 we saw an 84% increase to 952 561 accountholders (2019: 373 198) using this function, as more clients shifted their behaviour to saving rather than spending, given the harsh impact of the Covid-19-related lockdowns, especially with some clients having reduced incomes and realising the need to save for rainy days.

- The **Nedbank Stokvel Account** is a standard group savings account with additional benefits such as funeral cover for R10 000 per member at R15 per member per month, as well as discounts on groceries and school supplies at selected Nedbank partners. 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, competitive interest rates and new access to no-fee banking. 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 4 200 accounts have been opened, and 183 000 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 1 446 applications through this channel, and 38% of applications were successful. Over 600 new Stokvel Accounts were opened in 2021, with an average of just over 32 000 people insured through its innovative funeral cover solution. The most popular types of stokvels are savings stokvels, grocery stokvels and funeral societies.

- With our **MobiMoney Wallet** we were able to launch a simple functionality transactional product that is easy for consumers to take up on a simple-to-use and broadly accessible USSD channel – a channel that does not require a smartphone or mobile data to access. Consumers just need to dial *120*002# and follow a few steps to open the wallet. We have seen a significant uptake in wallet use, with five times as many wallet users in 2021 as there were in 2019, and five times as much money in these wallets. Our clients are able to receive payments electronically and have a choice to spend electronically at informal traders that are enabled to accept payments from the wallet, and at merchants of any size or level of formality that are enabled for Masterpass. The client is also able to fund the wallet or access funds in the wallet at Nedbank ATMs as well as at participating retail chain stores.

MobiMoney adoption

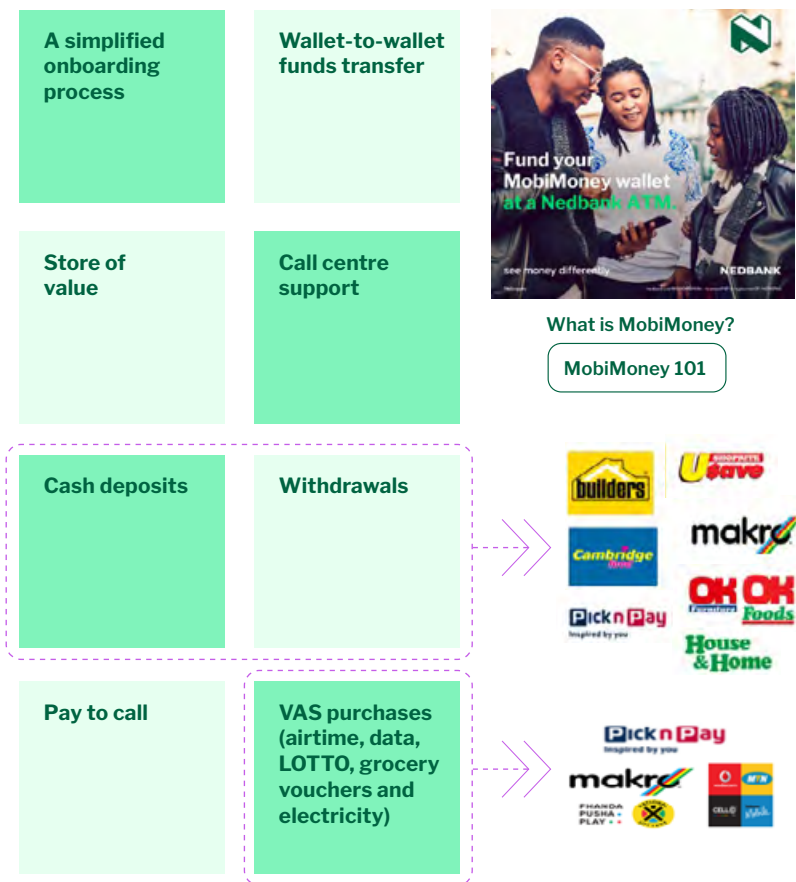
Cumulative	2021	2020	2019
Closing balance	R41,1m	R23,6m	R10,7m
Number of wallets	1,4 million	708 557	247 597

This offering promotes inclusivity in the following ways:

- It is easy to set up and requires only the client's name, identity number and occupation.
- Clients do not need to visit the branch to take up or use the wallet. All they need is a feature phone on which to access the USSD channel.
- To deposit or access the funds in cash, clients do not need to visit the branch. They can visit retail stores from Shoprite Group, Pick n Pay or Walmart Group SA, which are spread throughout the country and easy to access.

Driving financial inclusivity of underserved and unserved individuals continued

Nedbank's MobiMoney is a mobile wallet-based product that facilitates payments, withdrawals, and stores value. The functionalities include the following:



Access to banking products and services through Cellphone Banking

USSD is one of the most avidly used digital channels in Africa. Its key advantages are its simplicity, low costs and accessibility to all. USSD-based banking can be rich in functionality and give clients access to more than just basic banking. As part of our 2022 Cellphone Banking journey, we will be ideating, enhancing and delivering some key changes to expand our Nedbank Cellphone Banking capabilities in the areas of products, core service offering, simplified client experience, financial wellness, single-channel immersion, channel customisation, 'beyond banking' and much more.

Our Cellphone Banking services include the following:

- **Converged dial strings:** Our primary banking at *120*001# allows Cellphone Banking clients to access their banking needs through a single dial string.
- **Remote registration:** Existing clients can now register for Cellphone Banking anytime, anywhere.
- **Debit order management:** Clients can view and, where applicable, reverse or dispute their debit orders directly on Cellphone Banking.
- **Buy vouchers:** Clients can buy vouchers for stores such as Makro, Pick n Pay and 1forU.
- **Short-term loans:** Clients who have been preapproved for short-term loans will be able to take up their loan offer end to end on their cellphones.
- **Trader wallet:** A general or informal trader can now open a MobiMoney Wallet as well as a Nedbank trader pay code in a single onboarding process.
- **Card management:** Clients are now able to freeze, unfreeze and block their Nedbank cards directly on Cellphone Banking.
- **Cardless cash-out:** Clients now have access to improved functionality allowing them not only to send money to a cellphone number, but also to draw money from an ATM and selected partners.

Extending access to credit

Based on recent reports in the market, 85% of South Africans are in need of financial help, and of this base 55% have no access to

85%

of South Africans need financial help

credit as the main driver for the financial help they need. Two top reasons why consumers do not have access to credit are that they are already highly indebted or the requirements are stringent and exclude them from accessing credit.

Innovative loan offerings

Short-term loans

In our client-centred design process, we have spent extensive time with clients understanding the barriers that prevent them from accessing financial solutions such as loans. Through this process, we have discovered that existing products are not suitable for clients who need short-term loans for small amounts.

We offer a one-month loan to Nedbank clients, with the option to repay it in one of two ways: 30 days after taking out the loan, or on the day of their next incoming salary. It is the most affordable loan in the market, at 8% interest. Clients can apply through Online Banking, the Money app or Cellphone Banking. Over 10 000 short-term loans were taken up during 2021. One in every three clients who take a one-month loan go on to apply for a personal loan.

Driving financial inclusivity of underserved and unserved individuals continued

Benefits of a one-month loan



As financial experts who do good, let us help you manage your money.



Most affordable one-month loan in the market.



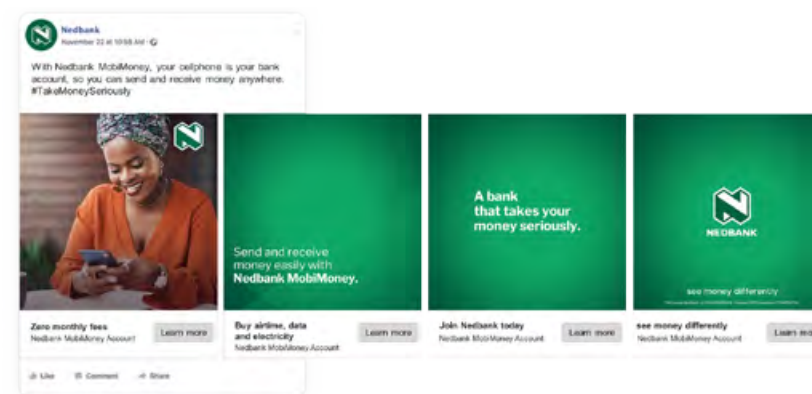
Nedbank short-term loan helps you take control and manage your finances in a way that makes sense for you.



Simple, convenient access to money when you need it.



The peace of mind of knowing that you have access to funds when you need it.



We are also shifting our mindset towards making loans available to all individuals and not only Nedbank clients. As we do so, we are investigating the microloan market, which is currently dominated by microlenders rather than banks. As a responsible lender, we will apply prudent assessment criteria to ensure clients are able to repay their loans. This includes applying policies that align to internal risk policies and legislation such as the National Credit Act, 34 of 2005. The latter sets out the legislative requirements credit providers must apply to prevent overindebtedness and the extension of reckless credit. The National Credit Regulator (NCR) further prescribes the minimum steps credit providers must adhere to when conducting affordability assessments to calculate and validate clients' abilities to service debt. The regulations outline how credit providers must establish clients' existing financial means and prospects, existing financial obligations (necessary living expenses) and their debt repayments under a credit agreement. Nedbank is exploring how to lend in a safe, responsible way while making sure that we are meeting our clients' needs.

Loan consolidation

Another innovative Nedbank product is our consolidation loan, which allows clients to consolidate all their loan debt into a single repayment under one interest rate. It is available to clients who are permanently employed and not under administration. We settle all loans on the client's behalf and consolidate them into a single Nedbank loan. Consolidation offers clients the convenience of dealing with a single institution, with one debit order off their account under a single interest rate – which makes it easier for them to manage their debt. We couple debt consolidation with financial wellness intervention to help these clients shift their behaviour and drive sustainable debt management skills.

Debt counselling and rehabilitation

Our debt counselling service plays a vital role in the rehabilitation of overindebted clients. We offer this service to clients who are declined when applying for lending products mainly because of affordability, missed payments or poor credit bureau assessments, and those who are struggling to honour their current monthly repayments. For clients whose credit applications are declined, we send a communication by either email or MMS to guide them through the steps they need to take to improve their creditworthiness and to inform them how they can access the rehabilitation process. We continually engage with debt counsellors and other stakeholders to create the optimal resolution for our debt-stressed clients.

Since 2020 we have seen an increase in the total number of clients applying for rehabilitation and we are pleased to see improving trends in those who have been totally rehabilitated (see table on page 98). We saw a 17% increase in the number of rehabilitated clients through mechanisms such as debt counselling and payment arrangement. During the pandemic, we saw a higher number of clients being granted credit following rehabilitation, particularly for personal loans and overdrafts. The subsequent lending to rehabilitated clients rose from R1,55bn in 2020 to R2,45bn in 2021.

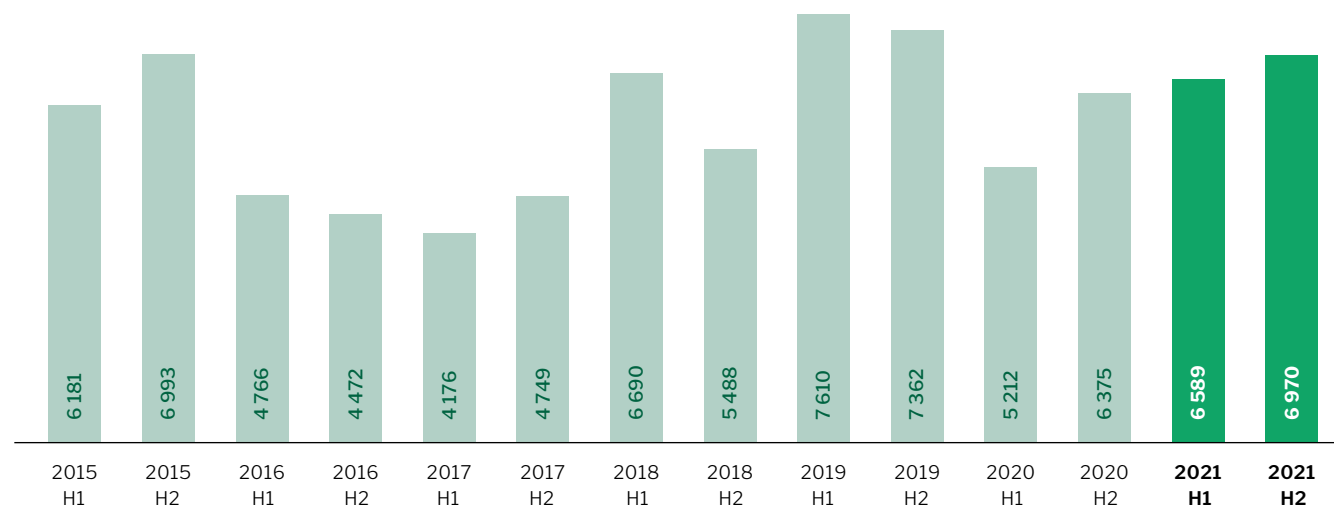
Lending to rehabilitated clients

R2,45bn
(2020: R1,55bn)

Driving financial inclusivity of underserved and unserved individuals continued

Trend of rehabilitated clients since 2015

(Total rehabilitated clients)



In addition, initiatives that focus on increasing access to clients are as follows:

- **Personal loans** through Nedbank branches, our website and the Nedbank Money app. Since 2019 we have seen a 17% increase in personal loans disbursements to R15,9bn.
- 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 loans at ATMs and SSKs.
- In the latter part of 2021, we launched a **Gold Credit Card with a monthly fee of R40 per month**, which matches the lowest-cost credit card in the market. The minimum income required to qualify was reduced to R5 000 per month, with personalised interest rates and complimentary card delivery.
- **Loan facilities for young people**, people with no credit history, and others who have previously lacked access to loans. Over the past three years we funded close to 2 000 students to the value of R123m.
- **Other initiatives** include partnerships with educational institutions so clients can pay for their education using a personal loan; amendments to credit life insurance policies so that loss of income now qualifies as justification for personal loan debt; and exploring new measures of credit suitability, such as psychometric approaches to determine if a person qualifies for a loan.



Our loan products have received gratifying responses from Nedbank clients. One example from an anonymous client:

Feedback

“It was always my goal to get a qualification and make the best possible life for myself. Unfortunately, my bursary request was rejected, and this left me crushed as I desperately needed the money to complete my final year! I decided to apply for a personal loan on the Nedbank Money app and I couldn't believe it when I was approved.

I have now paid off my study costs and am so proud to say that I am completing my postgraduate diploma in Management Studies. My dream would not have been possible without the personal loan.”

Driving financial inclusivity of underserved and unserved individuals continued

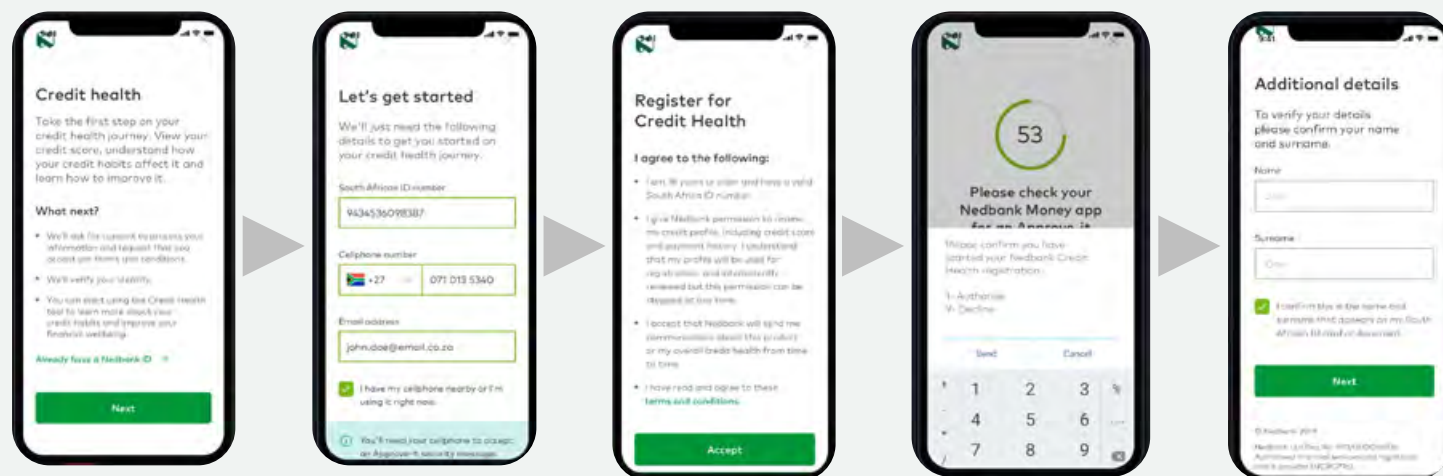
During the Covid-19 pandemic we provided our clients with several debt relief interventions to help them better deal with the impact of the pandemic. Below are some of the interventions we implemented in our attempts to be there for our clients when they needed us the most. As a result, we were voted the best bank that supported clients during the pandemic by *The Asian Banker*, whose award winners are voted for by clients themselves. Debt relief interventions included the following:

- **Provided support for clients –** Payment holidays on R121bn of loans for more than 400 000 clients, fee concessions amounting to R104m, claims from credit life insurance cover of more than R150m, and applications for readvances and drawdowns on existing facilities.
- **Participated in the SARB SME Loan Guarantee Scheme –** R1,4bn loans paid out and Nedbank was one of four banks to administer the R1bn SA Future Trust for SMEs. (Nedbank facilitated R300m in payouts.)
- **Enabled employees and clients to contribute to the Solidarity Fund** through our apps, web and Online Banking platform. Nedbank contributed R160m.

Credit health tool

Our credit health tool that was launched on the Money app shows clients their credit score and offers suggestions on how to improve their creditworthiness. In 2021, over 260 000 clients signed up for it. The tool sources user information from South African credit bureaus and displays it in an easy-to-understand way. Clients can also receive emails and updates about the status of their credit score. These facilities are available to not only Nedbank clients, but anyone who logs in to the Money app.

Registering for the credit health tool



Affordable housing

In 2021 we focused on expanding our visibility in the affordable-housing market. We financed home purchases for almost 4 924 South African low-income earners (individual applicants with a gross salary of less than R26 100), and provided nearly R3,0bn for affordable housing. We hold 15,4% of the market share for affordable housing. In comparison, there were only 2 014 affordable-housing loans (to the value of R878m) registered in 2019 and 2 391 affordable-housing loans (to the value of R1,2bn) registered in 2020.

Financed home purchases for almost

4 924

low-income earners

We financed various residential developments, allowing a lower-income market to move closer to the city. We also rolled out a 'green living' initiative, which allows first-time homebuyers to buy ecofriendly developments that are accredited by EDGE. From January 2022, we offered first-time homebuyers access to additional credit to cover upfront costs for a home purchase – up to 103% for family homes.

Challenges in providing affordable housing include the high unemployment rate and the associated difficulty of making settlements inclusive, safe, resilient and sustainable. But we continue to help South Africans realise their home ownership dreams.

Driving financial inclusivity of underserved and unserved individuals continued

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. These VAS not only complement the full array of financial products we offer clients, but also make their lives easier by providing convenient services in their day-to-day lives. Clients are able to buy things like prepaid airtime and electricity, play LOTTO and get vouchers via our app, Online Banking, kiosks, and Cellphone Banking. During the Covid-19 pandemic, we saw an explosive demand for VAS from clients. There was a 31% growth in volume, from 69 million transactions in 2020 to 90,3 million in 2021, with more than a million clients (from 676 000 clients in 2019) using these services, predominantly in our youth and ELB segments.

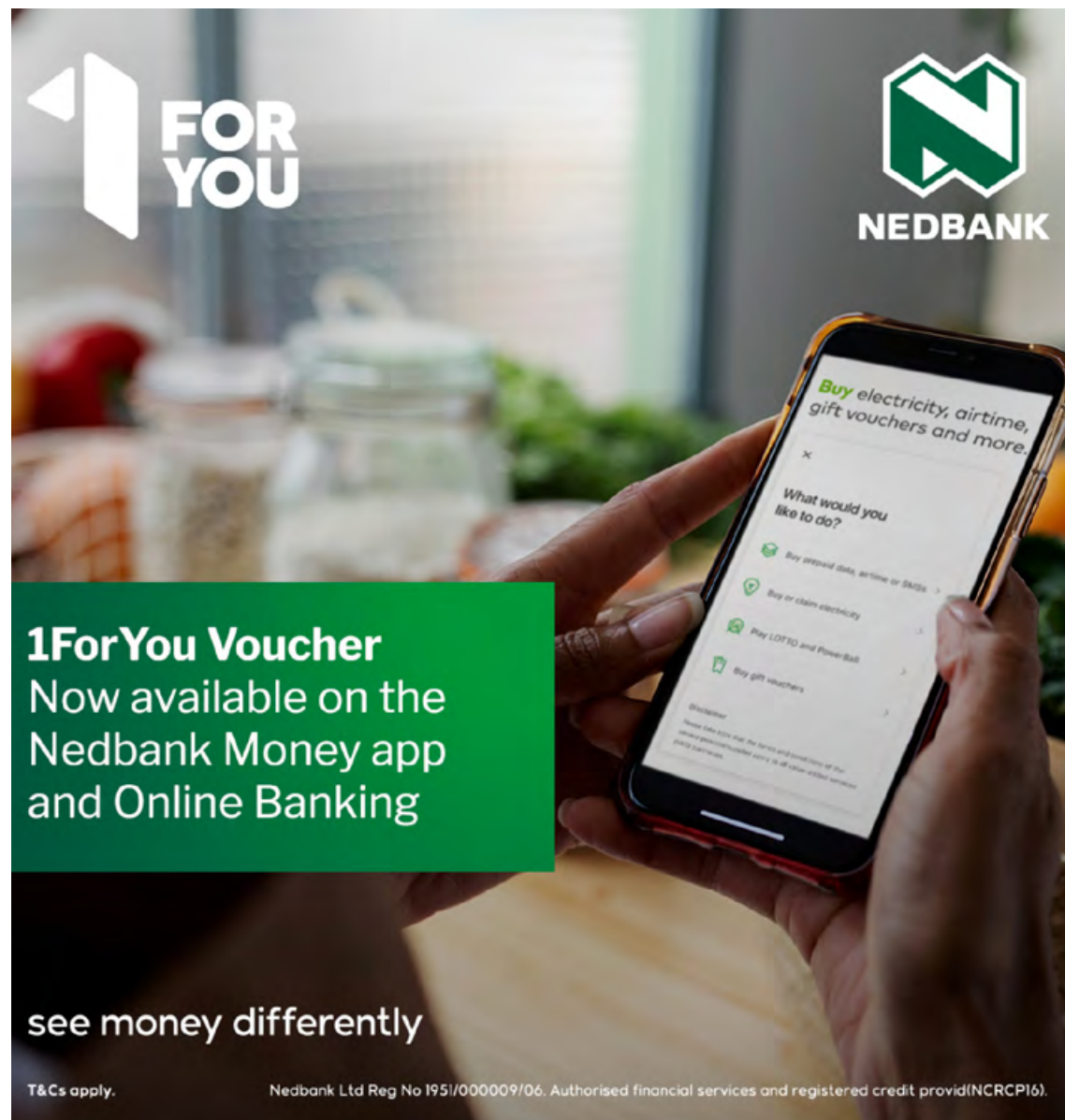
Growth in VAS transactions
90,3 million
(2020: 69 million)

Looking forward

Among our loans designed to increase access to financial services, we are examining our student loans and considering ways to provide an even more robust offering that covers things such as tuition fees, thesis publication and items such as medical equipment.

Our recently released credit health tool will continue to be developed in order to offer a range of additional functionality. Planned enhancements include insights into the reasons for an increased or decreased score, information on scores for similar demographics and ideas for improvements, simulation of the impact of financial decisions on a score, and gamified education for improving one's credit score.

We will continue to focus on market share growth in affordable-housing loans by making data-driven decisions on suitable areas for our products, while ensuring that we provide accessible housing. Nedbank is exploring innovative finance options and examining targeted products for individuals such as single female buyers (a growing group) and graduates with skills of the future. We plan to partner with non-affiliated estate agents and support them while growing our business, and we will continue to expand our opportunities to finance sustainable green housing.



FOR YOU

NEDBANK

Buy electricity, airtime, gift vouchers and more.

What would you like to do?

- Buy prepaid data, airtime or SKILLS
- Buy or claim electricity
- Play LOTTO and PowerBall
- Buy gift vouchers

1ForYou Voucher
Now available on the Nedbank Money app and Online Banking

see money differently

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Supporting small, medium and microenterprises

SMMEs can support SA as it emerges from the impact of the Covid-19-related lockdowns and economic slowdown, as they play a notable role in contributing to local economies.

SMMEs contribute significantly to job creation and local communities, and are seen to be the main absorber for marginalised segments such as women, youth and the poor, especially in township economies. According to the most recent Finscope, SMMEs contribute more than 40% of total South African gross domestic product (GDP) and account for more than 87% of all employment. Some of the biggest challenges for SMMEs are access to cost-effective and convenient banking products – including access to credit, the difficulty and cost of doing business, and cash and cash flow management.

Nedbank offers a range of products to help SMMEs thrive. We have lowered the cost of entry to banking by providing affordable banking, easy payment solutions, tools to manage cash flow and flexible financing solutions to promote growth, access to specialised funding, development finance and Beyond Banking services.

More than
40%
of South
African GDP
from SMMEs

Day-to-day banking solutions

Transactional products

Our Startup Bundle is a business account that offers six months of zero fees, 20 free digital transactions per month, and no charge for eNotes. After the first six months, costs default to a business PAYU account, which is R69 per month. Since its launch at the end of 2020, over 6 000 new Startup Bundle accounts have been opened. We have also digitised the processes for SMMEs to onboard themselves and open a transactional account instantly using Online Banking or the Money app (for sole proprietors and proprietary limited companies with up to three directors, and South African nationals only). All small-business clients can also perform self-service banking via our retail digital channels (Online Banking and Money app), and open and manage investments. They have the ability to apply for credit and merchant point-of-sale (POS) solutions. They are also able to seamlessly toggle among all their different business and personal profiles using one set of login credentials. Clients also have the option to receive hands-on assistance and guidance from our national network of dedicated relationship bankers based in or adjacent to our branch.

Clients who have MobiMoney Wallets can by using the pay code service, accept QR payments through Masterpass. MobiMoney has zero monthly maintenance fees and allows free deposits up to R4 000 per month, making it affordable and accessible to small-business owners. It enables informal traders with a MobiMoney Wallet to receive payments from customers and pay for goods from wholesalers and other retailers. Over 1,4 million wallets have been opened to date.

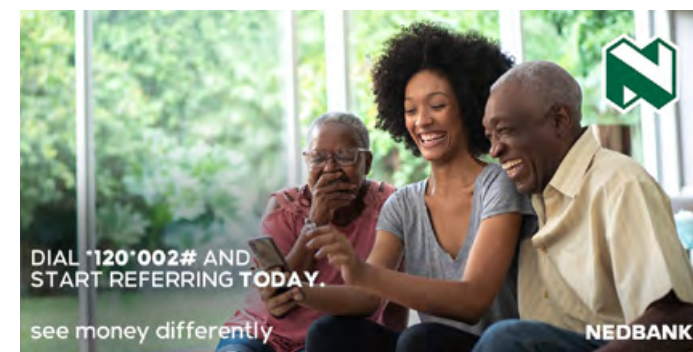
We also offer the option to send payments to cellphone numbers and Money Message, which allows small businesses to request payment over WhatsApp. Both these functions make day-to-day transactions easier and more accessible for business owners.

Running the business

We provide money management tools for businesses and individuals. MoneyTracker is an easy-to-use budgeting and tracking tool suitable for individuals and small businesses. The user interface is simple and ready to use from installation.

Examples of open-banking capabilities for SMME clients:

- **Nedbank's partnership with Xero Accounting** (global accounting firm) – Nedbank launched the first direct banking feed in SA so SMMEs can automate their banking data into Xero, free of charge. This means no third parties, no manual uploads and no delays, which saves business owners time and puts them in control of their banking data.
- **MoneyTracker** (free on the Money app and Online Banking) – This allows business owners to classify and group their transactional information (income and expense data) on a dashboard, set budget thresholds and invoice clients for payment, supporting better cash flow management.



Supporting small, medium and microenterprises continued

Lending to SMMEs

Small Business Services (SBS) supports 299 000 businesses with an annual turnover of up to R30m, while Business Banking partners with larger businesses (turnovers of R30m to R750m). SBS continued to deliver business support to which its small-business clients have become accustomed, advancing R4,0bn (R3,5bn in 2020) to clients.

Our dedicated SMME credit assessment team understands the needs and complexities of this market and is skilled to support our bankers in delivering the right credit solution. Besides the standard lending solutions – overdraft, asset-based finance, property finance and term loans – we also offer products tailored specifically to the SMME market.

In 2017, revolutionising the way SA does business, we launched **Nedbank GAP Access** – an innovative and viable alternative to traditional business loans and facilities. It is available to businesses that accept card payments with the advance of funds and repayment terms linked directly to card turnover through the POS device. The offering has transformed day-to-day financial business operations by making it easy to access cash advances to bolster working capital. This further enables businesses to gain access to a revolving facility once 60% of the existing advance has been paid. We offer advances up to R1,5m. Since its introduction, GAP Access has seen a phenomenal uptake, with over 80% of businesses that signed up for the offering requesting a further advance after reaching the minimum repayment threshold.

**GAP Access
offers advances
up to**

R1,5m

The **Nedbank Small Business Credit Card** is the ideal card solution for start-ups. Credit assessment is based on the individual's affordability, giving the business owner the opportunity to split business and personal spend and build

credibility. There are flexible payment options to improve cash flow and clients earn rewards on business spend. It is suitable for start-ups, SMMEs or sole proprietors with a minimum annual turnover of R150 000 looking for a line of credit with flexible repayment options. The monthly fee is only R53.

For growing or established businesses (minimum two years old) that are registered legal entities (with business financials) and have a minimum annual turnover of R1m, there is the **Nedbank Rewards Revolve Card**. This is a revolving-balance payment solution for SMMEs that want the flexibility of a revolving-card solution with the option of paying only 5% of the outstanding balance monthly while earning Greenbacks (double rewards on American Express Card® spend).

All the above lending options have enabled us to service 299 000 clients by the end of 2021, while lending increased to R52bn in 2021 (from R42bn in 2019). Nedbank strives to push the boundaries when it comes to getting clients the credit they need through channels that work for them.

**Lending
increased to**

R52bn

(2019: R42bn)

Supporting SMMEs with grants and funding during the pandemic

After lockdown was imposed in 2020, we were the first bank to partner with the Department of Small Business Development (DSBD) and the Small Enterprise Finance Agency (SEFA) to help spaza shops and general dealers access grant support. The challenge faced by the DSBD was that spaza shops and general dealers are mostly unregistered businesses that fall in the informal economy, and most of them did not have bank accounts or stores of value to be able to accept the grants. There was a need to pivot a solution for these informal traders quickly to enable them to access the grant so they could provide essential goods to their communities given the travel restrictions that were imposed.

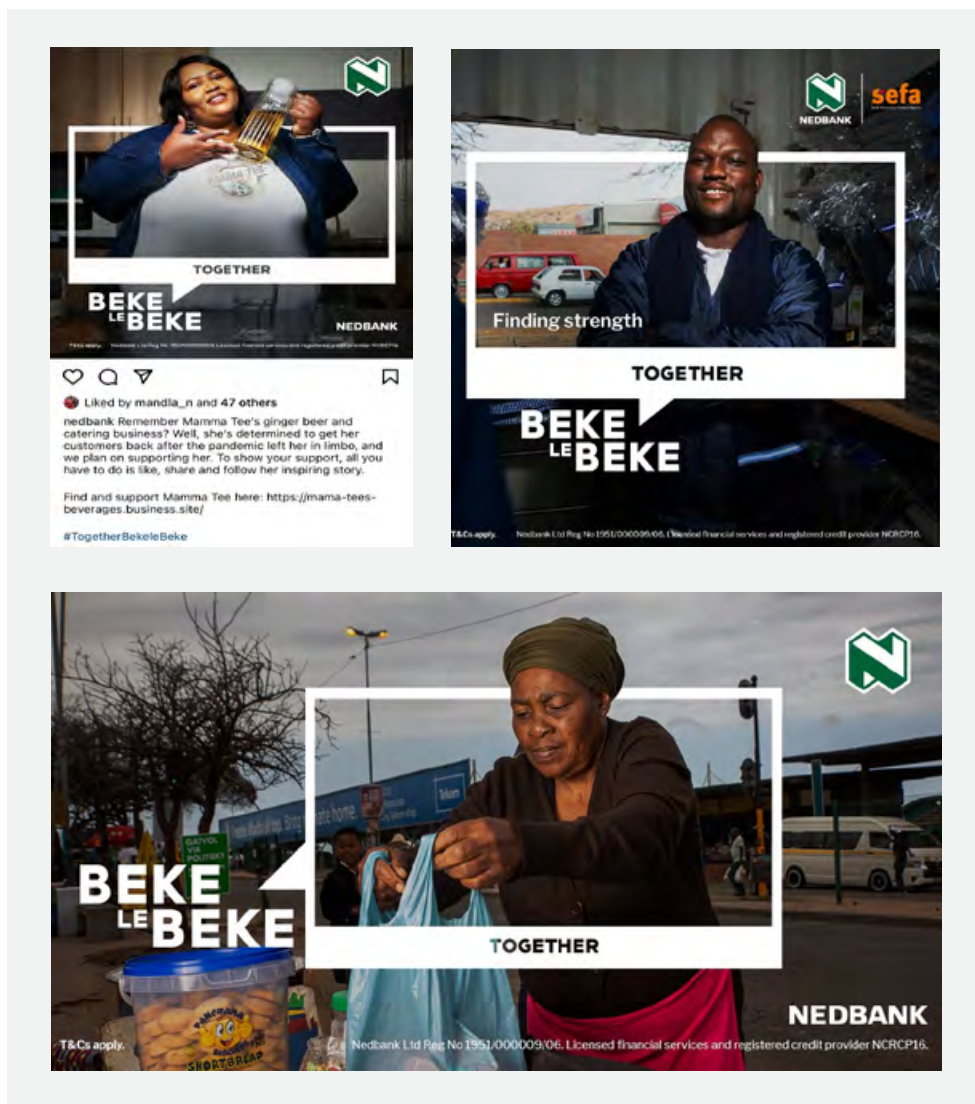
We leapt at the opportunity to support this initiative, which came on the back of other relief measures we implemented to help our clients and society as a whole through this challenging time. We created a customised procurement card, which was prefunded with R3 500 for each qualifying owner, and we also waived fees for both the spaza shop owners and general dealers. This enabled close to 8 000 qualifying spaza shops and general dealers to enjoy discounted prices when they purchased a basket of preapproved goods from selected wholesalers using the card. In 2022 we will continue with this offering, with the grant money increasing to R10 500 per trader and our reaching more traders.

8 000
traders
benefited

Digital financial services are a critical tool to grow business, increase revenue and deliver a delightful client experience at lower costs, but lack of access to formal banking tools and little understanding of financial products limits the opportunity for growth of small businesses. To complement the support scheme, we partnered with Mastercard Centre for Inclusive Growth and Juntos Finanzas to deliver free business and financial literacy training by SMS to almost 10 000 informal traders to help them build resilience and grow their businesses. Our collaboration with Mastercard and Juntos was great news for SA's informal traders who are often left on the sidelines of the formal economy. With new business skills and opportunities to access financial services, the benefits of a digital economy are within reach and will unlock addition value for this market.

In 2021, after more lockdowns were imposed and following the riots in July, we also launched **Together Beke le Beke** to bring together some of our most impactful programmes to support micro-entrepreneurs and small businesses, many of whom were hardest hit by the pandemic and the unrest that impacted parts of KwaZulu-Natal and Gauteng. This initiative allowed them to receive support in the form of funding, mentorship and guidance on essential business skills. It forms part of Nedbank's ongoing efforts to help address the issues of unemployment and income loss.

Together Beke le Beke social-media campaigns



The campaign included the following programmes:

Initiative	Impact
Informal traders: In partnership with SEFA, we help unregistered businesses that need a grant to help rebuild and restore what was damaged.	SEFA informal traders' grant: A total of 8 000 applications were received and 3 800 of these paid using MobiMoney (R13m already dispersed). The initiative is continuing to disperse the remainder of the R40m target this year.
Side hustle: We support individuals with a business idea who are looking for funding and coaching to start a side hustle.	Slow Fund: Altogether, 20 289 applications have been received since February 2020. A total of 54 individuals have received funds and completed the full online course.
Small businesses: We provide bridging finance to restart the businesses of clients without insurance who have been impacted.	Partnered with Township Entrepreneurs Association (TEA), resulting in 23 businesses receiving close to R1m in grants.
Proud of my Town: We target businesses in the PoMT nodes to address structural repairs, stock replenishment, financial support and the onboarding of selected businesses onto the broader Proud of My Town Building Business Programme, which provides longer-term capacity-building and support.	Proud of my Town community programme in partnership with Ranyaka, in which we assisted 113 small-business owners in KwaZulu-Natal and Gauteng with grants ranging from R500 to R50 000 to help rebuild structures and restock shops.

Campaign impact in 2021

Reach of

21 275 673

viewers from
the SABC 1 TV
miniseries

252

pieces of content
were published on
social media during
this campaign,
generating 1,3 million
public conversations

Organic content
achieved

1,4m
impressions
and 22 000
interactions

Video had over

31 000

organic
views

Innovative payment solutions for SMMEs

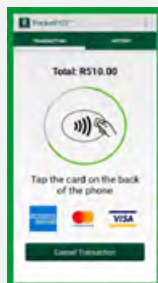
Many individuals and organisations need convenient, reliable, secure and low-cost ways to transact.

To meet the needs of SMMEs, entrepreneurs, NGOs, informal traders, spaza shops and more, we offer a set of innovative, tech-enabled payment solutions. Because these solutions are so appealing, the merchant becomes the ambassador for them, educating clients in their use so that they too are included in the banking and payments ecosystem. And over time, merchants can consolidate and extend their own financial inclusion by applying for additional banking products and services. The adoption of accessible solutions therefore drives broad upliftment.

Solution

Tap on phone

The Nedbank PocketPOS app turns a compatible smartphone into a contactless POS device.



Features and benefits

- Business need not be registered.
- Current account with any bank suffices.
- Works on any compatible smartphone; no additional hardware needed.
- A monthly fee only when transactions are processed.
- Secure: Transactions above the cardholder's verification limit need a PIN.
- Built-in transaction history.
- Receipts are emailed or SMSed to clients.
- In development: Digital onboarding without a branch visit.

Money Message

WhatsApp-based invoicing and payments solution, linked to bank accounts.



- Widely used, familiar platform.
- No additional hardware needed.
- Digital onboarding.
- Secure: Bank details are not stored on WhatsApp.
- Only a merchant fee for transactions and an invoice fee for invoice generation.
- Current or savings account can be with any bank.
- In development: Increasing invoice limits.

Masterpass

The Masterpass QR code allows customers to pay for goods and services using their cellphones.

- No POS device required – yet payments are settled into the bank account exactly as with a POS.

Wallet API

Third-party Nedbank MobiMoney Wallet integration solves many of the issues for those who wish to pay and disburse via a wallet, avoiding cash transactions.

- By using a Nedbank MobiMoney Wallet, third-party traders can meet compliance burdens and clients' funds are protected at a regulated financial institution.
- Simple: Mobile-based account with the cell number as the account number.
- Light FICA requirement – no proof of residence needed.

As the economy recovers, people who have lost formal jobs and are seeking alternative means of income are turning to entrepreneurship – and tap on phone and Money Message speak directly to these businesses by offering them low-cost, safe solutions.

We are marketing tap on phone and Money Message broadly to South Africans. Nedbank's PoMT township economy team engages and collaborates with traders, educating them on how our products can support their businesses. We also work with industry groups such as entrepreneurs in rural tourism, women in tourism, and taxi operators. These engagements involve a long-term process of building understanding and trust, fuelled by our established reputation in banking and our commitment to growing our market share among currently underserved entrepreneurs.

To keep reaching more South Africans, we are energetically marketing our leading solutions on widely viewed channels.

Our solutions are highly appealing to merchants, with entrepreneurs who use Money Message and tap on phone giving positive responses.

Feedback

‘I'm stoked! Very simple and straightforward onboarding process. ’ **Latola IT**

‘Onboarding was exciting and easy. And I don't have to carry a card machine when doing deliveries. ’ **Mojo Tshisanyama**

‘The patient was very happy to tap and didn't have any concerns to enter his PIN on my phone. He was unphased when I mentioned to him that the phone doesn't store his PIN details at all. ’ **Health practitioner**

Supporting small, medium and microenterprises continued

Initiatives in the retail and fuel sectors

In the retail sector, we are working with Pick n Pay to support an

enhanced operating model of locally owned spaza shops, ensuring that they can compete effectively in their sector. We have links with 40 Pick n Pay stores

across the country, and we are the primary banker for 36 of them. Nedbank Business Banking and Nedbank Mogale Trust Fund are providing a holistic differentiated banking solution, starting with spaza shops in the Western Cape and Gauteng.

In the fuel sector, we are working with PetroCONNECT as a role player that can offer support and mentorship to qualifying black economic empowerment (BEE) candidates. Since 2018, our partnership with PetroCONNECT has been helping to advance transformation in the sector. Over 150 candidates have attended our readiness programme. Since then, 14 sites have been established, and all 14 operators of these sites are candidates from the programme. We plan to open another 14 sites, which will all be run by operators from the readiness programme.

As we embrace transformational funding opportunities, we find that our credit underwriting calls for an expansion beyond traditional lending practices. Nedbank is working to be more flexible, reconsidering its risk appetite and rethinking its security requirements. We are engaging with leaders and stakeholders to apply a broad-based credit underwriting and a risk mitigation model to support transformational transactions.

Primary banker for
36
Pick n Pay Spaza
stores across
the country

Beyond Banking services

Our Beyond Banking services offer a comprehensive selection of resources, business tools, and financial solutions for businesses and their employees. SimplyBiz was created for business owners by business owners and is powered by Nedbank. It is available to all entrepreneurs, regardless of whether they bank with Nedbank. It provides Beyond Banking assistance in the form of advertising, coaching, business support materials and strategic initiatives. With approximately 26 000 members, SimplyBiz has assisted over 43 000 business owners in 2021.

We also have business registration services through which clients can register their business online with the Companies and Intellectual Property Commission (CIPC) or in-branch through SwiftReg and open a business account online.

Our Enterprise Development Programme supports various enterprise development initiatives to develop small-business skills through access to mentoring programmes, holistic banking services and funding.

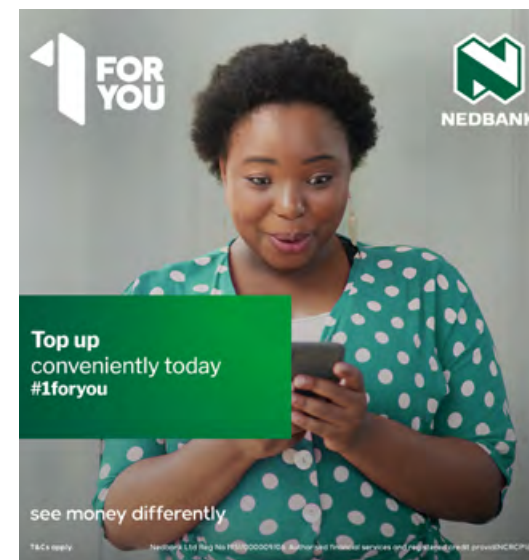


Participants in the programmes are clear about the value they have brought. A response from a contractor who took part in Fix Forward:

Feedback

“I gained people management skills, finance management skills and proper business management skills that I didn't have when I started this business. I have signed two big contracts that I feel will take me to big heights, all thanks to Fix Forward.”

Felix Ford, builder



Looking ahead

We plan to scale our low-cost digital payments solutions with assistance from partners, and we expect to add Rapid Payments to our tech-enabled solutions for traders. The Rapid Payments programme, run by BankservAfrica and the Payments Association of South Africa, establishes an easy-to-use, low-cost system for micro-payments typically under R1 000. Small payments are currently typically made in cash, which is inefficient and costly for individuals and society because of factors such as transport costs, queues for payment, and the risk of theft. Nedbank is therefore a committed participant in the development of the Rapid Payments programme, which has been in development for two years and is set to be launched in due course.

Our advice and infrastructure for entrepreneurs will involve more digital operational processes and enhanced support capacity. And, as we continue to explore options for supporting businesses in specific sectors, we will focus on funding that promotes transformation and on strategic partnerships with industry bodies. We will also explore lending solutions that go beyond our traditional risk and pricing models, yet attract broad support.

Supporting small, medium and microenterprises continued

Business infrastructure and advice

In 2021, we focused on providing effective support for promising South African business. This enterprise development ranged from supporting women-owned businesses to black business incubation, and from empowering entrepreneurs in marginalised communities to helping tradespeople transfer from the informal to the formal sector. **The following are our key programmes:**

Programme

AWIEF Growth Accelerator

Nedbank provided funding to the Africa Women Innovation and Entrepreneurship Forum (AWIEF) Growth Accelerator to support women-owned businesses across SA. The programme meets the needs of early-stage and high-growth-oriented enterprises by offering business modelling and growth strategy training, business leadership skills, corporate advisory, mentoring, coaching, and access to networks and strategic partnerships.

Virtual live Zoom training sessions focus on benchmarking the operational state of early-stage companies, developing feasible growth plans and raising investor readiness of start-ups. One-on-one coaching supports entrepreneurs' needs for personal and business growth.

Riversands Incubation Hub

The Riversands Incubation Hub is a large-scale black business incubator located at the centre of the Riversands Commercial Park. The hub's incubation programme offers businesses a range of training, mentorship, practical and technical skills, as well as premises at subsidised rental rates.

Businesses are taken through professional online entrepreneurial leadership modules via the Riversands online platform. Each SMME receives business support services that focus on business model review, turnaround strategies and governance and compliance. Participating businesses have seen major progress.

RLabs

RLabs is an award-winning South African NGO that was established in Cape Town in 2009. The main aim of RLabs is to create spaces where people can be empowered through technology, innovation, training and economic opportunities.

Nedbank provided RLabs with funds to implement its Innovation and Enterprise Programme with entrepreneurs from peri-urban, township and other marginalised communities across Cape Town. While the programme offers multifaceted support, its main focus is to offer mentorship and specialised advice to help businesses unlock additional market opportunities, launch digital platforms and develop a growth plan.

Fix Forward

Fix Forward is an incubation programme focused on equipping tradespeople from low-income communities with the skills to transition from the informal to the formal sector. The programme helps tradespeople to realise their potential as entrepreneurs and grow successful businesses. Fix Forward also helps with providing market access. The broader aim of the programme is to reduce income inequality and create sustainable jobs.

Nedbank provided funding for contractors to participate in Fix Forward's 12-month Enterprise Development Programme. Workshops, coaching and mentoring were provided for black-owned contracting businesses in greater Cape Town and central Gauteng. Additional contractors were furthermore supported with increased access to the market.

Investment and outcomes in 2021

- R2,6m provided to support 50 women-owned businesses across SA.

- R2,9m provided to enable 60 businesses to receive support.
- R64,4m revenue generation from all businesses in the programme. The businesses paid a total of R1,9m in salaries in 2021 and 139 jobs were created.

- Expanded its model in 23 countries across five continents, impacting more than 18 million people through its work.
- More than 750 000 community members directly accessed the RLabs skills training and economic empowerment programmes.
- A total of 104 businesses received support through the programme.
- RLabs was provided with R3,6m to implement the Innovation and Enterprise Programme with entrepreneurs from peri-urban, township and other marginalised communities across Cape Town.

- R3,5m provided to 100 contractors to participate in Fix Forward's 12-month Enterprise Development Programme to support black-owned contracting businesses in the greater Cape Town and central Gauteng regions.
- A further 67 contractors were supported with increased access to the market.
- These businesses created 116 permanent jobs and 71 temporary jobs.
- The contractors earned over R8,5m through Fix Forward, through both direct business and indirect repeat customers and referrals.

Providing multiple touchpoints to maximise access

A range of choices, including mobile and digital

In an increasingly digital world, Nedbank is changing the way it interacts with its clients to meet their needs. Our physical footprint reflects both the increased drive towards client self-service and a diverse South African consumer base that still requires face-to-face assistance.

In response to shifts in client behaviour and preferences that were fast-tracked by the Covid-19 pandemic, we continued to optimise our branch footprint while increasing the number of touchpoints, while also investing in more mobile and self-service channels as we aim to change in line with the way clients bank in a digital world.

Over the past decade we have carefully invested in staffed points of presence to grow access in key markets, while optimising overall space as foot traffic patterns indicate a reduction in branch usage. This optimisation has not affected our coverage of the bankable population in SA, which is sitting around 85%, up from 84% in 2019.

Summary of financial-inclusion-related key performance indicators

Key indicator	Trend	2021	2020	2019	2018	2017
Points of presence as % of bankable population coverage	▲	85	85	84	84	84

The role of channels to the client is fundamentally changing, away from branches as the main focal point to a combination of channels that make access more convenient.

Our shifts to mobile and community-based services include the following:

Branches

Focusing on high-value interactions, adapting branch formats and an increased self-service functionality, with limited cash over the counter.

Third parties

Focusing on sales through third parties and partners.

Mobile

Focusing on simple advice and sales to grow the bank by getting bankers to go to where the demand is.

Devices

Enabling self-service that goes beyond cash and simple account opening to include relevant products such as VAS.

Contact centres

Live channels that are personalised and digitally enabled with multiskilled agents who focus on complex requests, while simple requests are automated.

Branches

To respond to changes in client needs, we are reshaping our physical infrastructure to deliver omnipresent and differentiated access to clients.

We are bringing banking closer to clients to enable more time for sales conversations, as digital takes care of the routine services and interactions. This allows our teams to be accessible to clients anytime, anywhere.

We are committed to offering a range of branches and physical spaces for client interactions. Each channel offers services that are specific to the location and its clients. Mega-branches are large physical spaces that

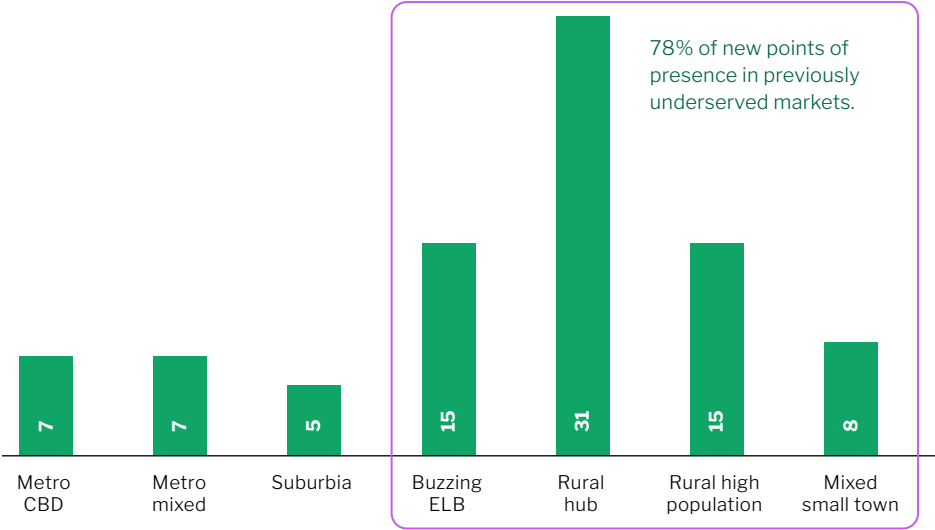
offer the full suite of Nedbank services. Townships have mega-branches that aim to drive engagement with the community. Express branches are smaller and make use of high footfall in retail stores to acquire clients. Moving forward, our aim is to shift towards smaller branches and mobile teams. We also have a series of digital options for clients who prefer to bank remotely, and these services are increasing.



Providing multiple touchpoints to maximise access continued

We have invested in new points of presence over the past decade in more remote markets.

Points of presence distribution
(Number)



Different types of distribution formats to drive inclusivity

Mega-branch



Full-service banking anchoring the market. These branches provide access to:

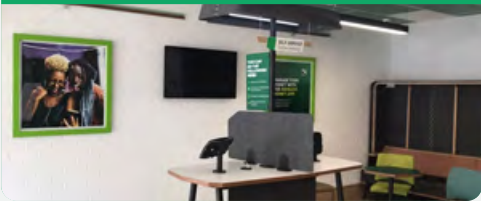
- cash;
- assisted self-service;
- complex servicing; and
- basic sales and advice.

Township mega-branch



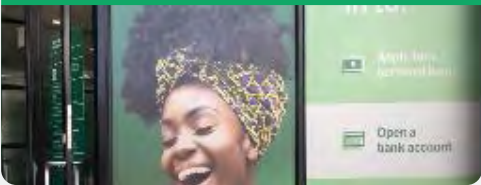
Full-service banking that caters for the needs of individuals in underserved markets and/or townships. A beyond-banking approach that ensures we make a difference in this market by providing access to advice centred around career or business development and community growth.

Express branch



These conveniently located branches are supported by service consultants and multiskilled advisors, centred around onboarding clients on digital platforms and further educating clients to help themselves.

Easy-access branch



These are acquisition-focused branches in informal markets. Service is enabled through self-service guidance.

Providing multiple touchpoints to maximise access continued

Third-party partnership touchpoints

We have extended our reach in many rural areas and small towns to bring banking to underserved areas with the help of partnerships.

Such areas have been our focus over the past decade, and nearly four-fifths of our staffed points of presence have been in previously underserved markets. Through partnering with third parties, especially retailers, we have implemented different approaches based on the existing gaps in the market for serving clients.

Example of the in-retailer model: Boxer and Nedbank partnership

Our investment in partnerships with retailers such as Boxer has extended our reach in many rural areas and small towns, and brought banking to some communities that were previously underserved by the industry.

This partnership 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. The distribution roll-out in 2021 included five Boxer acquisition branches and two Boxer full-service branches. There are currently 113 Boxer stores.



Example of Boxer full-service offering



Additional examples of other partnership approaches implemented in the market to drive more accessibility of our products and services include the following:

- Providing convenient access to high-demand products and basic services in underrepresented nodes in informal and township markets, for example our partnership with P&L Hardware.
- Reaching clients through origination channels, selling our products at point of purchase of their home or property. For example, relationships with the mortgage origination channel to enhance access for our clients. Through interventions like these, we saw new business granted increase by 10% in 2021, with application volumes exceeding the pre-Covid-19 levels by 62%.
- Reaching clients through the vehicle financing channel to enable the sale of new and re-used vehicles. Our vehicle sales volume and value grew by 14% and 22% respectively in 2021. New-business market share increased to 36,9% (BA900 December 2021) and overall vehicle finance balances increased by 5%. New-vehicle finance deal sizes have increased to an average of R323 000, while used-vehicle deal sizes increased to R243 000. 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 and reliable complete end-to-end vehicle shopping experience that includes thoroughly assessing cars to ensure good value for clients.

Mobile sales forces in communities

In-market mobile teams, whose goal is to unlock opportunities in hotspot areas in informal and township markets, build trust and loyalty in these communities.

We have also added community ambassadors – employees operating in the communities – to provide client education, help in problem-solving and give clients advice. In 2020, we introduced close to 130 mobile sales teams across nine township communities as a pilot to test the concept. Most of these mobile sales teams were placed at high-mobility areas like taxi ranks.

We introduced
close to
130
mobile sales teams

Since 2020, we have implemented 40 of these innovative mix of branches from full-service to express and easy-access, smaller-format branches, including the mobile sales force teams, and based on the excellent feedback received from clients, these will now be rolled out over the next three-year cycle.

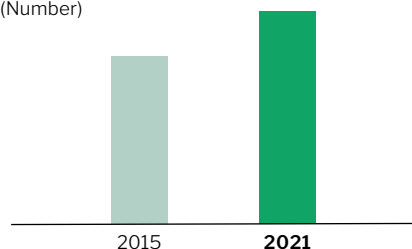
Providing multiple touchpoints to maximise access continued

Self-service via devices

Our branches and mobile teams are supplemented by a growing number of convenient self-service options.

Over the past three years, we have been on a journey to 'make everyday banking easier' for our clients. Additional services made available on the app and Online Banking have made it possible for clients to access banking solutions conveniently. Significant progress has been made in enhancing functionality across self-service. For example, we have invested further in our ATM footprint and functionality over the past decade. We have continued to improve the experience for clients at our devices through the roll-out of our new ATM front end, which enabled first-in-market functions such as app-initiated withdrawals using QR codes, meaning that clients will not have to insert cards into our ATMs when drawing cash. As shown in the table below, since 2015 we have significantly increased self-service access points for our clients, and we intend to increase this capacity going forward.

ATMs, Intelligent Depositors and SSKs
(Number)



Our network of 438 SSKs in our branches allows clients to complete self-service actions at their own convenience, such as changing

their ATM limit, maintaining their profile, issuing statements, and blocking and replacing personalised cards for PAYU and Savvy Plus Accounts. The long-term aim is to offer this across all accounts and for all clients, making the card process much faster as we continue to offer convenient options for clients. Clients can also pick up cards 24/7 without having to go into a branch. They can do this from our 92 lockers placed strategically across the country (for example, at retailers and in malls) or have their cards delivered to them. The kiosks also now offer the ability to open PAYU accounts seamlessly, including getting an instantly issued card, and we are looking to expand this service with other third parties.

One square metre 'branches' where existing clients can access banking services and where new clients can open and account and join the bank 24/7.



Nedbank has also invested in 575 new self-service point-of-presence devices, over 400 of which are in communities where clients have historically had very limited access to cash devices. We were ranked best in industry for our ATMs in 2021 in the South African Customer Satisfaction Index (SA-csi).

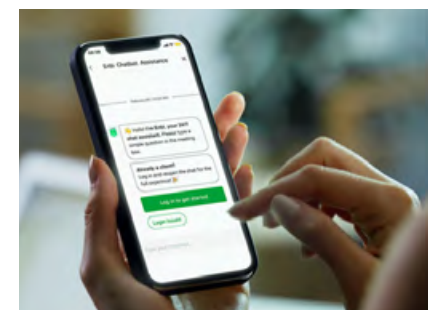
To cater for clients who are unable to transact digitally on their own devices, new capabilities will be enabled on bank-owned devices, such as the following:

- The ATM front-end solution, which will create enhanced functionality, including account-opening and an improved client experience.
- Enhanced capabilities on self-service kiosks, which will enable onboarding, card-dispensing and servicing through the security of a bank-owned device.
- Multimedia and chat services (on the app and Online Banking), which will offer convenient problem-solving support to clients. Through co-browsing, agents will be able to educate clients more effectively about digital platforms.
- Digital Support employees, who will help manage the transition for clients from person-to-person to self-service across all touchpoints.
- Further migration of cash deposits to devices will be targeted. This increased from 73% in 2019 to 76% in 2022, representing 85% of migratable deposits.

Enbi – a new intelligent chatbot assistant

To enhance accessibility of our services, especially to those clients who cannot afford to go to the branch or contact a call centre to get the required service, we have introduced a new intelligent chatbot assistant called Enbi.

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 agent chat functionality that was implemented two years ago, and this latest feature builds on that to further enhance clients engagement. Enbi is set to raise the bar when it comes to the value that digital assistants can bring to clients when managing their finances. Enbi is currently managing an average of 15% of all chat volumes per month.



Providing multiple touchpoints to maximise access continued

Access for clients with disabilities

Nedbank is increasing access to its services not only by increasing points of presence and shifting to remote services, but also by accommodating clients with disabilities.

We initiated a partnership with the National Council of and for People with Disabilities in 2021 so we can work together to understand how to take an inclusive approach to design across our physical and digital touchpoints.

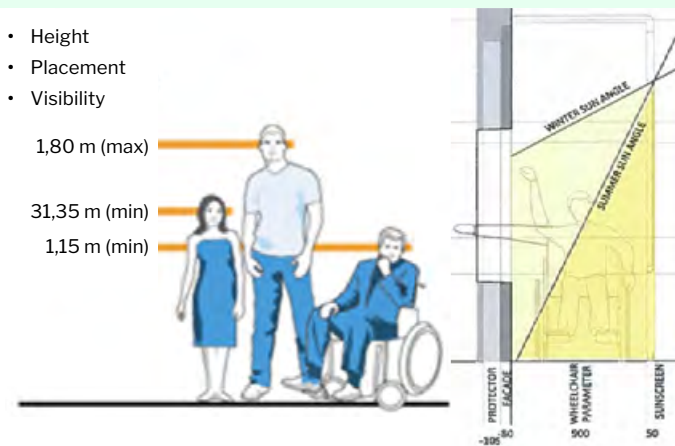
Our aim is to apply sensible design practices and make reasonable accommodation to address the needs of people with physical and non-physical disabilities. Our approach includes physical design infrastructures like branches and ATMs, as well as digital design on our Money app. We aim to accommodate people in wheelchairs, people with short stature, and people with visual and hearing impairments.

Design principles taking an inclusive approach to height, access and visibility



- Height
- Placement
- Visibility

1,80 m (max)
31,35 m (min)
1,15 m (min)



We have a comprehensive set of channels that work together to provide the client with great access and great services as summarised below:

Multiple touchpoints for clients to engage the bank

Branch



Mobile



ATM/ID



SSK



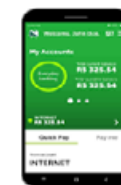
Third parties



NCC



Web/Money app



USSD



MobiMoney



Providing multiple touchpoints to maximise access continued

Given the range of channels, our clients can decide what works best for them. For instance, here is a response from a client who uses our mobile banking service:

Feedback

‘ It is a pleasure to deal with you guys on the streets. It’s my preference to deal with you, because otherwise we find ourselves standing in long queues to go to a branch, where only a certain number of people are allowed in because of Covid-19. But with you guys, we get the help that we need. ’

Looking forward

In essence, access to banking services has been totally transformed from a predominant branch access strategy to one that is always on and accessible to all South Africans when and where they need it. Going forward, our focus will be on scaling the innovative branch format mix, especially in the previously underserved and unserved communities, and scaling roll-out of mobile sales forces in township economies and supplementing these by a growing number of convenient self-service options. For example, in the next five years, we intend to shift the mix of different distribution formats to have easy-access branches contributing 10% of touchpoints, our express branches contributing 11% and in-retailer presence contributing 31% of our distribution contribution. We are travelling a long path – and we are doing it with energy, commitment and foresight, in the knowledge that financial inclusion and wellness is critical for our economy and society.

Conclusion

Overall, we are pleased with the progress we are making as a bank and our relentless focus on driving financial inclusivity and wellness across the country. As discussed in detail above, there are multiple interventions we are focusing on, and we have made significant impact and progress in our efforts in the market. Looking at our total number of consumer clients, which is sitting above seven million, more than 60% are the youth and ELB segment, and 52% are women. This affirms the impact of our drive for financial inclusivity. In addition to this, our clients ranked us as second in Net Promoter Score (NPS) and client satisfaction measures according to SA-csi, an independent research company in SA.

Net Promoter Score

	Industry %	Nedbank %
2017	27,2	26,1
2018	34,7	37,1
2019	29,6	38,1
2020	33,5	40,8
2021	36,0	46,7

Client satisfaction

	Industry	Nedbank
2017	77,0	76,3
2018	78,8	79,3
2019	78,2	80,2
2020	79,6	81,1
2021	79,7	81,9

Among small business, at a perception level, Nedbank remained the market leader and continued to gain market share for the fifth consecutive year (from 18% in 2016 to 24% in 2021). Improvements in client experience (strongly leading in NPS) and positive overall market perception (ranked first across the majority of banking attributes) have now firmly entrenched Nedbank as a go-to brand in the small-business community. This gives us an opportunity to scale our offerings to more small businesses, including informal traders, especially focusing on three key areas: making it easy to join the bank by leveraging the digital capabilities we have built; reducing the cost of doing business through affordable transactional accounts and cost-effective payment options; and creating disruptive lending solutions. We remain committed to driving financial inclusivity in line with our SDGs commitment and to ensuring we fulfil our purpose of being financial experts who do good by helping clients manage their money better.

Nedbank continued to gain market share for the fifth consecutive year



This chapter discloses an overview of the governance and management of our stakeholder relationships as well as the quality of those relationships for the 2021 period.

Stakeholder Engagement Review

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Overview

In line with the King IV Report on Corporate Governance principle 16, part 5.5, the following stakeholder relationships disclosures are reported on:

- Governance and management of stakeholder relationships (overview)
- Our Stakeholder Engagement Policy
- Mapping of material stakeholder groupings
- Measurement of quality of stakeholder relationships
- Key focus areas during 2021
- Future areas of focus

Governance and management of stakeholder relationships

The Nedbank Group Board, through the Group Transformation, Social and Ethics Committee (GTSEC) and the Group Executive Committee (Group Exco), has ultimate responsibility for our stakeholder engagement.

While the process of engaging with stakeholders is decentralised and forms part of the operations of our various clusters and business areas, the Group Stakeholder Relations and Public Affairs Team is dedicated to overseeing day-to-day stakeholder relationship management, and the consistent application of the Stakeholder Engagement Policy across the group is managed through the properly constituted Stakeholder Forum.

Our Stakeholder Engagement Policy

The Stakeholder Engagement Policy outlines our approach to communicating and working with our stakeholders so that we engage with our stakeholders in a consistent way and protect our brand.

The Stakeholder Engagement Policy is updated annually, or as necessary, to ensure the creation of value for both Nedbank and its stakeholders. The policy is reviewed and approved by GTSEC.







Mapping of material stakeholder groupings

We communicate openly and transparently with our stakeholders through various stakeholder engagement initiatives, which in turn influence how we create value for Nedbank as well as its stakeholders.







Mapping of material stakeholder groupings continued

Our stakeholder relationships matrix

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



Mapping of material stakeholder groupings continued

Our stakeholder relationships matrix

Stakeholder	Why we engage with stakeholders	Why they engage with us
 Suppliers	<ul style="list-style-type: none"> • To manage and mitigate risk across our supply chain. • To assist with obtaining products or services required for conducting our business. 	<ul style="list-style-type: none"> • To provide products and services. • To negotiate pricing and contracts. • To promote new products and service offerings. • To respond to tenders and requests for proposals. • To seek input and guidance on their sustainability journeys.
 Society	<ul style="list-style-type: none"> • To create partnerships that serve to facilitate our integrated sustainability activities. • To obtain input from environmental experts, communities and NGOs about key focus areas. • To create awareness of our integrated sustainability commitment and initiatives. • To stay relevant within the communities in which we operate. 	<ul style="list-style-type: none"> • To get advice and guidance on achieving desired outcomes for themselves, their families, businesses and communities. • To partner on common social and environmental issues. • To collaborate in a way that furthers social, environmental, and other common agendas for the greater good.
 Governments	<ul style="list-style-type: none"> • To seek alignment towards the implementation of the National Development Plan 2030 and all associated national campaigns aimed at socioeconomic development, as well as the development of sustainable communities. • To support the productive capacity of the economy. • To facilitate economic growth through effective public and private partnerships. • To help preserve the fiscus. 	<ul style="list-style-type: none"> • To ensure regulatory oversight over the financial community at large. • To partner on national campaigns aimed at socioeconomic development, and the development of sustainable communities. • To seek out a financial partner and banker.
 Regulators	<ul style="list-style-type: none"> • To maintain open, honest and transparent relationships as well as to ensure compliance with all legal and regulatory requirements. • To keep our operating licences. 	<ul style="list-style-type: none"> • To ensure regulatory compliance. • To promote the soundness and stability of the domestic banking and financial system, in so doing contributing to its financial stability.

Mapping of material stakeholder groupings continued

Our stakeholder relationships matrix

Stakeholder	Why we engage with stakeholders	Why they engage with us
 Industry bodies	<ul style="list-style-type: none">• To continue learning through interaction.• To use business associations as a forum through which we can promote our viewpoints and collaborate on key industry issues.	<ul style="list-style-type: none">• To deliver mutually useful learnings.• To influence or promote common agendas.
 Media	<ul style="list-style-type: none">• To communicate our business and corporate citizenship story.• To share information about our products and services.• To promote, protect and manage our corporate reputation.	<ul style="list-style-type: none">• To share and inform their audiences on developments in the financial services sector generally and in Nedbank specifically.• To enquire about our contribution to the South African economy, and our products and services.

During the difficult and complex year, close engagement with all stakeholder groupings was key to staying close to stakeholders, to remaining open and transparent about economic and business performance, and to addressing ongoing concerns



Measurement of quality of stakeholder relationships








In 2021, we conducted an independent pilot survey to measure how our stakeholders perceived the health of our relationships, which overall shows that stakeholders perceive the relationship with Nedbank to be healthy. Our pledge is to continue to monitor progress and respond as may be required in order to maintain strong relationships.

The pilot survey was conducted by an independent research company and covered a sample of our stakeholder groupings highlighted below. The survey achieved 77% coverage of all stakeholders.

Being a pilot, the sample was small. However, we intend to scale up the survey in 2022 to include a more representative sample of stakeholders.

The assessment of the quality of stakeholder relationships was a cross-sectional study and reflected the state of the relationships over the survey period covered, being February to May 2021. It was not a longitudinal study, which typically tracks phenomena over a long period of time.

The key finding is that all stakeholders regard their relationship with Nedbank as, at the very least, functional and overall healthy.

Category	Segment	Stakeholder organisations
 Industry bodies	Industry bodies	<ul style="list-style-type: none"> • BASA • National Business Initiative (NBI)
 Government	Executive	<ul style="list-style-type: none"> • Treasury
	Policy	<ul style="list-style-type: none"> • NCR and FSCA
 NGO	Investors	<ul style="list-style-type: none"> • Just Share
 Media	Media	<ul style="list-style-type: none"> • Bloomberg • Business Day
 Client	Public sector clients	<ul style="list-style-type: none"> • eThekweni Municipality • Gauteng Department of Health
 HR	Employee care and wellness	<ul style="list-style-type: none"> • Cliff Dekker Hofmeyr and ICAS
	Unions	<ul style="list-style-type: none"> • Sasbo
 Suppliers	Suppliers	<ul style="list-style-type: none"> • Joe Public • The Media Shop • Tsebo

Key focus areas during the period 2021

Nedbank is acknowledged as a neutral convener of stakeholder dialogues on a range of national, financial, social and policy development issues. During the difficult and complex year, close engagement with all stakeholder groupings was key to staying close to stakeholders, to remaining open and transparent about economic and business performance, and to addressing ongoing concerns. Among these were engagements with:

- our clients about the implications of the Covid-19-related lockdowns and the impact on their families and businesses and the loan relief measures available to them;
- those clients who had unfortunately been impacted through the unrest that occurred in certain areas of the country about further relief and insurance protections that may have been available to them;
- trade unions on some of the bigger change management programmes underway in the organisation, specifically in our Retail and Business Banking business;
- the media about the implications of the Covid-19 pandemic for our clients and the economy, and our response to state capture allegations;
- the South African Reserve Bank (SARB) on regulatory affairs, and especially in the uncertain environment, to provide frequent updates on key regulatory metrics;
- our employees to ensure necessary and ongoing engagement through the difficult year, and we predominantly focused on wellness campaigns; and
- investors, as part of our ongoing governance engagements, and more specifically about the release of our Energy Policy.

Other stakeholder engagements included the following:

Focus area Support for education

Summary



Nedbank was the sole sponsor of the 2021 Global Teachers Institute (GTI) Future Leaders Imbizo, which was held on 26 November 2021. The event highlighted the support that teachers need to enable them to confront complex challenges in the classroom, broader school environment and their communities at large. The theme was 'Journey from emergency to emergence: Teachers at the heart of education recovery'. This theme was adopted from the 2021 World Teachers' Day theme. Therefore, it was relevant not only to South African teachers but also the larger global community of teachers.

With support from Nedbank, the event provided an opportunity for 99 young aspiring teachers from across the country to collaborate and build relationships with each other and engage in important conversations that affect teachers and learners, such as mental health, resilience, empathy, the importance of male teachers and the need to build greater gender awareness and equality. The event took place virtually at the different GTI education hubs across SA. There are seven GTI hubs in the country, in KwaZulu-Natal, Ga-Rankuwa, Johannesburg, Mbombela, Bohlabela, Nkomazi and Cape Town.

At Nedbank, we remain steadfast in supporting the GTI's commitment to developing reflective, empathetic, socially responsible master teachers for high-need African schools through school-based, initial teacher education interventions for replication and scale.

Focus area Enabling reliable and sufficient electricity for the economy in the short to medium term

Summary



During 2021 the Nedbank energy dialogues sought to address the various opportunities and challenges facing the electricity sector in SA. These were attended by various stakeholders from government, the private sector, NGOs and civil society.

Subjects covered included the following:

Unlocking the wheeling out of electricity across transmission and distribution grids in SA

The event was in response to the 2021 gazetting of the amended Schedule 2 of the Electricity Regulation Act, 4 of 2006, by the Department of Mineral Resources and Energy. More than 650 stakeholders attended and participated in the expert panel presentations and discussions.

Electric mobility: Unlocking synergies on the road to better and cleaner vehicles

The dialogue featured areas of ongoing and potential collaboration between government, industry and other stakeholders in support of the adoption of electric vehicles (EVs). The event brought together more than 100 stakeholders across the social spectrum and these included representatives from the National Association of Automobile Manufacturers of South Africa, government officials from the dtic, the Gauteng National Taxi Alliance, the Nedbank executive Stephan Potgieter, who is responsible for asset ownership at the Motor Finance Corporation (MFC), and others. The keynote address was presented by Jacob Mamabolo, Gauteng Member of the Executive Council for the Department of Roads and Transport. In SA, government has outlined an automotive master plan to create enabling conditions for the EV sector to flourish, and Nedbank is proud to have facilitated this important engagement among stakeholders.



Key focus areas during 2021 continued



Focus area

Facilitating a more structured and enduring relationship between the private and public sector

Summary



Nedbank NEPAD Business Foundation Networking Forum

Nedbank, as part of the Nedbank NEPAD Business Foundation Networking Forum (NBF), held a virtual dialogue event themed 'Facilitating a more structured and enduring relationship between the private and public sector in support of Infrastructure South Africa' (ISA) hosted on 4 May 2021. The main objective of the event was to inform the private sector of the various elements of ISA as well as outline a way for business support and investment in the execution of priority infrastructure projects in the country.

The discussions highlighted that the Strategic Water Partnership Network (hosted by the NBF) is a public-private partnership that has been successful in supporting the Department of Water and Sanitation to close a 17% gap between water supply and demand that is expected to occur in SA by 2030. Consequently, this partnership model was endorsed as a possible model for ISA to replicate its work with the private sector.

The main takeaways and next steps from the meeting included the following:

- Business to coordinate key elements of infrastructure development in SA by doing the following:
 - » Capacitating and supporting ISA structures.
 - » Achieving infrastructure investment targets and getting involved in early-stage project development.
 - » Supporting specific activities, ie gazetted projects, maritime projects, and maintenance of existing infrastructure assets.
 - » Supporting the National Infrastructure Plan 2045.
 - » Submitting priority projects to the ISA.
 - » Supporting and promoting the anti-corruption forum.
- Quarterly engagements to be held between the Public Works Minister, Patricia de Lille, and the private sector to discuss ISA progress and multistakeholder coordination.

Future areas of focus

In 2022 we will focus on eight key performance indicators for stakeholder management, which will be the responsibility of the Group Stakeholder Relations and Public Affairs Team. These are as follows:

Operations excellence

- Develop a stakeholder engagement strategy, considering the current environment and 2021 survey feedback, approved by the Group Exco and GTSEC.
- Ensure consistent application of the Stakeholder Engagement Policy through the Stakeholder Forum.
- Ensure people development and skills transfer training.

Internal stakeholder relations

- Conduct an internal stakeholder needs analysis.

External stakeholder relations

- Establish and maintain strategic relationships and partnerships with key stakeholders in SA and in countries covered by Nedbank Africa Regions.

Measurement of quality of our relationships

- Conduct an independent stakeholder survey to measure the quality of our stakeholder relationships.

Public affairs

- Proactively scan the sociopolitical environment, with an assessment of key issues that might impact Nedbank Group.

Create shared value for our stakeholders

- Play an active business development role in identifying opportunities for the business and create shared value for all our stakeholders.

Thought leadership

- Conduct thought leadership sessions on issues of global, regional and national importance.

Stakeholder communication

- Effectively communicate key Nedbank activities, products and capabilities to a wider stakeholder audience.

Supplementary information

Membership bodies and associations

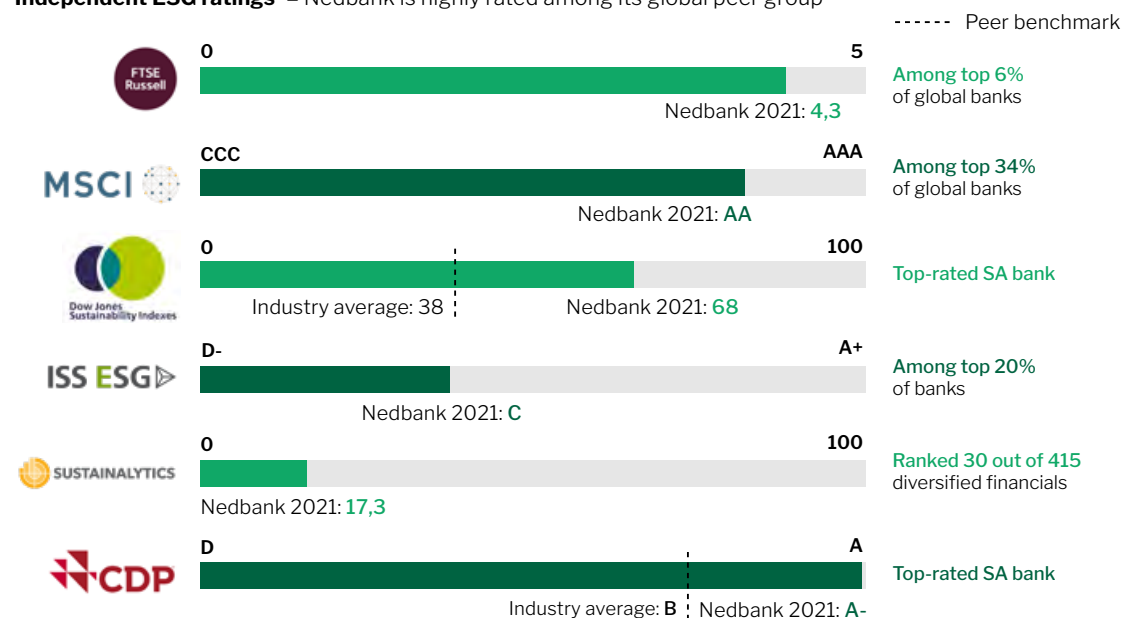
We are represented on, or are a signatory to, a range of industry bodies and are members of numerous sustainability platforms. This ensures that we are aware of global trends and best practices. It enables us to contribute to furthering the sustainable development agenda while building strong, resilient 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 UN SDGs.
- King IV.
- The UN Environment Programme Finance Initiative (UNEP FI): Africa Network.
- United Nations Global Compact (UNGC)
- United Nations CEO Water Mandate,
- Principles for Responsible Investing (UN PRI)
- The Code for Responsible Investing in South Africa (CRISA).
- The National Development Plan (NDP).
- The Banking Association South Africa: Sustainable Finance Committee, Positive Impact 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: Financial Sector Mapping Advisory Group.
- The National Business Initiative
- The Embedding Project: South Africa Peer-to-Peer Network.
- The International Finance Corporation (IFC) Performance Standards.
- The Equator Principles.

The outcome of delivering our purpose of using our financial expertise to do good, a deliberate focus on progressing ESG matters, as well as transparent disclosures and open communication continue to be reflected in Nedbank's ESG ratings being globally within the top tier across all major ESG ratings agency scores.

Independent ESG ratings¹ – Nedbank is highly rated among its global peer group



¹ Ratings are as at 1 April 2022.

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