



NEDBANK
GROUP

Climate Report

for the year ended 31 December 2025

'25

see money differently



The Nedbank Group reporting universe

group.nedbank.co.za

Integrated Report

D LA



The 2025 Nedbank Group Integrated Report provides an overview of how the group creates and protects value while minimising the risk of value erosion over the short, medium and long term. It primarily caters for the information needs of long-term investors, including equity shareholders, bondholders, debt providers and prospective investors, but it is also relevant to other stakeholders as it addresses material issues relating to value creation for them. The report was produced in accordance with the Integrated Reporting Framework, JSE Listings Requirements and King IV Report on Corporate Governance for South Africa (King IV)*.

This report is supplemented by a comprehensive suite of reports and information on our website, which include financial, risk management, sustainability, and environmental, social and governance (ESG) disclosures. These reports and disclosures can be accessed on our website at group.nedbank.co.za.

What is disclosed

Financial reporting

Information relating to the group's financial position, performance and prospects, as well as regulatory risk disclosures. The disclosed information can be used to assess the group's financial performance, strength and prospects, and includes important regulatory disclosures.



Climate reporting

Information relating to the group's climate-related activities, governance, strategy, policies, risk management, carbon footprint and emissions, as well as targets.



Societal reporting

Information relating to how the group uses its financial expertise to do good by creating positive economic, societal and environmental impacts, including those aligned with the United Nations (UN) Sustainable Development Goals (SDGs). The disclosed information demonstrates progress in how Nedbank is fulfilling its purpose.



Governance and shareholder reporting

Information relating to board and shareholder matters, ethics, financial crime, tax and remuneration. The information disclosed demonstrates how Nedbank performs business through sound risk and governance practices, upholding the highest standards of ethics, integrity, transparency and accountability. It also includes valuable information for shareholders who want to participate in the Nedbank Group's 59th annual general meeting (AGM).



Primary audience

Equity and debt investors, credit rating agencies, depositors, regulators, and other stakeholders.

Investors, non-governmental organisations (NGOs), regulators, ESG rating agencies, as well as key stakeholders such as clients and invested members of society.

Investors, existing and prospective employees and clients, regulators, suppliers, NGOs, ESG rating agencies, and engaged members of society.

Investors, credit and ESG rating agencies, clients, employees, regulators and members of society.

Key reports and disclosures

- 🔗 **2025 Results Booklet and presentation** released on 3 March 2026 **F**
- 🔗 **2025 Nedbank Group Annual Financial Statements** released on 3 March 2026 **LA F**
- 🔗 **2025 Pillar 3 Risk and Capital Management Report** released on 3 March 2026 **LA F**

- 🔗 **2025 Climate Report** released on 16 April 2026 **LA D**
- 🌐 The following information is available online:
 - Nedbank Energy Policy
 - Nedbank Climate Change Position Statement
 - Nedbank Nature Position Statement
 - Annual Green and Sustainable Bonds Impact Report

- 🔗 **2025 Society Report** released on 16 April 2026 **LA I**
- 🌐 The following information is available online:
 - Broad-based black economic empowerment (BBBEE) certificate
 - GRI Standards disclosures
 - SDF inclusion criteria
- The following information includes the following content sections:
 - Sustainable development finance (SDF)
 - Human capital, diversity and inclusion
 - Social impact
 - Supplier relationships and procurement
 - Client responsibility
 - Financial inclusion
 - Transformation

- 🔗 **2025 Governance Report** released on 16 April 2026 **LA D**
- 🌐 The following information is available online:
 - Key group policies
 - Board and Group Executive Committee CVs and profiles
 - King V Disclosure Framework
 - Memorandum of incorporation
 - Shareholding profile
- 🔗 **2025 Remuneration Report** (including policy and implementation) released on 16 April 2026 **LA D**
- 🔗 **Notice of 59th annual general meeting and form of proxy** released on 16 April 2026

Key regulatory and reporting frameworks we adhere to

- International Financial Reporting Standards (IFRS Accounting Standards)
- Companies Act, 71 of 2008 (Companies Act)
- JSE Listings Requirements
- South African Reserve Bank (SARB) regulations, directives and circulars
- Basel Committee on Banking Supervision (BCBS) guidance

- IFRS Sustainability Disclosure Standards
- BCBS
- Global Reporting Initiative (GRI) Standards
- JSE Sustainability and Environmental Disclosures

- GRI Standards
- UN Global Compact
- Application of the Amended Financial Sector Code (FSC) and the BBBEE Act, 53 of 2003

The JSE Sustainability Disclosures and the ISSB Sustainability-related Financial Disclosures were also considered.

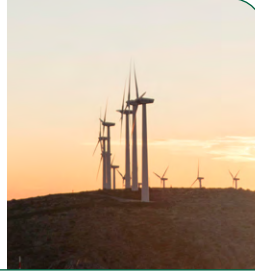
- King IV
- Companies Act
- JSE Listings Requirements
- JSE Debt and Specialist Securities Listings Requirements
- Other applicable laws, regulations, and best-practice principles
- GRI Standards

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Our climate reporting includes information relating to the group's climate-related activities, governance, strategy, policies, risk management, carbon footprint and emissions, as well as targets. It is primarily of interest to investors, non-governmental organisations (NGOs), ESG ratings agencies, as well as key stakeholders such as clients and invested members of society who associate with value aligned and purpose-driven companies. The disclosed information can be used to assess Nedbank's progress in managing its positive and negative impacts in addressing climate change.



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Overview of the group, our businesses, market position, differentiators, business model, the needs, and expectations of our stakeholders, and how our purpose, vision, values, and strategy position us for long-term value creation.



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Our strategic focus areas

-  Being the impact
-  Supporting our client's transition
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-  Managing our operations

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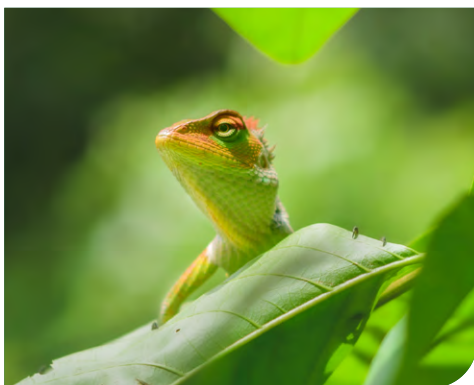
About our 2025 Climate Report

Objective and scope

This Nedbank Climate Report forms part of the 2025 Nedbank Group integrated reporting suite and aims to outline the group's approach to managing and responding to climate-related risk and opportunities. It also marks Nedbank's first voluntary disclosure aligned with the requirements of the IFRS S2 Standard while also incorporating the overarching principles of IFRS S1. The climate-related disclosures in this report should be read together with the Nedbank Group Annual Results for the year ended 31 December 2025, with the reporting boundary being consistent with that of the Nedbank Group.

This report highlights Nedbank's dedication to fulfilling its purpose of using financial expertise to do good, thereby creating value for all stakeholders. It is a snapshot in time that details the group's governance, strategy, risk management, and performance metrics in managing climate-related risks and opportunities that could reasonably be expected to affect Nedbank's prospects and that could have an impact on our stakeholders.

In this report, we share our progress on the journey to net-zero, along with developments in achieving other climate action objectives. By transparently sharing this information, we aim to empower our stakeholders with the knowledge to make informed decisions, foster trust, and drive positive change.



Reporting period

The 2025 Nedbank integrated reporting suite, including this Climate Report, covers the period from 1 January to 31 December 2025, which is Nedbank's financial year and aligns with its 2025 annual financial results. It may, however, include details of material events after this date, up to board approval of the reports on 14 April 2026.

Sources of guidance: The frameworks guiding our reporting

Our climate report follows several key reporting frameworks to ensure comprehensive and transparent disclosure. We are guided by the international sustainability standards board (ISSB) sustainability-related financial disclosures (IFRS S1 and S2), and the Global Reporting Initiative (GRI), the King Code of Governance Principles for South Africa, the South African Reserve Bank Prudential Authority Guidance note on Climate-related disclosures and the Johannesburg Stock Exchange Sustainability and Climate Disclosure Guidance has been considered.

Fair representation and assurance

This report presents sustainability-related information for the 2025 financial year, ensuring completeness, neutrality, and accuracy. It provides a clear and balanced depiction of material risks and opportunities, supported by reasonable assumptions and high-quality data. Judgements about future outcomes are disclosed transparently, along with their basis and context, and the information is free from material error. Connections between related disclosures are clearly explained, and commercially sensitive information has been assessed to balance transparency with competitive considerations. Fair representation is reinforced through robust internal governance processes for data collection and consolidation, complemented by independent assurance reviews. These practices ensure that the information is decision-useful for primary users, enabling informed

assessments of Nedbank's sustainability-related risks, opportunities, and financial implications.

In 2025, KPMG provided assurance on the annual financial statements, while Ernst & Young Inc. offered limited assurance on selected sustainability data. Additionally, Group Internal Audit reviewed the Nedbank Group Climate Report to ensure accuracy and reinforce our commitment to transparent, reliable climate disclosures.

Connected and comparative information

This Climate Report is prepared using a climate-first approach under IFRS S2, applying its specific requirements while incorporating the overarching principles of IFRS S1. The disclosures are structured to ensure that reporting is both decision-useful and connected to the 2025 Nedbank Integrated reporting suite and audited financial statements. We include comparative information from prior periods to support trend analysis and user understanding. Cross-references related to governance, strategy, risk management, metrics, and targets disclosures are provided to ensure consistency, transparency, and coherence across all sustainability and financial reporting.

Basis of preparation

This Climate Report has been prepared with reference to the International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Nedbank has applied the principles, core content and disclosure objectives of IFRS S1 and IFRS S2 to the extent practicable for the reporting period, using a climate-first approach as allowed by IFRS S1 and incorporating the overarching requirements of IFRS S1. The group considers the sustainability-related financial information presented in this report to be substantially aligned with these standards. The IFRS S1 and S2 Index, linking IFRS requirements to the relevant sections of this report, is provided on [page 95](#).

Forward-looking statements

This report contains certain forward-looking statements regarding the group's financial position, results, strategy, operations, and business. These statements and forecasts involve risks and uncertainties, as they relate to future events and circumstances. Various factors 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 3 March 2026, at the time of releasing its 2025 results, were informed by the group's business plans and economic forecasts at February 2026.

Embracing digital reporting

Our 2025 Climate Report has been designed to offer an enhanced digital experience and improved ease of use, recognising that our stakeholders now primarily access information through digital channels.

The landscape layout improves readability on computer screens and tablets, while the digital navigation features enable seamless movement between different sections or topics.

Digital navigation icons

- Video/podcast
- Read more in this report
- Read more on the Nedbank Group website
- Read more within the Nedbank 2025 suite of reports

ESG data

• ESG •

This icon refers to environmental, social and governance (ESG) data contained in a comprehensive table, available at group.nedbank.co.za.



Foreword by Jason Quinn, Nedbank Group Chief Executive



Lead with science. Learn through action. Finance a just, orderly transition.

Jason Quinn, Chief Executive

This Climate Report reflects where we are in our climate change journey. Climate change is already reshaping economic conditions, across markets and sectors. It affects the cost of capital, the availability and pricing of insurance, the resilience of infrastructure and supply chain and the well-being of society. As these effects become more visible, climate risk increasingly translates into financial risk. Our role as a bank is to understand these dynamics as they unfold, while recognising both the urgency of the transition and the economic and social limits within which it must take place.

The scientific evidence remains clear. In 2024, the global average temperature exceeded 1.5 °C above preindustrial levels for the first calendar year on record. While progress on the Paris Agreement is assessed over longer-term averages, the direction of the trends matter. Delayed action raises transition cost and reduces the scope for an orderly and Just Transition across economies and sectors.

Africa's transition context differs from developed markets. Energy insecurity, water scarcity, infrastructure gaps and persistent high costs of capital shape what is feasible and at what pace. Regulatory frameworks across key jurisdictions remain uneven and continue to evolve. This requires banks to respond carefully and proportionately. Progress depends on domestic action and sustained support from developed markets, including concessional finance, risk-sharing mechanisms and clearer global policy signals.

These themes featured strongly at the World Economic Forum Annual Meeting 2026, convened

under the theme 'A Spirit of Dialogue', and were reinforced through discussions linked to South Africa's presidency of the G20. Discussions moved beyond ambition statements towards execution. Participants focused on building prosperity within planetary boundaries through practical collaboration, learning by doing and directing capital into real-economy solutions.

This perspective informs how Nedbank approaches climate and nature risk. We aim to enable the transition while learning alongside our clients and partners. Capital alone does not deliver outcomes. Progress depends on credible data, investable pipelines, appropriate risk-sharing and an ability to adapt as new information emerges. These insights are increasingly informing how we prioritise engagement, structure transactions and allocate capital across higher-risk sectors.

During the year, we completed our Nature Risk Assessment (NRA) that sharpened our understanding of portfolio-level dependencies and impacts. This work confirmed agriculture as a priority focus area, where climate and nature risks intersect most directly. Engagement across our agriculture portfolio continues to deepen our understanding of water availability, soil health and ecosystem stability as material drivers of operational and credit risk. These insights inform targeted engagement and financing decisions. We also advanced work on our decarbonisation plan, supported by detailed research and analysis to understand sector-specific decarbonisation levers. Slow regulatory progress and continued

reliance on carbon-intensive electricity for several high-impact sectors complicate the setting of credible glidepaths.

In parallel, we continue to translate strategy into practical action across the broader portfolio. Recent examples include financing utility-scale renewable energy and embedded generation projects, participating in sustainability-linked facilities in the healthcare sector, linking funding to environmental performance metrics while supporting healthcare expansion; and financing transition in the cement sector, improving energy efficiency while sustaining industrial capacity. These transactions form part of an ongoing process of learning what works in different sectors and where approaches need to adapt.

Learning also extends beyond our balance sheet. I serve on the Council of the African Natural Capital Alliance (ANCA), supporting collective efforts to strengthen understanding of how natural capital underpins economic resilience and to raise the level of attention on nature and finance across the continent.

We continue to strengthen data quality and transparency, including preparation for IFRS S1 and S2. Our focus remains on decision-useful information rather than disclosure for its own sake. Our approach will continue to evolve as regulation, data and market practice mature. Our commitment to net-zero remains unchanged. The pace of transition across key sectors reflects global and local conditions, policy uncertainty, infrastructure constraints, and client readiness. In this context,

further glidepath disclosure would not be credible or decision useful. Over the next year, we will focus on practical, sector specific decarbonisation actions that support an orderly and Just Transition. This work will be driven through deeper client engagement and improved data quality. We will continue to report transparently on glidepath disclosure readiness across all emissions intensive sectors.

Our operating environment remains challenging and uneven. Extreme weather risks continue to rise, regulatory pathways differ across markets, and many transition opportunities still require further support to reach scale. The transition is complex, and outcomes remain uncertain. We remain confident in the direction of travel and in our ability to adapt our approach as conditions change. Our responsibility is to keep learning, adapting and acting, supporting clients and communities today while contributing to a more resilient future.

I would like to thank Brian Dames, the outgoing Chair of the Group Sustainability and Climate Resilience Committee, for his outstanding leadership. His expertise and principled leadership have been instrumental in strengthening Nedbank's governance of climate and sustainability.

Jason Quinn
Chief Executive: Nedbank Group

**Our
commitment
to net-zero
remains
unchanged.**



Towards 2050 – Nedbank Group climate journey

In 2025, Nedbank continued its purpose-led climate journey to address climate change within Africa's socioeconomic context. We support the goals of the Paris Agreement and align our actions with limiting global warming to well below 2 °C, while pursuing a 1.5 °C pathway by 2050. Scientific evidence shows that remaining global carbon budgets consistent with a 1.5 °C pathway are shrinking. This increases the need to compliment mitigation efforts with stronger adaptation and resilience responses. We recognise that global temperature outcomes depend on coordinated action across governments, markets and society, and are influenced by factors beyond the control of any single institution. Against this context, Nedbank remains committed to supporting a resilient, inclusive, and low-carbon future.

Our climate journey for our lending activities, investment practices and own operations is provided below.

1990–2009

- First South African bank to join the United Nations Environment Programme Finance Initiative (UNEP FI).
- First African bank to become a member of the Equator Principles.
- First to issue a Climate Change Position Statement, declaring that Nedbank Group holds itself accountable to addressing climate change.

2010–2019

- Carbon-neutral status achieved for Nedbank's own operations.
- The group's Social and Environmental Management System (SEMS) was consolidated, providing details on the policy, procedures, and workflow required to identify and assess the environmental or social impacts of investments or lending activities undertaken by the group.
- The group's Climate Change Position Statement was updated to align with the Paris Agreement.
- The Embedded Generation Unit was tasked (in 2016) with building on Nedbank's successful funding of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), offering support for the necessary shift towards renewable energy.
- First African bank to stop providing project financing for new coal-fired power plants, regardless of technology or country.
- Net-zero operational water use achieved for Nedbank's own operations.
- Leader in the financing of green buildings.
- In 2018 Nedbank closed a further 12 renewable energy project deals under round 4 of the Department of Energy's (DOE's) REIPPPP to the value of R13bn.
- 19 Nedbank-owned buildings were awarded with Green Star ratings.
- First bank in SA to list a renewable energy bond on the Green Bond segment of the JSE.
- First Nedbank Wealth Asset Manager Responsible Investment Report, assessing investment managers on environmental, social, and governance (ESG) integration and identifying best practice.

2020–2022

- First South African company to table climate-related resolutions passed by its shareholders (100% votes) at the 53rd annual general meeting (AGM) held on 22 May 2020.
- Carbon-neutral status achieved for our own operations for over a decade.
- The Nedbank Climate Risk Management Framework (CRMF) was approved by the board.
- The Climate Risk Leadership Group was converted into the Climate Risk Committee (CRC), a Group Executive subcommittee, chaired by the Chief Risk Officer (CRO).
- The Climate Risk Unit was established to manage Nedbank's climate-related risks and opportunities and to enhance climate-related capabilities across the enterprise, as described in this report.
- The Climate Risk Appetite Statement and limits or targets were approved as part of the Group Business Plan.
- A Sustainable Finance Solutions division was established to support the innovation of sustainability-linked lending and fundraising instruments.
- Nedbank launched SA's first green R2bn tier 2 capital instrument in partnership with African Development Bank.
- The International Finance Corporation (IFC), in partnership with Nedbank, approved a US\$200m loan for Nedbank's renewable energy investment.
- First Group Climate Resilience Committee (GCRC) (a board subcommittee) meeting held in March 2021.
- First standalone Task Force on Climate-related Financial Disclosures (TCFD) Report published on 22 April 2021.
- Our Energy Policy was published.

2023

- Disclosed net-zero-aligned glidepaths for upstream fossil fuels and power generation.
- Disclosed physical and transition risk assessment results for the Property Finance portfolio.
- Undertook the first Climate Risk Materiality Assessment (CRMA).
- Disclosed Nedbank's Nature Position Statement with next steps to support halting and reversing nature loss.

2024

- Published the inaugural financed-emissions baseline for the mining and commercial property portfolios within CIB.
- Finalised Phase 1 of the Nature Risk Assessment to evaluate nature-related financial risks across the portfolio, aligned with Nedbank's Nature Position Statement.
- Developed a draft approach and framework for our net-zero transition plan, informed by global best practice and guidance. The 'metrics and targets' component of the framework was subsequently approved by the Group Sustainability and Climate Resilience Committee (GSCRC), a board subcommittee.

2025

- Exceeded the 2025 SDF target by achieving 21% GLAA, surpassing the target of 20% and demonstrating strong momentum in sustainable finance delivery.
- Set new 2030 Sustainability Development Finance (SDF) Targets, positioning the organisation for the next phase of climate impact and transition financing.
- Expanded financed emissions disclosures, which include:
 - » CIB Cluster: Heavy Industry and Transport
 - » BCB Cluster: Thermal Coal and Commercial Property
- Established new 2030 operational emissions targets, reinforcing our commitment to decarbonising our own operations.
- Developed Nedbank's TNFD-aligned Nature Risk Assessment (NRA) to assess water-risk on the Banks credit portfolio
- Established a repeatable, regulator-aligned Climate Risk Materiality Assessment (CRMA).

2026

- We aim to disclose our net-zero transition plan as part of our 2026 integrated reporting cycle.
- We aim to disclose the financed emissions for our remaining emissions-intense sectors.
- We continue to monitor progress against our disclosed fossil-fuel glidepaths, and in the other emissions-intense sectors we will focus on utilising practical decarbonisation levers.
- We continue to integrate nature-related considerations into the bank's transition strategies.

2029–2030 Reach intermediate decarbonisation targets

- Reduce thermal coal funding to less than 0.5% of gross loans and advances.
- Reach first decarbonisation targets set in sector glidepaths.

2035 Cease the provision of new financing for oil production

2045 Reach zero exposure to fossil-fuel- related activities

2050 Reach our net-zero target having 100% of lending and investing supporting a net-zero carbon economy



An overview of Nedbank Group

Overview of the group; our businesses, market position, differentiators and business model; the needs and expectations of our stakeholders; and how our purpose, vision, values, and strategy position us for long-term value creation.

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Our purpose, vision, values, strategy and targets

Our purpose

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

The reason we exist

Our vision

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

What we want our future to look like

Our brand promise

see money differently

How we want to affect our clients

Our values

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

The principles that guide us

Our strategy and targets

Strategic value drivers



Strategic value unlocks



Underpinned by:



A modern technology platform



Our employees and differentiated corporate culture (EX)

Financial targets¹

	Diluted headline earnings per share	Return on equity	Cost-to-income ratio
Short term (2026)	Grow ahead of headline earnings	Above 15%	Improve yoy
Medium term (3+ years)	> CPI + GDP + 3% (CAGR)	17%	54%
Long term (5+ years)	> CPI + GDP + 3% (CAGR through the cycle)	> 18%	< 50%

¹ These targets are not a profit forecast, have not been reviewed or reported on by the group's joint auditors and are based on the group's economic forecasts at the time. Guidance and targets exclude any potential impact from merger-and-acquisition-related corporate action.

Our Sustainable Development Framework

We focus on 9 SDGs where we believe we have the greatest ability to deliver a meaningful impact through our business activities.

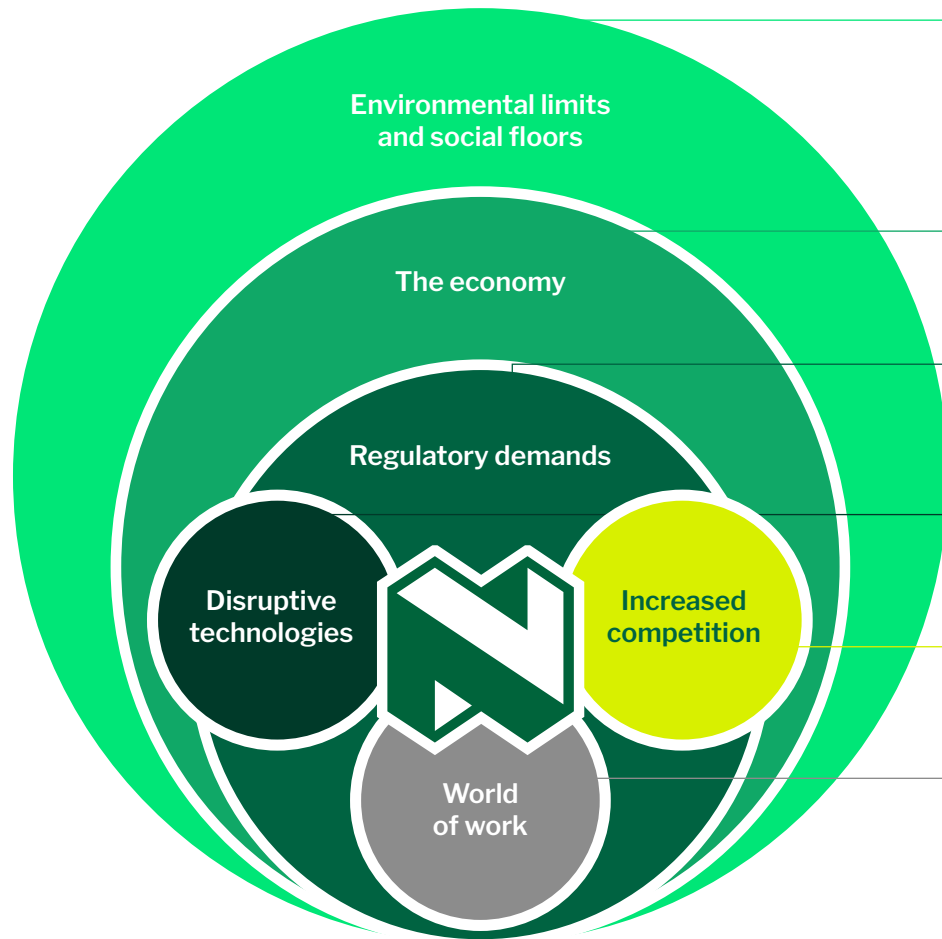


Our approach to purpose fulfilment

Our operating environment and material matters

The material matters we have identified are those most likely to impact our ability to create sustained value for us and our stakeholders over the short, medium and long term. As our operating environment and stakeholders' needs evolve, we regularly update them and, as a result, evolve and strengthen our strategy.

Our material matters



Material matter	Time horizon	Impact on Nedbank
Environmental limits and social floors The increasing impact of climate change on clients, society and the environment, evident in droughts, extreme weather events and biodiversity impacts; the need for a Just Transition given the unique social and environmental conditions of SA and the African continent; related opportunities; and the risk of investing in stranded assets.	ST MT LT	+ -
The economy The impact of macroeconomic shifts and outcomes – globally, on the African continent and in SA – on Nedbank, our clients and employees.	ST MT LT	+ -
Regulatory demands Growing regulatory scrutiny and demands placed on financial services companies, including those relating to technology and cyberrisk; payments; ESG; consumer protection; financial crime; data and data privacy; as well as financial and banking regulation.	ST MT	-
Disruptive technologies The impact and adoption of AI, leveraging data, as well as increased levels of digital adoption; behavioural changes of clients and employees; and rising threats and levels of cybercrime.	ST MT	+ -
Increased competition Competition from incumbents and new entrants, with a focus on retail transactional fees; the SME market; and heightened competition in corporate lending for good-quality assets.	ST MT	+ -
World of work The influences of macroeconomic, social and political developments; AI and fast-paced technological change; heightened demand for scarce skills and a war for talent; as well as the requirements of employment equity legislation in SA.	ST MT	+ -

Our consideration of these material matters is informed by the principle of materiality, which is fundamental for assessing information that may affect the group's strategic direction, decision-making, trade-offs related to the 6 capitals, the progression of our business model, stakeholder impact and the formulation of short-, medium- and long-term targets. We have broadened our methodology to include sustainability and climate-related material issues, with additional information available in our [2025 Society Report](#).

Time horizon: ST Short term (0–2 years) MT Medium term (3–5 years) LT Long term (5+ years)
Impact on Nedbank: + Positive impact - Negative impact

Our operating environment and material matters continued

Our materiality assessment process

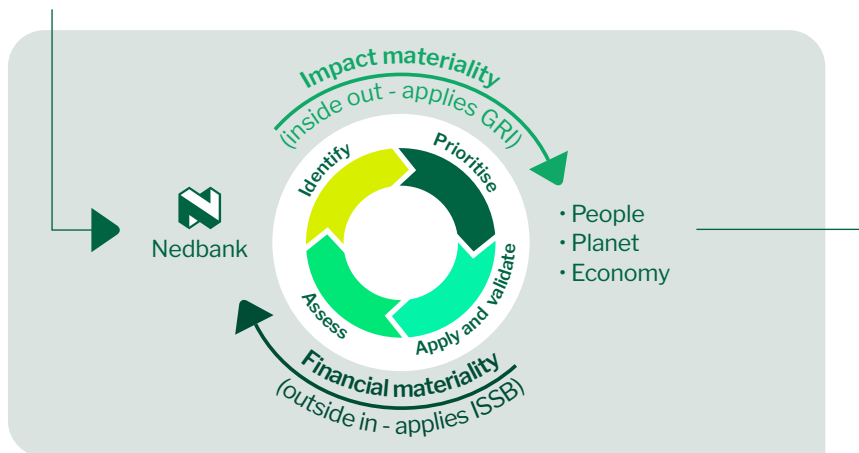
We apply the principle of double materiality to determine the information included in our integrated reports. Our focus is on the matters, risks and opportunities that substantively affect our ability to create value over time and influence our 6 capitals across the short, medium and long term. This includes both financial materiality and our impacts on people, the economy and the environment through a double materiality lens.

Identifying material matters is a groupwide responsibility. The process draws on inputs from the board, management and businesses, external and industry sources, and structured assessments of impacts, risks and opportunities in our operating environment. We also incorporate feedback from key stakeholder groupings through formal engagement processes.

Our material matters, set out in this report, shape group strategy, inform risk management processes and guide the evolution of our business model. They also underpin our targets across short term (1 year), medium term (2 to 3 years) and long term (5 years or longer) horizons.

The Group Executive Committee and the Nedbank Group Board consider material matters throughout the year as part of strategy discussions and governance processes. Formal approval takes place through the annual strategy and business planning cycle.

We follow a **4-step iterative process** to determine and manage our material matters, using a double materiality lens to consider both our impact on society and the implications for enterprise value.



Step 1. Identify

We identify potential material matters through ongoing engagement with stakeholders. This includes direct engagement with clients and regulators, employee surveys, investor roadshows, and structured interactions with industry bodies and special-interest groups. These activities form part of our formal stakeholder engagement framework.

Step 2. Prioritise

We apply thresholds to distinguish material from non-material impacts, risks and opportunities. Through structured discussions with stakeholders, senior management and subject matter specialists, we prioritise the matters with the greatest relevance to long-term value creation and business resilience.

Step 3. Apply and validate

We assess how material matters affect strategy, metrics and targets and adjust our plans and resource allocation accordingly. Relevant risks are integrated into the group Risk Management Framework and managed through established governance and control processes.

Step 4. Assess

We review material matters on an ongoing basis to ensure continued relevance as conditions change. Matters not prioritised at group level are addressed within businesses through divisional governance structures, working groups and forums.

Maturing our approach to environmental limits and social floors through climate materiality

During 2025, we advanced the environmental limits and social floors material matter from group-level identification to portfolio and transaction-relevant application through climate-related materiality.

Building on the 6 group material matters set out in the 2025 Integrated Report, we completed cluster-level climate materiality assessments for Corporate and Investment Banking (CIB) and Business and Commercial Banking (BCB). This marked a clear maturity shift from principle-based materiality to portfolio and transaction-related use. We applied a structured, finance-oriented approach as follows:

- 5 lens-weighted scoring model to determine materiality: earnings, balance sheet, transition risk, physical risk, and reputation. Each lens is scored on a 1-5 scale from very low to very high, based on timing and severity. Workshops with Strategy, Risk, Finance and cluster teams, governance forum inputs, and 2024 report insights informed the scores.
- The assessment aligns to IFRS S2 by focusing on climate-related risks and opportunities that could reasonably be expected to affect prospects, including cash flow, access to finance or cost of capital, over relevant time horizons.

Our operating environment and material matters continued

Nedbank Group: Consolidated climate material matters

- Decision-useful client climate data**
Reliable and auditable data from baselines to KPIs and disclosures that enables credible targets, performance tracking and sound risk assessment.

Reliable client climate data is essential. We need clear baselines, measurable KPIs and traceable disclosures to set credible targets, design performance-linked solutions, assess risk and report with confidence. Strong data controls reduce delays and support consistent decisions across portfolios.
- Physical climate hazards and asset resilience**
Heat, drought, floods, storms, animal disease and water scarcity affect cash flows, collateral, valuations, insurability and the need for adaptation investment, especially in agribusiness, commercial property and large fixed assets.

Physical climate hazards remain significant where assets and cash flows depend on place and weather. Large, fixed assets, agribusiness, and commercial property are exposed to heat, drought, floods, storms, animal disease and water scarcity. These factors influence collateral strength, valuations, insurability, and the scale and timing of adaptation investment. We build these considerations into collateral views, insurance requirements, and resilience plans at transaction and portfolio level.
- Transition risk in high-emitting value chains and manufacturing**
Policy and regulation changes, technology shifts and changing demand influence energy, mining, manufacturing, property and transport and their supply chains.

Transition risk is broad and affects high-emitting value chains and manufacturing. Shifts in policy and regulation, advances in technology and changes in customer demand affect energy, mining, manufacturing, property and transport, and their linked suppliers. We partner with clients on early-stage transition approaches informed by sector signals and client-specific realities, including energy, resource efficiency, and phased capital plans to enable stepwise progress towards decarbonising their businesses.
- Trade and policy exposure for exporters and supply chains**
Instruments such as the Carbon Border Adjustment Mechanism, evolving carbon taxes and sector standards shape market access, demand and working capital cycles.

Trade and policy exposure can reshape markets for exporters and supply chains. Instruments such as the Carbon Border Adjustment Mechanism, evolving carbon taxes and sector standards influence market access, demand patterns and working capital cycles.
- Portfolio concentration and transition plan trade-offs**
Balance smaller legacy fossil fuel activities with growing renewables and grid value chain opportunities while managing concentration risk and execution capacity.

We manage portfolio concentration and transition plan trade-offs with care. Legacy fossil fuel activities are smaller but still present, while opportunities in renewables and the grid value chain are growing fast and attracting strong competition. We use clear guardrails, phased targets and value chain solutions to avoid concentrations, maintain execution capacity, and ensure progress toward net-zero across the portfolio.

Managing our material matters

The climate-related material matters identified for CIB and BCB are managed through a set of targeted portfolio, risk and data responses, aligned with the nature of the underlying risks (transition, physical and data-related) and their financial transmission channels.

Portfolio tilt and sustainable development finance (SDF)

Portfolio steering responds directly to transition risk concentration and trade-offs identified in CIB, and to adaptation and resilience needs in BCB. We scale SDF across energy, water, green buildings, transport and affordable housing to:

Support decarbonisation in high-emitting value chains (CIB).

Finance adaptation to water and weather-related physical risks, particularly in agribusiness and manufacturing (BCB).

Manage sector concentration risks through active portfolio management.

This enables growth while operating within climate risk appetite.

Scenario analysis and stress testing

Scenario analysis addresses the material transition and physical risks by translating them into impacts on earnings, balance sheet, pricing and capital. Transition stress tests inform sector limits, pricing and overlays in higher emitting sectors, while physical risk modelling in Commercial Property Finance informs collateral views, insurance requirements and resilience investment in location-specific assets.

Data and disclosure readiness

Strengthening climate data lineage, controls and governance directly addresses the data availability and credibility risks identified as material for both CIB and BCB. Improved financed emissions baselines, climate-related KPIs and client transition data support credible target setting, risk pricing, assurance and IFRS S2 aligned disclosure, while reducing execution and reporting risk.



Governance

Overview of governance processes, controls and oversight mechanisms through which the board and leadership team monitor, manage and oversee sustainability- and climate-related risks and opportunities, demonstrating how strong governance supports long-term value creation.

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Foreword by Brian Dames, Chairperson of the Nedbank Group Sustainability and Climate Resilience Committee



Our context continues to be shaped by our clients' decarbonisation journeys, far reaching regulatory and market developments, alongside increasing climate- and nature-related risks. For Nedbank and our clients, this environment demands clearer priorities, stronger capabilities and deliberate choices about where and how we deploy capital to protect long-term value and enable resilient growth.

Brian Dames, Chairperson: GSCRC

Against this backdrop, Nedbank has progressed the integration of climate- and nature-related risks into our governance and risk management frameworks to support resilient decision-making across the business. Our approach is informed by global developments and jurisdiction-specific regulation and expectations, supported by enhanced board-level oversight through regular review of climate and nature risk metrics, scenario outcomes and sector exposures. This is underpinned by our organisationwide ESG capability build which is central to ensuring we are well positioned to engage constructively with clients as climate and sustainability considerations increasingly influence investment, financing and trade outcomes.

With 2024 confirmed as the hottest year on record, extreme weather events and biodiversity loss are presenting tangible risks to assets, value chains and communities. In response, we have refreshed our Climate Risk Materiality Assessment and progressed our Nature Risk Assessment, aligned with the TNFD LEAP framework, enabling more location- and sector-specific risk insights. These assessments highlight heightened exposure in sectors such as real estate, mining and renewable energy, sharpening our focus on risk appetite, portfolio resilience and client transition strategies at a time when some global peers are reassessing their commitments.

The transition to a low-carbon economy remains complex, particularly across energy- and trade-exposed sectors. Clean energy equity markets remain volatile, reflecting sensitivity to interest rates, policy signals and capital cost, even as demand for critical minerals, electrification and inclusive reskilling continues to accelerate. Regulatory

measures such as the Carbon Border Adjustment Mechanism are beginning to reshape trade dynamics. Nedbank is proactively reassessing sector exposures and equipping clients to adapt, offering practical advice and support as they navigate these changes. While short-term volatility persists, the direction of travel remains clear, reinforcing the importance of disciplined transition planning.

We aim to disclose our net-zero transition plan as part of our 2026 reporting cycle, the financed emissions for our remaining emissions-intensive sectors and continue to monitor progress against our disclosed fossil-fuel glidepaths, and in the other emissions-intensive sectors we will focus on utilising practical decarbonisation levers. As a bank we continue to integrate nature-related considerations into the group's transition strategies.

We have made the decision to focus efforts in 2026 on enabling sector-specific decarbonisation rather than disclosing further glidepaths, prioritising credibility and decision usefulness over uniform coverage. Our sectoral overviews provide insight into decarbonisation trends and developments, the challenges and opportunities present, as well as Nedbank's activities and transition strategies in each sector where these have been developed.

In emissions-intensive sectors where constraints limit credible trajectory-setting, we are focussed on utilising practical decarbonisation levers to support

The financial sector has a critical role to play

our clients and advance an orderly transition. We are integrating financed emissions measurement/baselining, glidepath development/target-setting, and associated decarbonisation levers to develop and execute effective sector-specific decarbonisation strategies.

Further glidepath disclosure remains dynamic and as data quality improves, client transition readiness strengthens, and enabling conditions evolve – sectors with material portfolio exposure and high emissions intensity will be progressed.

Our leadership in sustainable finance efforts in African markets including South Africa, Côte d'Ivoire, Senegal, Angola and Rwanda demonstrates how innovative structures can align financial performance with measurable sustainability outcomes. Our insurance solutions are designed, and investment decisions made, to support sustainability efforts and strengthen risk mitigation against climate-related events. This commitment is underscored by Nedbank Insurance (and Nedgroup Investments) status as signatories to the UN Principles for Responsible Investment. We are equally focused on systemic challenges such as water security, where infrastructure resilience is critical to economic stability. These systemic challenges highlight the importance of blended finance, public-private collaboration and regulatory certainty so banks can play a catalytic, but not substitutive role.

Through our participation in leading the B20 Task Force on Energy Mix and Just Transition, we advanced recommendations on global and regional efforts to de-risk sustainable finance, support green industrialization and

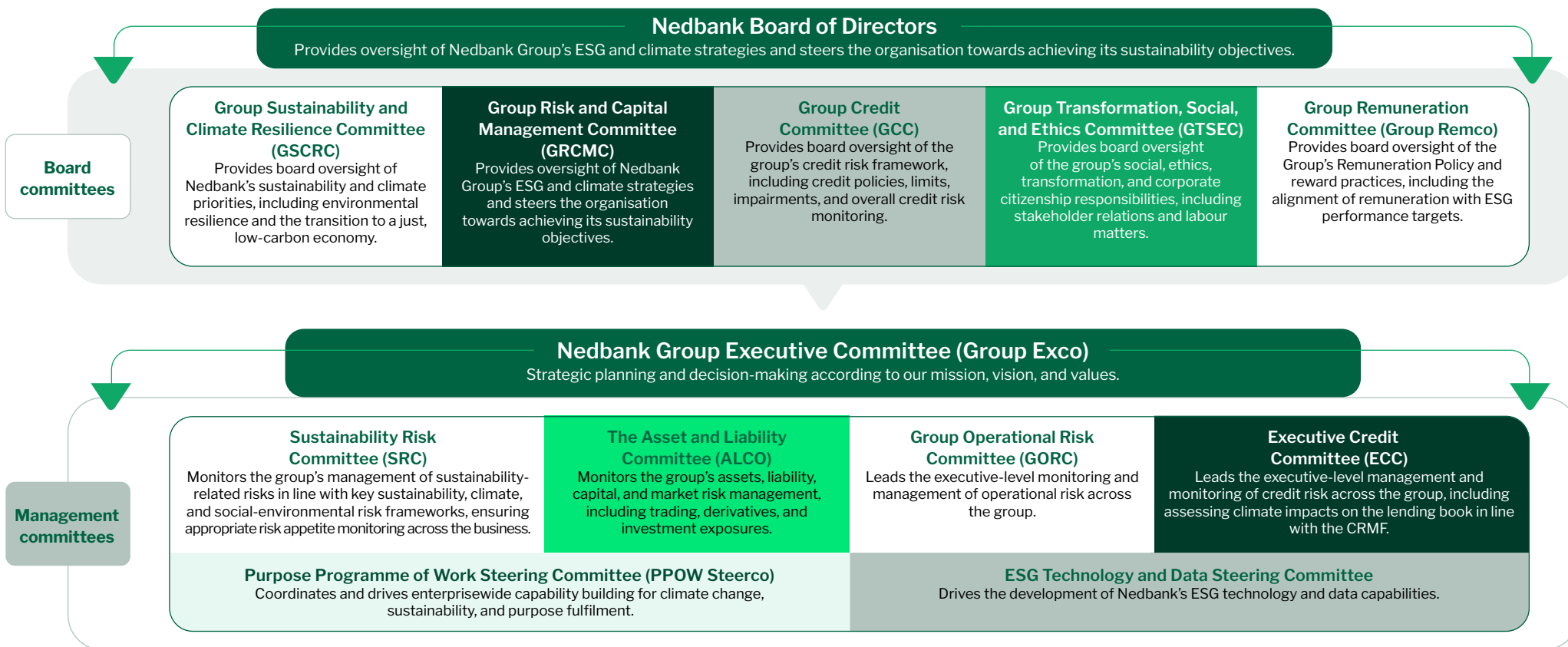
sustainable infrastructure development, and accelerate skills development, particularly in areas such as gas infrastructure and carbon-intensity measurement. In support of these priorities, Nedbank has set a new sustainable development finance (SDF) target to grow SDF exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth. This builds on our successful delivery against our SDF target of 20% of GLAA which reached 21% by the end of 2025, demonstrating disciplined execution and the scalability of our sustainable finance approach. Our alignment with South Africa's G20 Presidency priorities reflects a commitment to shaping a credible, inclusive and investable Just Transition for the country and the region.

Looking ahead, we will continue to enhance our reporting and disclosures through the IFRS sustainability standards, building on the climate-first approach adopted in this report. Our integrated reporting practices provide a base from which ESG data capabilities continue to be strengthened.

Nedbank's commitment to sustainability is grounded in practical action and long-term value creation. By combining strategic foresight with disciplined risk management and client partnership, we aim to support resilient businesses, investable transitions and inclusive growth, contributing to a more sustainable future for the economies and communities we serve.

Brian Dames
Chairperson: GSCRC

Governance overview



Nedbank’s governance of sustainability- and climate-related risks and opportunities is grounded in an ethical culture, sustained value creation, effective control and legitimacy, consistent with the principles of King IV. The board of directors is the custodian of corporate governance and retains ultimate accountability for the group’s performance, strategic direction and oversight of sustainability- and climate-related matters.

Board oversight of sustainability and climate is exercised primarily through the Group Sustainability and Climate Resilience Committee (GSCRC), a committee of record of the board, chaired by Brian

Dames. In 2024, the GSCRC’s mandate was broadened to encompass wider sustainability and ESG matters beyond climate. The GSCRC provides focused oversight of sustainability- and climate-related risks and opportunities, including governance of the Climate Risk Management Framework (CRMF) and the ESG Risk Management Framework (ESG RMF), approval of relevant policies, metrics and targets, and oversight of the group’s transition plan to net-zero.

Given the cross-cutting nature of sustainability- and climate-related matters, the GSCRC’s oversight is complemented by interdependent board committees. The Group Risk and Capital Management Committee

(GRCMC) integrates sustainability drivers into risk appetite, capital and financial risk oversight; the Group Credit Committee (GCC) considers sustainability and climate impacts on credit and concentration risk; the Group Remuneration Committee (Group Remco) oversees incentive alignment; the Group Transformation, Social and Ethics Committee (GTSEC) addresses ethics and social considerations; and the Group Information Technology Committee (GITCO) oversees data and technology enablement. Structured cross referrals between committees ensure that material sustainability and climate considerations are surfaced, debated and addressed at board level.

At management level, accountability for execution rests with the Chief Risk Officer (CRO) through the Sustainability Risk Committee (SRC), a Group Exco subcommittee. The SRC operationalises the ESG RMF, CRMF and Social and Environmental Risk Management Framework (SERMF) within the 3-lines-of-defence model, integrating sustainability-, climate- and nature-related risks into risk appetite, strategy execution, monitoring and reporting, supported by coordinated assurance.

Further detail on Nedbank Group’s governance structures and committee mandates is set out in the 2025 Governance Report.

Board oversight of climate-related risks and opportunities

The GSCRC's charter mandates the committee to govern sustainability- and climate-related risks and opportunities by approving relevant policies, frameworks, metrics and targets; overseeing risk identification and assessment; monitoring the effectiveness of controls and remediation; and ensuring transparent reporting. The committee also oversees the Climate Risk Management Framework (CRMF) and the ESG Risk Management Framework (ESG RMF), steers the group's transition plan to net-zero, and integrates sustainability considerations into the enterprisewide risk universe in line with the ERMF. In addition, the charter requires ongoing monitoring of controversial matters, data and information quality, and emerging risks; an annual charter review and committee self-assessment; and continuous training for members.

Information flows and frequency

The GSCRC meets quarterly, with additional engagements as required, and receives regular reporting from the SRC on sustainability- climate- and nature-related risks and opportunities. The GSCRC Chair reports to the board at each scheduled board meeting, supported by coordinated assurance outputs, climate scenario analysis and regulatory stress testing results. During 2025, the board considered sustainability- and climate-related matters at 10 board meetings, covering training, regulatory developments, risk management updates, business cluster insights and strategic implications.

The board receives quarterly updates from group and frontline clusters on sustainability- and climate-related risks and opportunities, including implications for major transactions and risk management processes. In addition, the GSCRC Chair provides reports at each regular board meeting, supplemented by coordinated assurance outputs, climate scenario analyses and regulatory stress testing results.

Oversight of strategy, major transactions and risk

The GSCRC's charter embeds responsibilities that ensure sustainability- and climate-related risks and opportunities are considered when the board oversees strategy, major transactions and risk management:

▶ **Strategy and targets:** The GSCRC provides independent oversight of sustainability- and climate-related risks and opportunities that link to brand and market positioning, as well as to strategic and financial plans. It also approves metrics and targets and oversees the transition plan, including sectoral glidepaths, the application of the Energy Policy, sustainable development finance, and alignment with international standards IFRS S1 and S2, and the TNFD.

▶ **Major transactions:** Committee interdependencies operationalise sustainability in decision-making. The GCC considers sustainability- and climate-related impacts on credit and concentration risk, the Group Directors' Affairs Committee (Group DAC) addresses governance, compliance, and reputational implications, and the GRCMC integrates sustainability drivers into risk appetite, capital, liquidity and market-risk oversight. This structured cross-referral allows material trade-offs to be surfaced and debated at board level, informed by the GSCRC's recommendations.

▶ **Risk management policies and processes:** The board recognises the significance of climate-related matters and their implications for the group, acknowledging climate change as a risk amplifier that manifests across 17 distinct risk types within Nedbank's risk universe. The GSCRC provides governance oversight of the CRMF and ESG RMF, ensuring that climate- and ESG-related risks are rigorously identified, assessed and managed through established risk management policies and processes. This includes monitoring potential risk build-ups and concentrations, and overseeing management's responsive actions. Insights and risk outputs are incorporated into the group and business unit risk plans and reported to the board through GSCRC reporting, coordinated assurance and risk dashboards. This proactive and structured approach strengthens the group's ability to anticipate and mitigate climate-related risks, thereby supporting long-term resilience and safeguarding stakeholder interests.

In 2025 the board considered sustainability- and climate-related matters at **10 board meetings**, key topics included the following:

- Sustainability- and climate-related training.
- Top-of-mind insights from the CRO and Managing Executive for Group Strategy.
- Business cluster updates on sustainability and climate matters.
- A sustainability update.
- An environmental risk management update.
- Updates on regulatory developments.

The GSCRC milestones of 2025

Approved the group's Energy Policy, the ESG Risk Management Framework, and the Climate and Nature Risk Appetite Statements.

Oversaw the institutionalisation of the group's purpose intent and leadership ambition through the PPOW.

Assessed progress on the group's CRMA and the implementation of the NRA.








Considered the group's approach and readiness to meet the IFRS S1 and S2 disclosure requirements, as well as the development and availability of the data and infrastructure to fulfil these reporting requirements.

Reflected on the impact of changing global regulations on sector strategies and the focus on helping and advising our clients through these implications.

The Group Sustainability and Climate Resilience Committee members

GSCRC members Experience

Members of the board are identified through a rigorous process to continue adding cognitive diversity to the collective board experience. All the members of the GSCRC have specific climate-related experience, as reflected in their profiles below.

GSCRC Chairperson	Incoming GSCRC Chairperson	GSCRC members				
						
Brian Dames	Fleetwood Grobler	Linda Makalima	Phumzile Langeni	Daniel Mminele	May Hermanus	George Njenga
<p>Independent Non-executive Director South African</p> <p>Qualifications: BSc (Hons), MBA</p> <p>Expertise and experience in mining, energy, resources and infrastructure, the environment and climate, large corporates, industrial affairs, human resources, marketing, business strategy and strategic planning, information technology and cyberresilience, corporate governance and stakeholder management, as well as doing business in emerging economies.</p> <p>Brian joined the board as an independent non-executive director on 30 June 2014. He is Chief Executive of African Rainbow Energy and Power and previously served as Chief Executive of Eskom Holdings SOC Ltd. Brian has extensive experience with global (and specifically African and South African) energy and resource issues. He serves as a member of the World Economic Forum's Governors of the Electricity Industry, as a trustee of the WWF Trust SA, and as a non-executive director of the Industrial Development Corporation of South Africa Ltd.</p> <p>Board committee</p> <p>Chairperson: Group Sustainability and Climate Resilience Committee.</p> <p>Member: Group Information Technology Committee, Group Risk and Capital Management Committee, and Group Directors' Affairs Committee.</p>	<p>Independent Non-executive Director South African <i>(member since November 2025)</i></p> <p>Qualifications: BEng Mechanical</p> <p>Expertise and experience in large corporates, human resources, marketing, business strategy and strategic planning, mining, energy, resources and infrastructure, doing business in emerging economies, the environment and climate, corporate governance and stakeholder management, as well as macroeconomic and public policy.</p> <p>Fleetwood is a seasoned, global executive with 41 years of experience in the petrochemical industry and expertise in multinational leadership, business transformation, and energy transition.</p> <p>Fleetwood has held several influential industry leadership roles, including having served as the founding Chair of the Energy Council of South Africa. He contributed to national energy planning as a business leader on the National Energy Crisis Committee Energy Security Workstream under the Presidency and B4SA and served on the Steering Committee of the UN Global Compact's African Business Leaders Coalition.</p> <p>Board committee</p> <p>Member: Group Sustainability and Climate Resilience Committee and Group Remuneration Committee.</p>	<p>Independent Non-executive Director South African</p> <p>Qualifications: BCom (Hons), HDE, MPhil</p> <p>Expertise and experience in investment banking, other financial services, human resources, marketing, business strategy and strategic planning, large corporates, innovation and digital, governance, and stakeholder management.</p> <p>Linda, the founder of Lima Business Solutions Proprietary Ltd, was previously a director and the Head of Investment Banking Coverage (South Africa) at Standard Bank, where she was responsible for business development and origination across a portfolio of sectors, including oil and gas, power, infrastructure and renewables, mining, and telecommunications. Before that, she was Managing Director of Diners Club South Africa. Linda left the corporate world to become a career and business coach, providing professionals and entrepreneurs with the skills, insights, and tools to enrich their careers and businesses. She is also a member of the PathCare Board of Governors and on the coaching panel of Heidrick & Struggles.</p> <p>Board committees</p> <p>Chairperson: Group Transformation, Social and Ethics Committee.</p> <p>Member: Group Credit Committee, Large-exposures Approval Committee, Group Sustainability and Climate Resilience Committee, Group Risk and Capital Management Committee, and Group Directors' Affairs Committee.</p>	<p>Independent Non-executive Director South African</p> <p>Qualifications: BCom, BCom (Hons), MCom</p> <p>Expertise and experience in investment banking, other financial services, large corporates, human resources, marketing business strategy and strategic planning, mining, energy, resources and infrastructure, macroeconomic and public policy, and corporate governance and stakeholder management.</p> <p>Phumzile is cofounder and Executive Chair of Afropulse Group Proprietary Ltd, an unlisted investment and corporate advisory house. She is also the Vice Chair of Imperial Logistics Group (previously Imperial Logistics Ltd), Executive Deputy Chair of Metrofile and Chair of Delta Property Fund. In April 2018 Phumzile was appointed by the President as 1 of 4 special envoys on investment tasked with raising US\$100bn over a 5-year period for the pursuit of economic opportunities in South Africa.</p> <p>Board committees</p> <p>Chairperson: Group Remuneration Committee.</p> <p>Member: Group Audit Committee, Group Directors' Affairs Committee, and Group Sustainability and Climate Resilience Committee.</p>	<p>Independent Chairperson South African</p> <p>Qualifications: Associate certificates from the Chartered Institute of Bankers (London) in association with City Polytechnic of London/Guildhall University, German Banking Diploma (Bankkaufmann) from Sparkasse Paderborn, the Chamber of Industry and Commerce in Bielefeld (Germany).</p> <p>Expertise and experience in retail and investment banking, other financial services, large corporates, climate finance, macroeconomic and public policy, human resources, marketing, business strategy and strategic planning, corporate governance and stakeholder management, as well as the environment and climate.</p> <p>Daniel was appointed to the boards of Nedbank Group Ltd and Nedbank Ltd as an independent non-executive director on 1 May 2023, and as Chairperson on 2 June 2023. He was also appointed to the board of the Youth Employment Service (RF) NPC as a non-executive Director on 1 November 2023. Daniel was Chair of Alexander Forbes Group Holdings Ltd and Alexander Forbes Investments Ltd, as well as former Chief Executive of Absa Group and Absa Bank Ltd. He served two 5-year terms as Deputy Governor of the South African Reserve Bank (SARB), where responsibilities during his second term included Financial Markets, International Economic Relations and Policy, as well as the Human and Operations Cluster. His committee memberships included the Governors' Executive Committee, the Monetary Policy Committee, the Financial Stability Committee, the Risk Management Committee, and the Prudential Committee. Before joining SARB in September 1999, Daniel worked for African Merchant Bank and Commerzbank in South Africa, and for WestLB in the UK and Germany for 12 years in corporate credit risk analysis, project finance, and structured finance. Daniel also holds a directorship at Africa50, a pan-African infrastructure investment platform.</p> <p>For the most part of 2022 Daniel also served as Head of the Presidential Climate Finance Task Team where he led and coordinated the work to give effect to the Just Energy Transition Partnership, as well as the development of the Just Energy Transition Investment Plan, which was launched in November 2022.</p> <p>Board committee member: Group Directors' Affairs Committee and Group Sustainability and Climate Resilience Committee.</p>	<p>Independent Non-executive Director South African</p> <p>Qualifications: BSc Geology; MSc Engineering; and PhD Engineering</p> <p>Expertise and experience in mining, energy, resources and infrastructure, the environment and climate, large corporates, corporate governance and stakeholder management, and macroeconomic and public policy.</p> <p>May is a visiting adjunct professor at the University of the Witwatersrand, and for the past 31 years she has worked on health and safety in mining, environmental protection, and sustainability in Africa. May started as an NGO volunteer and became the Head of the National Union of Mineworkers' health and safety unit. She also participated in the UN's International Labour Organization forums. She has held a variety of positions, including non-executive director at Aveng Ltd, Director of the Centre for Sustainability in Mining and Industry, Executive Director of the Council for Scientific and Industrial Research Natural Research Unit, Chair of the Mine Health and Safety Council and the Board of the Mining Qualifications Authority, and Deputy Director-General of the Department of Minerals and Energy for Mine Safety and Health. She is the Chair of Tshiamiso Trust and was the Chair of AngloGold's employee share option scheme. May also served as a Director of the Institute for Social Dialogue.</p> <p>Board committee member: Group Transformation, Social and Ethics Committee and Group Sustainability and Climate Resilience Committee.</p>	<p>Independent Non-executive Director South African <i>(member since December 2025)</i></p> <p>Qualifications: BSc Chemistry</p> <p>Expertise and experience in large corporates, human resources, marketing, business strategy and strategic planning, mining, energy, resources and infrastructure, doing business in emerging economies, the environment and climate, corporate governance and stakeholder management, as well as macroeconomic and public policy.</p> <p>George has over 31 years' leadership experience in the energy sector and has led multimillion-dollar businesses and projects across Africa, the Middle East and Asia, covering renewable energy and power generation. He previously served as Executive Chair of Lake Turkana Wind Power, sub-Saharan Africa's largest wind energy project, having recently concluded this role. George is the former Chief Executive of the East Africa platform of AP Moller Capital and prior to this he was Chief Executive of GE Renewable Energy (Grid and Hydro) for sub-Saharan Africa.</p> <p>Board committee member: Group Sustainability and Climate Resilience Committee.</p>

Management role in the governance of sustainability- and climate-related risks and opportunities

At management level, Nedbank’s governance of sustainability and climate risk and opportunities is executed through an integrated set of executive committees that translate board direction into action, integrate climate- and nature-related risks and opportunities into day-to-day management, and provide regular, decision-useful reporting to the board through the GSCRC.

Sustainability- and climate-related structures

At Group Exco level, the SRC serves as an oversight and decision-making body focusing on the management of sustainability-related risk and opportunities. The SRC also recommends the approval of decisions for the GSCRC and oversees the implementation of the CRMF and the ESG-RMF. This includes the oversight of the integration of climate risk into existing risk management frameworks.

Group Executive Committee (Group Exco): Leads strategic planning and operational execution; receives SRC escalations on sustainability- and climate-related risks and opportunities, and oversees integration into plans, budgets and portfolio steering.

Executive Credit Committee (ECC): Provides senior oversight of credit risk and monitors the climate impact on the lending book in line with the CRMF, ensuring that climate-related drivers are captured in origination, pricing and portfolio monitoring.

Asset and Liability Committee (ALCO): Oversees balance sheet, funding, liquidity and market risk management; integrates climate scenario insights (e.g., transition costs and carbon price pathways) from the SRC into capital and liquidity buffers as well as transfer pricing considerations.

Group Operational Risk Committee (GORC): Provides senior oversight of operational risk; incorporates climate-related operational exposures (e.g., physical disruption, third-party resilience, model risk) sourced via the SRC into risk control and incident management.

PPOW Steering Committee (PPOW Steerco): Coordinates enterprise enablement for purpose fulfilment, builds capability for transition plan execution (metrics and targets, training and business planning KPIs), and supports SRC with bankwide embedding sustainability- and climate-related considerations into our core business model.

ESG Technology and Data Steering Committee: Governs ESG data foundations and architecture, prioritises data use cases, sources external climate data, and enhances controls to support the International Sustainability Standards Board IFRS reporting. This includes ensuring that the SRC and GSCRC receive higher quality, reliable ESG data with clear lineage, enabling more accurate oversight, decision-making, and risk assessment.

Specialist risk advisory and support:

Within Group Risk, the Environment Social and Governance (ESG) Risk Department provides the group with expert ESG risk advisory, research and analytics; it also designs and maintains specialised ESG risk tools and techniques that support our risk management processes and coordinates initiatives that enable the effective management of climate and broader ESG risks across Nedbank.

Group Strategy: Sustainability enablement and opportunity tracking:

Within Group Strategy, the Group Strategy Sustainability Department leads the identification, pursuit and monitoring of climate-related strategic business opportunities and tracks delivery against the group’s strategic plan to ensure execution remains aligned with our transition priorities.

Group Compliance: Regulatory scanning and advocacy:

Within Group Compliance, the Regulatory Affairs and Advocacy Department keeps the SRC and the GSCRC abreast of emerging local and international regulatory developments, ensuring timely translation of external requirements into our internal policies and practices.

Frontline Clusters: Embedded governance in the front line:

Our governance model ensures that decision-making is consistently risk-informed at every level. Each frontline business cluster maintains climate and sustainability governance forums to address risks and opportunities and to route material matters to the SRC and other relevant executive forums, including cluster enterprisewide risk management committees and high-risk reputational committees.

Management controls and procedures for sustainability- and climate-related risks and opportunities

Nedbank maintains a system of internal controls to identify, assess, manage and monitor sustainability- and climate-related risks and opportunities across the group. These controls are grounded in the ESG-RMF, which integrates ESG risk considerations into the Enterprisewide Risk Management Framework (ERMF) and aligns risk processes with the group's strategy and purpose. The ESG-RMF positions ESG risk as a tier 2 risk category that materialises through existing tier 1 risk types, ensuring that sustainability- and climate-related drivers are fully embedded in the group's risk universe.

The group applies a structured ESG risk identification and materiality process, supported by an ESG heatmap that highlights where ESG factors have the greatest impact on principal risk types. Cross-functional teams evaluate inherent and residual ESG risk exposures using defined methodologies, scenario analysis, and stress testing, initially for climate and progressively extending to broader ESG risk themes.

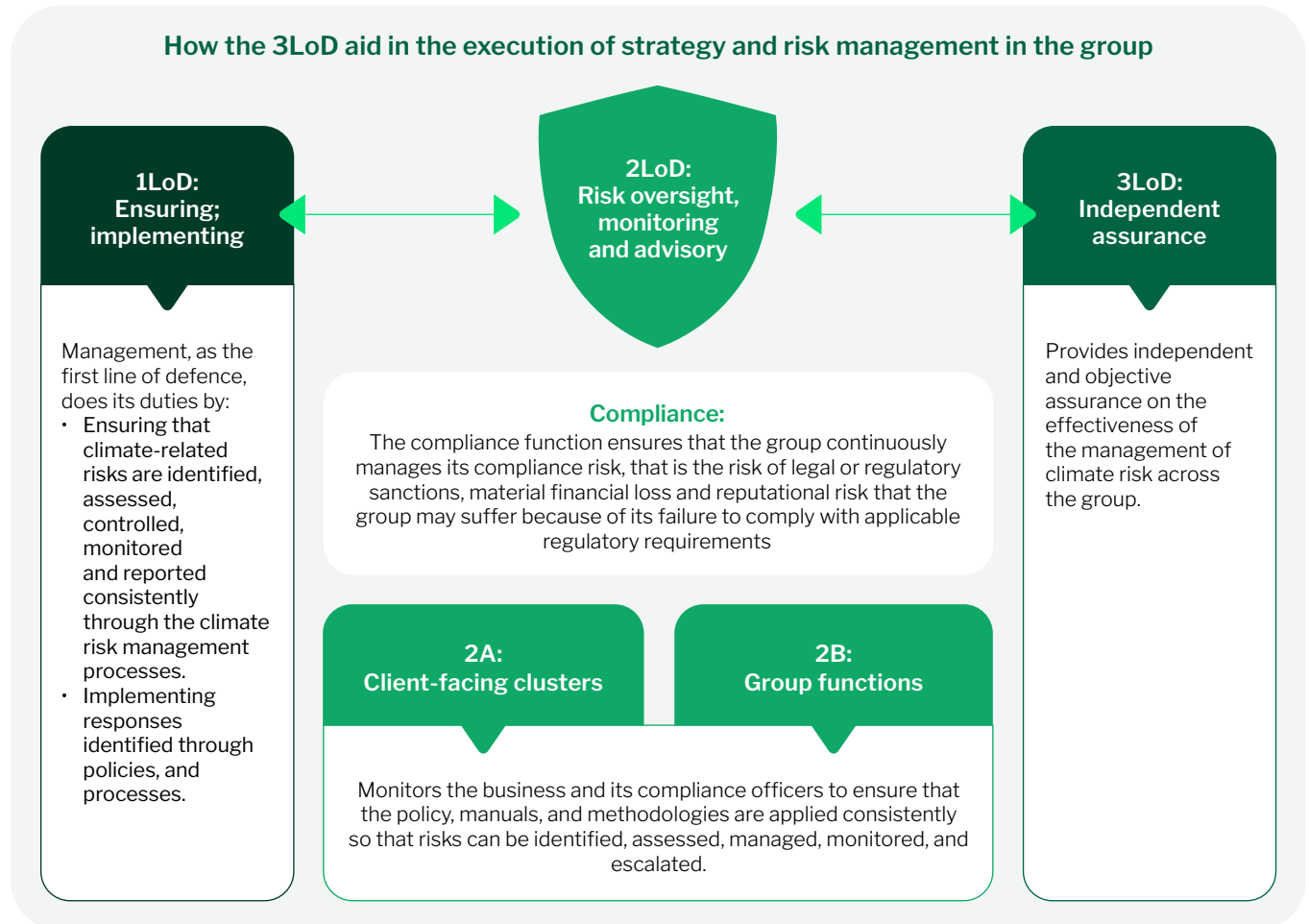
Nedbank follows established ERM principles to determine suitable ESG risk responses, including avoidance, management through existing controls, additional mitigation actions, risk transfer, or risk acceptance when within approved risk appetite thresholds. Treatment plans are documented, monitored, and integrated into management processes to ensure sustained effectiveness.

A key first-line control is the SEMS, applied at credit origination, review and restructuring. SEMS assessments are performed by trained social and environmental risk managers (SERMs), with additional independent assurance for high-risk Equator Principles transactions.

Progressive development of ESG key risk indicators (KRIs) supports internal monitoring, with climate-related metrics already captured in a climate risk dashboard and additional ESG dashboarding being developed as maturity increases. Nedbank maintains active engagement with internal and external stakeholders, including clients, regulators, investors and ESG specialists to refine the ESG-RMF and strengthen the reliability of sustainability-related information.

Three lines of defence, integrated escalation

Climate-related risks are embedded within our 3LoD model. Risks identified at any point in a product or service life cycle are reported to the appropriate risk (credit, market, liquidity and operational risk) committees. Significant items are escalated to the climate and sustainability risk committees within business structures and, where required, to the group-level SRC for consolidation and further oversight.



Executive remuneration and coordinated assurance

Executive remuneration

The board aims to ensure that remuneration is fair, responsible and transparent, and that it supports outcomes aligned with the legitimate expectations of all stakeholders. Oversight rests with Group Remco, which designs and governs the reward framework to reinforce strategic delivery, responsible risk-taking and ethical conduct. Our comprehensive Remuneration Report, comprising the Remuneration Policy and Implementation Report, forms part of the annual Integrated Report suite and sets out our practices, policies, procedures, and shareholder engagement.

Executive remuneration is linked to sustainable value creation objectives and calculated against clear and stretching performance targets with appropriate market benchmarking. Consistent with our governance approach, Group Remco ensures that pay outcomes reflect both financial and non-financial performance, and that the framework remains fair, responsible and transparent in the context of the group's overall remuneration.

We recognise the growing importance of ESG factors in long-term value creation. Climate considerations are embedded explicitly (through risk appetite, limits and targets) and implicitly (as part of broader ESG criteria) in executive goal commitment contracts. Since 2022 environmental and social commitments, such as progress against our Energy Policy and SDF ambitions, have formed part of the long-term incentive (LTI) construct, with positive shareholder feedback. LTI outcomes reflect financial, strategic, environmental and social performance indicators, while short-term incentive (STI) allocations consider group, cluster and individual performance against goal contracts. Group Remco assesses progress on environmental commitments qualitatively against board-approved metrics, with input from relevant board committees.

For LTI awards made in 2025 we refined these commitments and metrics, which included the following:

Metric	Commitment
Environmental metric	Achieving progress on our Energy Policy commitments: Renewable energy finance (SDG 7) and policy-related timelines and targets, including fossil-fuel-related glidepaths.
	Progress in the decline of Nedbank's own carbon footprint, aligned with the 2030 targets.
	Meeting SDF ambition to grow SDF exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth.

For the 2025 performance cycle our incentive design has continued to follow the commitments already approved and still in effect:

- **Energy and decarbonisation:** Appropriate progress on the Energy Policy, including renewable energy finance (SDG 7) and timelines or targets for sector glidepaths (fossil fuels and power generation). Our own operational carbon footprint remained targeted to decline by $\geq 40\%$ by end 2025 (vs the 2019 baseline), and renewable, green energy for our operations was targeted to contribute $> 30\%$ of energy sourced by 2025, with further progress targeted in 2026.
- **SDF:** Advancing our SDF ambition so that, by 2025, SDF exposures would be $\sim 20\%$ of total GLAA.
- **Performance linkage:** For current LTI awards, vesting remains 100% business performance-based, consistent with prior-year awards.

These climate- and sustainability-linked elements operate alongside our financial and strategic scorecards and are embedded within our STI/LTI frameworks, ensuring executives are incentivised to deliver on both financial performance and the group's transition and sustainability objectives.

Coordinated assurance

Coordinated assurance integrates and aligns risk, audit and compliance functions related to assurance activities. This enables an effective internal control environment across the group, with assurance focused on critical risk exposures supporting the integrity of information used in internal decision-making (at governance forums) and reporting (to external stakeholders). In line with the principles of coordinated assurance, there is a cross-disciplinary approach to monitoring the efficiency and effectiveness of policies and procedures implemented to manage climate-related risks across the 3LoD model.

Group Internal Audit (GIA) assurance focused on external reporting (i.e. the annual Climate Report, financed emissions calculations and climate stress testing) and the climate data and systems workstream.

Training and awareness: Board skills, training and continuous improvement

The GSCRC charter requires that committee members receive ongoing development to ensure they remain current on sustainability-related risks, opportunities and emerging regulatory expectations. In support of this, the board undertakes tailored annual training on priority topics. Additionally, an annual board evaluation covering both the board and its committees assesses performance, competencies and areas for improvement, ensuring that directors' skills, role expectations and committee mandates remain fit for purpose in a rapidly evolving sustainability landscape. [Refer to the 2025 Nedbank Governance Report](#) for a comprehensive summary of the internal evaluation's key findings and recommendations.

As part of our governance and oversight of sustainability- and climate-related matters, we provided targeted training and awareness sessions for the board and senior management. These sessions, facilitated by internal subject-matter experts and external specialists, provided insights on current and emerging climate-related issues to ensure leadership remains well-informed and prepared for developments in this area.

Climate-related training topics presented to board members in 2025

Board training	Presenter
The role of risk management in delivering on a transition plan to achieve net-zero by 2050.	Banco Santander
Investing for the energy transition – an asset management perspective.	M&G Investments and Nedbank (internal)
Water infrastructure – a critical business vulnerability and an imperative to enable systems resilience.	Environmental Resources Management (ERM)
Financed emissions in line with Partnership for Carbon Accounting Financials (PCAF).	Nedbank (internal)
Energy transition, climate, nature and banking.	The Economist



Looking forward to 2026

- ▶ Review business strategy, sustainability risks and opportunities in fulfilment of the committee charter to continue to lead and remain relevant to our clients in enabling their transition journeys.
- ▶ Monitor sustainability, climate, nature and ESG opportunities in advancing a Just Transition while monitoring risks in relation to the group's risk appetite.
- ▶ Oversee and guide the strengthening of regulatory compliance and reporting capabilities aligned with IFRS S1 and S2, including direction on data governance and supporting infrastructure.
- ▶ Oversee the implementation and ongoing maintenance of the CRMF and the ESG-RMF, including the adoption of best practice to ensure risks and opportunities are identified properly.
- ▶ Stay abreast of global developments to enhance strategic relevance and commercial opportunities.



Strategy

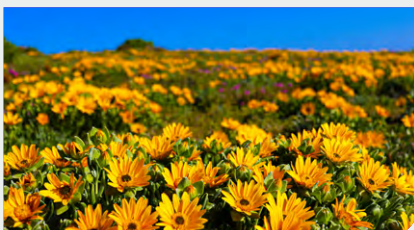
Overview of how climate change impacts our business, the strategic actions we are taking to manage climate-related risks and opportunities, and the considerations involved in sustaining long term-value for our stakeholders

'25

Understanding our context

Global, African, and South African context: Climate and nature-related risks and opportunities in financial services

Climate change and nature loss materially shape the context within which financial institutions operate. Climate impacts, regional policy shifts, lagging regulation and the breakdown of ecosystems increasingly affect societal well-being, economic activity and growth prospects. This context also highlights opportunities to support clients through transition, mitigation, adaptation and resilience finance. We engage clients at different starting points, shaped by data availability, sector context and readiness to act. Our focus is on practical actions at transaction and relationship level that reduce emissions and strengthen resilience.



Global context: Signals shaping financial strategy

At a global level, climate change and nature loss have featured as material financial risks for several years, as reflected in successive World Economic Forum (WEF) Global Risks Reports, and while geopolitical volatility has risen in prominence in 2026, climate and nature risks continue to shape long-term economic stability, asset values, and financial system resilience. Extreme weather events, rising temperatures, pollution levels, and ecosystem degradation already affect infrastructure, supply chains, labour productivity, and insured losses.

These risks first affect clients by disrupting operations, cash flows, and asset performance. The knock-on effect is pressure on credit quality, asset valuations, long-term growth assumptions, and insurability¹. These impacts no longer sit at the margins of economic activity and increasingly influence core financial decision-making.

Scientific research confirms that climate impacts are accelerating. Physical risks are intensifying and interacting with nature loss in ways that compound exposure. Water stress, pollution levels and biodiversity decline, increasingly impact food systems, health outcomes, and economic stability. These dynamics translate into higher volatility and uncertainty for financial systems².

Policy and market signals reinforce this shift, though uneven across regions. Global forums continue to emphasise implementation, transparency, and capital mobilisation. Expectations on financial institutions to understand climate and nature risks, disclose exposures, and align strategy with transition pathways continue to strengthen^{3,4}.

In Europe, despite a narrowing of ESG reporting scope, climate-related disclosure remains a regulatory priority. Globally, regulators and standard setters are signalling stronger expectations for consistent, useful climate disclosures, with increasing alignment around the ISSB global baseline. In South Africa, this direction is reinforced by South African Reserve Bank (SARB) guidance notes, which clarify supervisory expectations for climate risk governance, strategy, and risk management, ahead of any formal adoption requirements. Nature-related disclosure expectations are evolving along a similar trajectory, with emerging frameworks focused on dependencies, impacts, and financial risk linked to ecosystem degradation⁵.

For banks, asset managers and insurers, this context establishes clear expectations. Climate and nature risks require the same level of consideration as other financial and emerging risks. Long-term resilience depends on understanding risk and opportunity across sectors. Transparency and consistency in disclosure are becoming standard business requirements.

African context: Vulnerability, constraints, and relevance for finance

Africa faces some of the most acute climate-related risks globally. The continent contributes a relatively small share of global greenhouse gas emissions yet experiences disproportionate physical impacts. Floods, droughts, cyclones, and heat stress affect infrastructure, agriculture, energy systems, and livelihoods across regions⁶.

These impacts carry direct implications for financial institutions. Physical risks disrupt borrower cash flows, damage collateral, and increase insurance claims. Limited insurance coverage and constrained fiscal capacity mean losses are often absorbed by households, businesses, and local banks. Climate shocks therefore translate quickly into financial stress.

Transition risks are becoming increasingly significant. Many African economies remain exposed to carbon-intensive sectors and fossil-fuel-based revenues. As global demand shifts and climate-related policies accelerate, the long-term viability of these sectors is becoming more uncertain. Financial institutions must therefore proactively manage these exposures while facilitating

1 WWF. 2024. *Living Planet Report 2024*. Gland. Available online: <https://www.worldwildlife.org/publications/2024-living-planet-report/>.

2 World Economic Forum. 2026. *Global Risks Report 2025*. Geneva. Available online: <https://www.weforum.org/publications/global-risks-report-2026/>.

3 UNFCCC. *COP30 Action Agenda Outcomes Report*. December 2025. https://unfccc.int/sites/default/files/resource/COP30%20Action%20Agenda_Outcomes%20Report_December_2025.pdf

4 World Economic Forum. 2026. *World Economic Forum Annual Meeting outcomes and financial system priorities*. Geneva.

5 Taskforce on Nature-related Financial Disclosures. 2023. *Additional Guidance on the LEAP Approach*. Available online: <https://tnfd.global/publication/additional-guidance-on-assessment-of-nature-related-issues-the-leap-approach/>.

6 International Energy Agency. 2023. *Africa CO2 Emissions Profile*. Paris. Available online: <https://www.iea.org/regions/africa/emissions>.

Understanding our context continued



orderly transitions that are economically sustainable and socially inclusive.

Policy responses across Africa remain uneven. A small number of countries have advanced climate risk frameworks. Others rely on voluntary approaches with limited enforcement. Data gaps, capacity constraints, and inconsistent regulatory maturity remain material challenges⁷.

At the same time, access to energy, infrastructure investment, job creation, and financial inclusion remain urgent priorities.

Addressing climate change aligns closely with these needs and reinforces the role of finance in supporting resilience, adaptation, and credible transition pathways⁸.

Strategic operating regional lens

Southern Africa is Nedbank's core operating region and the source of most group earnings. The region faces high exposure to climate- and nature-related risks, with similar physical risk profiles across Southern and sub-Saharan Africa, including drought, water stress, flooding, heat stress, and ecosystem

degradation. These risks are financially material given Nedbank's exposures to climate-sensitive sectors such as energy, agriculture, mining, manufacturing, transport, and property.

South Africa remains the primary reference point for regulatory expectations. Operating across the region requires managing similar climate risks under uneven policy maturity, data availability, and implementation capacity, while maintaining alignment with global standards.

Strategic implications

This disclosure aims to clarify how Nedbank identifies, assesses, and responds to climate- and nature-related risks and opportunities over the short, medium, and long term. The context informs how these considerations are integrated into strategy, risk management, and capital allocation decisions. It explains how portfolio exposures evolve over time horizons and how the bank positions itself to manage risk while supporting resilience and inclusive growth.

⁷ Climate Policy Initiative and FSD Africa. 2024. Landscape of Climate Finance in Africa 2024. Available online: <https://www.climatepolicyinitiative.org/press-release/climate-finance-in-africa-2024-press-release/>

⁸ Africa's Climate Change and Resilient Development Strategy and Action Plan (2022-2032)

Our climate and nature strategy

Nedbank's climate and nature strategy is anchored in its Climate Change and Nature Position Statements and guided by Group Strategy, the Sustainable Development Framework, sustainable finance commitments, relevant policies (including our Energy Policy), and defined climate focus areas.

Climate and nature strategic approach

Purpose

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

Strategic value unlock

Creating positive impacts

Guiding principles

Climate Change Position Statement

Informed by science and supportive of a Just Transition

Nature Position Statement

Commitments

Grow our sustainable finance

Increase sustainable development finance exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth.

Net-zero by 2050

100% of lending and investing supporting the net-zero carbon economy (interim targets, glidepaths and sector policies)

Tools

Opportunity-related: UN Sustainable Development Framework, Sustainable Development Finance Inclusion Criteria

Risk-related: Energy Policy, Climate and Nature Materiality Risk Assessments, Social and Environmental Management System, ESG Framework

Focus areas

Being the impact

Supporting our clients' transition

Tilting our book

Managing climate risk

Managing our operations

Objectives

To embed climate and nature imperatives into our culture and decision-making through training and policy development to support our clients' transition ambitions

To provide advisory services and SDF offerings in support of our clients' decarbonisation/transition journeys and aligned with the SDGs

Building towards a Just Transition to net-zero by 2050 through strategic capital allocation and reduced carbon intensity, to ensure the long-term resilience of the bank and success of our clients

Integrating climate- and nature-related risks into our risk management frameworks to ensure the long-term resilience of the bank and our clients

To minimise the negative impacts and optimise positive impacts of our operations

Enabled by our
Transition Plan
(under
development)

Governance and implementation

Purpose Programme of Work

Group Sustainability and Climate Resilience Committee

Sustainability Risk Committee

Our climate and nature strategy continued

Nedbank's strategic approach to climate and nature

Sustainable growth underpins economic stability and long-term value creation. We integrate climate- and nature-related risks and opportunities into our strategic planning to support growth that delivers environmental and social outcomes alongside financial performance. Social and environmental sustainability is a core part of our group business strategy, enabled through the strategic unlock of creating positive impacts. We recognise the close links between climate, nature, financial inclusion, and human well-being, and these connections should be reflected in how we allocate capital and manage risk.

Our **Climate Change Position Statement** and **Nature Position Statement** guide this approach. Both align with prevailing scientific consensus and frame our response to climate and nature challenges within the context of a Just Transition. Together, they provide a clear reference point for decision-making across the group.

We have committed to achieving net-zero emissions by 2050. This commitment reflects our intent to contribute to limiting global temperature rise and support international climate objectives. In parallel, we grow SDF to renewable energy, energy efficiency, sustainable agriculture and other transition solutions. This work follows Sustainable Development Finance Inclusion Criteria (SDFIC) and strengthens social and environmental outcomes, as well as resilience. We direct finance through the Nedbank SDF and the Energy Policy to support sustainable development and the transition to net-zero. We assess this using a double materiality lens, that considers our environmental and social impacts, and the financial risks that climate change and nature loss create for the group.

5 focus areas structure our climate and nature approach. We focus on being the impact, supporting client transition, tilting the portfolio towards more sustainable assets, managing climate-related risk, and managing our own operations. Each focus area translates strategy into action and supports measurable outcomes for the environment, society, and the bank.

Responsible capital allocation is pivotal to our strategy. We increasingly direct resources towards initiatives that align with our climate and nature commitments as well as a Just Transition, recognising the role of capital in driving systemic change. We continue to develop financial solutions that support clients to reduce environmental impacts, strengthen resilience, and adapt business models over time.

Ongoing engagement with clients, regulators, and other stakeholders informs how our strategy evolves. These engagement helps us understand where action is feasible and decision-useful, supporting a fair transition that reflects economic, social, and environmental realities across our market.



Climate-related risks and opportunities

Climate-related risks and opportunities identified

Climate- and nature-related risks and opportunities continue to play a critical role in shaping Nedbank’s approach to sustainability and resilience. As part of our ongoing commitment to responsible finance, we have developed tools to identify, assess, and disclose key risks and opportunities across our business model and value chain. Aligned with internationally recognised frameworks such as IFRS S2, we have developed tools to classify climate-related risks as physical or transition risks. As this work matures, these classifications will support assessment of potential impacts across short-, medium-, and long-term horizons.

Through the Climate Risk Materiality Assessment (CRMA) and Nature Risk Assessment (NRA), we have gained deeper insights into high-risk sectors and geographical concentrations, enabling us to tailor strategies that reduce vulnerability and enhance adaptation. The following table provides a snapshot of our current understanding and planned responses to these climate-related challenges and opportunities. The table illustrates a subset of high-risk sectors identified through the CRMA, enhanced with insights from the NRA, as well as the strategies that Nedbank seeks to develop to reduce the impact of these risks on its business.

	Physical risk	Physical and transition risk			Transition risk	
Description	Climate change and nature degradation both present physical risks that can significantly impact our operations and those of our clients. Climate-related risks are typically categorized as acute (e.g., floods, droughts, and other extreme weather events) and chronic (including long-term shifts like rising global temperatures and changing rainfall patterns). Nature-related risks arise from the degradation of ecosystem services, particularly those that provide essential resources such as timber, fish, and energy. Together, these risks emphasise the importance of robust strategies to anticipate, manage, and mitigate their potential impacts on business continuity and long-term resilience.			For several sectors, physical and transition risks interact. Exposure depends on location, asset type, technology choices, and reliance on natural systems. This overlap influences credit quality, investment horizons, and portfolio concentration.		Transition risks can materially affect our own operations as well as those of our clients. For climate, these risks primarily arise from factors such as climate-related policies, regulatory changes, and technological advancements aimed at reducing greenhouse gas emissions. Nature-related transition risks are risks that arise as economies, and businesses adapt to protect biodiversity and ecosystem services. They are similar in concept to climate transition risks but focus on nature-positive shifts. Collectively, these risks underscore the importance of proactive adaptation to evolving policy frameworks and sustainability requirements.
Impact on the lending portfolio	<p>Agriculture Agriculture is highly exposed to physical risks. These risks can reduce yields, disrupt production cycles, affect soil and water availability, and increase input costs. For the lending portfolio, this raises credit risk through revenue instability, higher operating costs, and the need for capital-intensive adaptation measures. At the same time, it drives demand for financing resilient farming systems, irrigation efficiency, regenerative agriculture, and climate-smart technologies.</p>	<p>Water supply and management Water utilities, service providers, and infrastructure operators face rising exposure to droughts, water scarcity, and extreme rainfall events. These impacts can disrupt operations, increase maintenance costs, strain infrastructure, and intensify demand for new water-storage and treatment solutions. For the lending portfolio, this may result in elevated credit risk linked to operational instability, alongside increased financing requirements for system upgrades, leakage reduction, and potable water solutions.</p>	<p>Manufacturing Manufacturing faces dual exposure: physical risks disrupt supply chains, damage assets, and reduce productivity during heatwaves or flooding events. Transition pressures stem from decarbonisation requirements, shifting market demand, carbon-intensity regulations, and expectations for circular material use. These dynamics may increase capital expenditure needs of our clients for process upgrades and energy efficiency improvements. For the lending portfolio, this raises credit exposure in high-emitting subsectors but also creates opportunities to finance modernisation, cleaner production technologies, and supply-chain resilience measures.</p>	<p>Construction Construction is exposed to physical climate impacts such as heat stress, flooding, and extreme weather that damage worksites, delay projects, and increase insurance and material costs. Transition risks also impact the construction sector due to carbon intensity in the construction phase, tightening building codes, low-carbon material requirements, and growing expectations for energy-efficient and nature-positive design. These combined pressures may affect client cash flows and project viability, increasing credit risk. However, it also creates finance opportunities for greener buildings, resilient infrastructure, and technologies supporting low-carbon construction.</p>	<p>Energy (oil, gas and electricity supply) This sector faces significant transition pressure from decarbonisation policies, carbon pricing, renewable-energy expansion, investor expectations, and emerging technology pathways. Oil and gas assets are at increasing risk of devaluation and/or becoming stranded assets under future policy tightening. Electricity supply must shift to cleaner energy sources, modernised grids, and integrated storage. For the lending portfolio, this may lead to declining appetite for high-carbon assets and increased risk among clients unable to adapt, while sharply increasing demand for financing renewable energy, storage, and grid-transition projects.</p>	<p>Transport Transport is sensitive to transition risks related to fleet emissions standards, electrification pressures, fuel-efficiency mandates, and modal-shift expectations. Carbon-intensive fleets may face declining economic life and rising compliance costs. Clients may need to invest in cleaner technologies, electric vehicle (EV) infrastructure, and logistics optimisation. For the lending portfolio, this may influence asset valuations, increase credit risk for non-transitioning clients, and drive new demand for financing (EV) fleets, charging infrastructure, and low-carbon logistics solutions.</p>
Time horizon	S-M-L	M-L	M-L	S-M-L	M-L	M-L

Climate-related risks and opportunities continued

	Physical risk	Physical and transition risk	Transition risk
Management response	<ul style="list-style-type: none"> · Mature climate and nature risk management requirements within the CRMF and broader risk management processes. · Use Climate Risk Materiality Assessments and Nature Risk Assessments to identify sector and geographic risk concentrations. · Align risk appetite for environmental-related risks with board-approved Climate and Nature Position Statements. · Apply scenario analysis to understand how climate drivers influence market, credit, and operational risks. 		<p>Our medium-to-long-term focus remains on addressing transition risks in hard-to-abate sectors, where decarbonisation presents significant challenges. Nedbank has committed to reducing its financed emissions through glidepaths developed for fossil fuel sectors. These commitments align with our broader strategy to support South Africa's transition to a low-carbon economy and achieving net-zero by 2050.</p>
Operational actions	<p>Risk identification and assessment</p> <ul style="list-style-type: none"> · Apply Climate Risk Materiality Assessments across priority sectors to identify material physical and transition risks. · Extend risk assessments to include nature-related financial risks following the Nature Position Statement. · Assess climate and nature risk impacts across short-, medium-, and long-term horizons to inform planning and portfolio decisions. <p>Risk integration into decision-making</p> <ul style="list-style-type: none"> · We are progressively integrating climate risk into credit, investment and deal processes. Coverage is most mature in higher-emitting and/or project-financed sectors (SEMS/EP) and is expanding to other segments as data and tools improve. · Include climate-related risk drivers in market risk monitoring through existing measures such as value at risk, while continuing to refine methodologies as data improves. · Consider climate risk exposure during investment valuation and committee reviews. <p>Operational resilience</p> <ul style="list-style-type: none"> · Incorporate relevant identified physical climate risks such as floods, heatwaves, and droughts into operational risk profiles and resilience planning. · Use scenario analysis to test operational resilience under severe climate-related events. · Strengthen business continuity planning to prepare for climate-driven disruptions to critical operations and service delivery. <p>Client and portfolio transition</p> <ul style="list-style-type: none"> · Support client transition through SDF and sector-specific transition solutions. · Focus on material sectors such as energy, transport, agriculture, and water where climate risks and opportunities are highly impacted. · Use climate insights to tilt portfolios towards lower-carbon and climate-resilient activities over time. <p>Monitoring and continuous improvement</p> <ul style="list-style-type: none"> · Review environmental-related risk appetite annually to reflect evolving climate and nature risks. · Continue to refine data, models, and methodologies as climate risk measurement practices mature. · Strengthen collaboration between climate risk specialists, frontline businesses, and risk teams to improve practical application. 		

Time horizons

When evaluating the physical and transition climate risk impacts on our portfolio, we consider various time horizons based on the specific objectives of the exercise. For strategic planning purposes, Nedbank assesses short-term (1–5 years), medium-term (6–10 years), and long-term (11 years up to 2050) horizons. For risk assessment purposes, it is essential to consider time horizons that extend sufficiently into the future to capture the tangible effects of climate and nature change, while also being close enough to generate relevant impacts. Therefore, we use multiple time horizons to evaluate the impact of climate scenarios on our portfolio.

The table on the right illustrates the time horizons used for risk assessments and the rationale for the selection of each year.

Horizon		Rationale
Short term (1–5 years)	2026/2027	Provides insights for immediate decision-making, relevant to short-term exposure, which constitutes a significant portion of the portfolio.
	2030/2035	Provides medium-term insights relevant for managerial consideration, often used as the reference year for intermediate targets (e.g., in nationally determined contributions).
Long term (11 years up to 2050)	2040	In line with the bank's long-term exposures of typically 15–20 years.
	2050	Often used as a time horizon by standard setters and regulators (e.g. net-zero commitments).



Climate-related risks and opportunities *continued*

Financial effects: climate-related risks and opportunities

In 2025, our climate-related strategy influenced SDF portfolio growth, informed risk cost through climate risk integration and shaped funding capacity via capital and risk appetite frameworks. Renewable energy financing increased year on year, with limits rising to 6.89% of GLAA (R68.7bn) and drawn exposure to 5.03% of GLAA (R50.2bn⁹) at December 2025 (+0.81pp and +0.80pp, respectively). Non-renewable power generation exposures

remained within the group's 1% of GLAA cap at December 2025, with limits at 0.29% of GLAA (R2.9bn) and drawn exposure at 0.24% of GLAA (R2.4bn). Refer to the climate dashboard in the Metrics and targets section for more information.

Group headline earnings rose to R17.2bn and return on equity (ROE) was 15.4%, while net interest margin compressed to 3.81% as interest rates declined and competition increased. Deposits

grew 11% to R1.3tn and advances grew 6% to R997bn, supported by climate-aligned lending. The impairment charge fell 18% and the credit loss ratio improved to 68 bps, reflecting disciplined risk management across the business including in climate sensitive sectors. [Refer to the 2025 Nedbank Group Annual Results booklet](#), which provides the full financial detail that links to this Climate Report.

Financial effects from opportunities

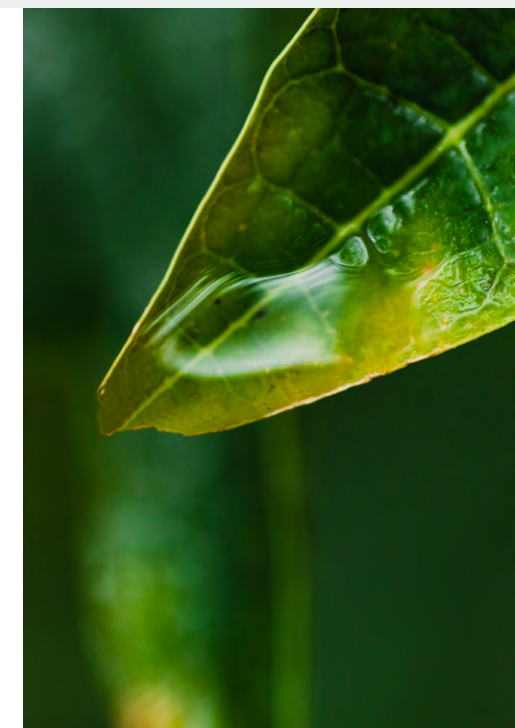
Climate and nature opportunities supported the revenue and balance sheet mix. SDF reached R207bn or 21% of GLAA ahead of our 2025 ambition of 20%. SDF renewable energy exposure increased to R46bn¹⁰ and we closed 5 renewable energy deals in 2025, with awarded facilities amounting to R46bn. These activities contributed to advances growth and diversified non-interest revenue, while keeping capital deployment within our risk appetite and liquidity buffers. We also financed clean water, green buildings and affordable housing, which broadened fee and lending income and supported stable asset quality.

Financial effects from risks

Transition and physical risks shaped earnings quality, and overlays. Our Energy Policy and Network for Greening the Financial System (NGFS), based on transition stress tests and CBAM exposure analysis, outputs currently inform risk limits and overlays (including the R1.6bn latent-risk overlay). We are piloting the use of these outputs in pricing model development, and expect influence to grow as methods and data mature. Our CRMA, physical risk modelling in Commercial Property Finance and the NRA, which focused on water risk, provide decision-useful insights that will guide our lending and underwriting practices, collateral perspectives and client engagement in exposed regions and sectors. These risk assessments could inform understanding of potential credit costs, alongside the consistent use of SEMS and the Equator Principles in higher-risk lending.

Anticipated effects and financial planning

Over the short term we expect growth in origination in private power, REIPPPP and storage, with drawdown timing and grid access influencing fee recognition and net interest income. Group guidance for 2026 is for mid-single-digit net interest income growth, upper-single-digit net interest revenue growth, a credit loss ratio around the mid 70 bps, and ROE above 15%, supported by energy and infrastructure pipelines and disciplined cost and capital management. Over the short to medium term, we plan to grow SDF exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth. We will also publish our Net-zero Transition Plan as part of our 2026 integrated reporting cycle and apply sector decarbonisation levers as required. We have incorporated Basel III reforms, the 1% countercyclical buffer from 2026, and South Africa's Climate Change Act carbon budget regime into financial planning so that capital, liquidity and earnings remain resilient as policy and market signals tighten. These forward-looking effects, together with the detailed numbers in the 2025 Annual Results Booklet, explain how climate-related risks and opportunities are expected to influence our financial position, performance and cash flows across time horizons.



⁹ Figure includes exposures across all products, including derivative positions.

¹⁰ The R46bn reported for the SDF represents on-balance sheet exposures amounts exclusively and does not incorporate any derivative exposures.



Climate-related risks and opportunities continued

Climate Resilience: Scenario analysis and stress testing

Based on the climate scenario work completed in 2025, we assessed Nedbank's strategy and business model to be resilient across a range of plausible climate pathways, provided we continue to tilt our portfolio, advance client transition support, and strengthen data and modelling over time.

Our assessment draws on insights from our internal climate transition stress test; physical climate scenario analysis performed on the CPF portfolio; and a review of the bank's exposure to clients that are potentially exposed to the European Union Carbon Border Adjustment Mechanism (EU CBAM). While the results of these exercises point to increasing financial impacts over time, it suggests manageable near-term earnings and capital effects at group level, with concentrations in higher-emitting and physically exposed segments that require active steering.

Implications for strategy and how we would respond

Where scenarios show pressure, we plan to tighten risk appetite and pricing, accelerate client engagement and sector decarbonisation levers, and expand sustainable finance deployment to support adaptation and decarbonisation. For example, the transition stress test on our fossil fuel portfolio can inform sector limits, loan structures and engagement milestones; the EU CBAM review can guide advisory and working capital solutions in impacted manufacturing subsectors, this can be further supported by the CRMA assessment completed on the manufacturing portfolio for transition risk; and the outputs from the physical climate risk analysis on our CPF portfolio can guide collateral reviews, property-level risk mitigants and enable proactive client engagement. These actions align with our 5 focus areas: being the impact, supporting client transitions, tilting the book, managing climate and nature risk, and managing our operations.

When and how we ran the analysis

We used the fifth vintage of the NGFS long-term scenarios (Net-Zero 2050, Low Demand, Below 2 °C, Delayed Transition, Fragmented World, Current Policies and Nationally Determined Contributions) for portfolio-level transition risk such as the bank's internal climate transition stress test. We complemented these with thematic deep dives across both transition risk (for example, EU CBAM assessment) and physical risk (physical climate scenario analysis performed on the CPF portfolio). For the physical risk analysis, we considered regional weather variables and variables that described the terrain on which the properties in the CPF portfolio were built. The horizon of the scenarios spanned up to 2050. Our ICAAP and stress testing processes duly followed our governance processes.

Inputs and scenario set

Our analysis used publicly available NGFS variables and narratives, informed by the Intergovernmental Panel on Climate Change Sixth Assessment Report and Shared Socio-economic Pathways (IPCC AR6/SSP) science and sectoral pathways, and cross-checked against internal risk and finance data. The scenario set spans orderly and disorderly transitions, current policy or hothouse trajectories, and compound physical plus transition shocks, including a Paris-aligned 1.5 °C pathway (NGFS net-zero 2050). We

assessed transition risks (e.g. carbon pricing, technology and market shifts) and physical risks (acute and chronic hazards) across short (1–5 years), medium (6–10 years) and long (up to 2050) horizons, covering the group's lending portfolios in the South African and African regions, with targeted asset class deep dives where data allowed. We also considered South African policy variables, including the Climate Change Act's future carbon budgets, and carbon tax trajectories, as well as regional trade factors such as EU CBAM.

What the scenarios show

Transition risk: Higher carbon price and delayed policy scenarios create elevated credit risk and asset value pressure for selected fossil fuel and high-emitting value chains. Our internal stress test combined client discounted cash flow shocks with a structural credit model and applied 0–80% pass-through sensitivities. The results should be incorporated into risk appetite and could inform sector limits, pricing, and client glidepaths.

Physical risk: Property-level modelling indicates heterogeneous hazard shifts (e.g. flood, wildfire, drought and subsidence) with rising risk in some regions up to 2050. These findings could be used to inform collateral assessments and insurance requirements, and to shape adaptation finance.

Near-term shocks: Short-term NGFS scenarios highlight earnings sensitivity to abrupt policy and acute weather events. We plan to incorporate short-term climate shocks into ICAAP/ILAAP buffer testing; pilots are underway to determine scope and parameterisation.

Climate-related risks and opportunities continued

Significant areas of uncertainty

Our assessment recognises key uncertainties: regional data gaps (South and southern Africa); long-dated, non-linear hazard modelling; policy clarity, timing and design (e.g., carbon budgets, carbon-tax reform, grid expansion); technology costs and diffusion; and translating scenarios into financial risks across types. To address this, we apply management overlays and document assumptions through scenario governance. [Refer to the Risk management section on page 61](#) for the scenarios applied in 2025.

Capacity to adjust financial resources

Based on the climate scenario analysis conducted to date, we believe there is capacity to adapt our strategy and business model to the assessed climate risks. We have robust capital and liquidity to support portfolio shifts and client transitions, including a common equity Tier 1 (CET1) capital adequacy ratio of 12.9%, a liquidity coverage ratio of 132% and a net stable funding ratio of 116% as at the 2025 financial year-end. We maintain impairment overlays of R1.6bn for known climate-related and macro latent risks and grew SDF to R207bn (21% of GLAA), with renewable energy exposure of

R46bn and strong pipelines. These resources, together with resilient earnings and diversified funding, provide flexibility to reallocate capital, support adaptation and mitigation lending, and absorb downside stress while pursuing opportunity growth.

Nedbank's strategy is considered resilient based on the outcomes of our risk assessment, and the integration of climate considerations into enterprise-wide risk management processes. We will continue to update scenarios annually, expand coverage and data quality, and link insights to risk appetite, capital planning, client engagement and product innovation.

We have selected the NGFS scenarios for use in our climate scenario analysis based on data availability and because it is the financial sector reference set built on IPCC AR6 science and offers diverse, decision useful transition and physical pathways, including Paris-aligned and current policy baselines. We will consider short-term NGFS scenarios to capture near-term shocks that matter for risk appetite and liquidity. This approach is commensurate with Nedbank's circumstances as a South African and regional African bank with exposures across climate-sensitive sectors and geographies.





Strategy and decision-making: Our climate action

In the sections that follow, we show how our 5 focus areas of being the impact, supporting client transitions, tilting our book, managing climate and nature risk, and managing our own operations address the requirements to disclose how climate-related risks and opportunities influence our strategy and decisions. Guided by our Climate and Nature Position statements, together with our commitments to net-zero by 2050 and to reduce fossil-fuel exposure to zero by 2045 under our Energy Policy.

We outline how our strategy and business model are evolving, our approach to mitigation, adaptation and transition, the targets we pursue, how these priorities are resourced, and the progress we are making across the business and value chain.



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



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

In this era of transformation, banks have a renewed mandate to drive inclusive economic growth and stability. As a key player in Africa's economy, we recognise our evolving role beyond traditional banking and the need for us to use our ability and influence to promote sustainable development. Our purpose shapes our strategic direction, ensuring our business decisions align with the goal of fostering a sustainable economy and a Just Transition.

Climate change and nature risk are therefore starting to influence how we assess asset quality, and portfolio concentration, particularly in emissions-intensive sectors. Embedding climate and nature into decision-making requires an accompanying shift in organisational culture. Through training, employees are supported to engage clients on climate and nature risks and opportunities, challenge assumptions, and apply judgement that reflects long-term value creation. Over time, this is intended to support more consistent application across business units and reduce reliance on specialist teams.

Training and capacity building

As a purpose-led business, we align skills and capability development with our climate strategy. Training focuses on enabling employees to identify, assess and manage climate-related risks and opportunities relevant to their roles.

Training programmes target employees across frontline, risk, finance, strategy, and leadership roles, with content tailored to support decision-making, client engagement, and risk management responsibilities.

The programmes cover core areas relevant to strategy, risk management, and client engagement, and include the following:

- Climate Risk Materiality Assessment
- Climate scenario analysis, decarbonisation and transition planning
- Climate and ESG risk management
- The integration of climate risk into existing risk categories
- Nature risk assessment
- Carbon accounting

- ESG frameworks
- Climate risk analytics
- Thought leadership on pathways to net-zero
- PCAF financed emissions methodologies
- Climate Fresk workshops
- Design thinking approaches applied to sustainability challenges.

We regularly review and refine training and awareness activities to maintain relevance and effectiveness, which supports a continuous learning approach.

The Nedbank Risk Business School provides targeted training on carbon and water footprint and the integration of climate risk into traditional risk types. This supports more consistent application of climate considerations across risk, strategy and business decision-making. In parallel, a growing cohort of risk and strategy professionals have attained external certification in sustainability and climate risk, strengthening internal technical depth.

2025 training in numbers

Risk School ESG Training

1 123 employees
attended 7 sessions

Nature 101

We have had almost
58% (13 575) of employees
complete the course

Climate 101 In 2025 a total of

19 314 (82%)
employees have completed the
Climate 101 e-learning module

Sustainability 101 In 2025 a total of

18 984 (81%)
employees completed the
Sustainability 101 training programme

Purpose learning framework. Building capability at scale

In 2025 Nedbank started the development of a Purpose Learning Framework to strengthen how sustainability, climate, and nature are embedded into everyday decision-making. The framework formalises training into a more structured and scalable approach aligned with regulatory expectations and business priorities. It focuses on building a shared understanding across frontline, risk, finance, strategy, and leadership roles, with emphasis on applying ESG standards, using sustainability data in decisions, engaging clients on transition, and developing purpose-led leadership. This shift will move learning from isolated initiatives to a coordinated approach designed to reach more employees and support consistent application of purpose fulfilment across the organisation.



Being the impact continued

Tax and sustainability

Nedbank recognises that responsible tax conduct is a core element for credible climate and sustainability outcomes. Taxes play a critical role in funding climate mitigation and adaptation, social protection and progress towards the SDGs. Our approach to tax is aligned with our climate strategy, and we comply with both the letter and spirit of tax laws in all jurisdictions. This is consistent with the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and includes considering how the taxes we pay and how we structure our affairs support domestic resource mobilisation, policy objectives and a Just Transition rather than undermining these aims through aggressive tax practices or the inappropriate use of low-tax jurisdictions. Through sustainability focused lending and client engagement, we help clients prepare for the EU CBAM by financing lower-carbon transitions (including energy efficiency, process upgrades and supply chain decarbonisation) so that export exposed clients can remain competitive.

We integrate climate-related tax considerations into risk management and decision-making, in line with the ISSB's connected information approach across governance, strategy, risk and metrics. We monitor existing and emerging measures such as carbon pricing, environmental levies and targeted incentives, and assess impacts on our operations and our clients. When structuring sustainable finance and transition solutions, our tax, sustainability, risk and business teams ensure that incentives are used as intended, that structures align with climate policy goals, and that they do not rely on artificial arrangements or aggressive outcomes. In South Africa, our renewable energy lending helps clients unlock available renewable energy tax incentives and accelerates the shift to clean power, reinforcing credible decarbonisation pathways and long-term value creation.

For full details of our tax approach and disclosures, please refer to the [Nedbank 2025 Governance Report](#).

Nedbank's PPOW: Building operational depth

The Nedbank PPOW is a groupwide transformation programme that focuses on integrating climate and broader sustainability considerations across the organisation and has been in operation for the past 2 years. The intent of PPOW is to (i) effectively coordinate, streamline and institutionalise the fulfilment of the bank's purpose across the enterprise; (ii) meet regulatory requirements; and (iii) support a differentiated positioning for Nedbank by unlocking purpose-led commercial opportunities and potential new areas of growth.

Throughout 2025, the PPOW was overseen by a steering committee under the leadership of the Group Strategy Managing Executive and reported into the Group Executive Committee and the GSCRC. The PPOW has progressed from foundational set-up to enterprise-level execution and integration, with a focus on implementing climate commitments, strengthening governance, and supporting purposed decision-making across clusters.

Progress during 2025

Enterprise embedding through business planning and accountability

- Purpose requirements were formally embedded into the 2026 to 2028 business planning cycle, with frontline clusters reporting against key performance indicators (KPIs). These KPIs covered priority enablers including building climate and nature capability, sustainable development finance (SDF) growth, governance maturity, client transition support and data readiness, strengthening accountability for delivery across the group.

Strengthening net-zero transition planning and financed emissions management

- Nedbank progressed its net-zero transition planning through further refinement of financed emissions baselining, governance guardrails, and sector glidepath management. This work will strengthen the internal management of climate transition risks and support more decision-useful disclosures aligned with the bank's external commitments.

Purpose capability building and organisational skills uplift

- A structured purpose and sustainability capability framework was progressed, including baseline skills assessments and targeted learning interventions. This work has laid the foundation for scaling climate, nature and ESG capability across priority roles and functions, supporting consistent application of purpose in business decisions.

PPOW provides a structured approach for integrating sustainable development considerations into business decisions and supports the use of our financial expertise to help clients as they transition towards a low-carbon, just economy.

Being the impact *continued*



Advancing our approach to nature

The completion of our NRA has contributed towards the delivery of commitments made in our Nature Position Statement. We are now shifting from foundational work to implementation, translating our commitments into meaningful actions. Our approach centres on integrating nature-related considerations across our business, strengthening internal capacity, and driving positive environmental outcomes in line with our purpose-led sustainability objectives.



Our Nature Position Statement commits us to do the following:

- Over the medium term, develop the internal capacity to assess and disclose nature-related dependencies, impacts, risks, and opportunities. We will disclose our progress in this regard annually.
- Advance our risk-screening processes.
- Monitor nature-related policy developments, work with our conservation partner WWF and other industry experts to remain abreast of the latest nature developments, and test how those can be applied in our business.

Progress in 2025

- **Nature 101: Developing internal capacity**
This training builds understanding of the links between nature and finance, including how nature affects Nedbank and how Nedbank affects nature. To date, over 58% of employees have completed the training, up from 27% in 2024. Our target was for 75% of employees to complete the training by the end of 2025. Progress was slower than planned due to large groupwide restructures during 2025. These restructures are now complete, and the target has been increased to 80% by the end of 2026, supporting the development of internal capacity in line with our commitments in the Nature Position Statement.
- **African Natural Capital Alliance**
In 2025 we strengthened our partnership with the African Natural Capital Alliance (ANCA) established by FSD Africa. Nedbank participates in ANCA governance, with our Chief Executive serving on the ANCA's Governing Council. During the year we contributed to the Cape Town summit and co-hosted a nature-driven finance session with the ANCA Secretariat and FSD Africa.

These engagements supported knowledge sharing and peer learning across the financial sector. They informed internal discussions on nature-related financial risk, supported alignment with the TNFD LEAP approach, and contributed to capability building across risk, strategy, and leadership forums. Insights from ANCA-led work were shared through internal briefings and used to inform board-level awareness of emerging nature-related considerations in finance.

Being the impact continued

Advancing Our Approach to Nature continued

WWF Nedbank partnership: Monitoring nature-related policy developments and working with our conservation partners

The partnership between Nedbank and WWF, established as a transformational partnership in 2007, aims to advance large-scale conservation and sustainability initiatives. Over several phases, the collaboration has focused on reducing impacts on water, carbon, biodiversity, and land use through projects such as promoting sustainable agriculture, achieving water neutrality, and improving freshwater management in strategic areas. The current phase (2024–2029) is centred on supporting a Just Transition to a green economy via nature-based solutions, expanding landscape conservation, enabling green jobs through SMME financing, catalysing funding for environmental initiatives, and advocating for policy change. This enduring alliance exemplifies how financial institutions and conservation organisations can jointly drive sustainable development and biodiversity protection for both people and the planet.

Highlights for 2025

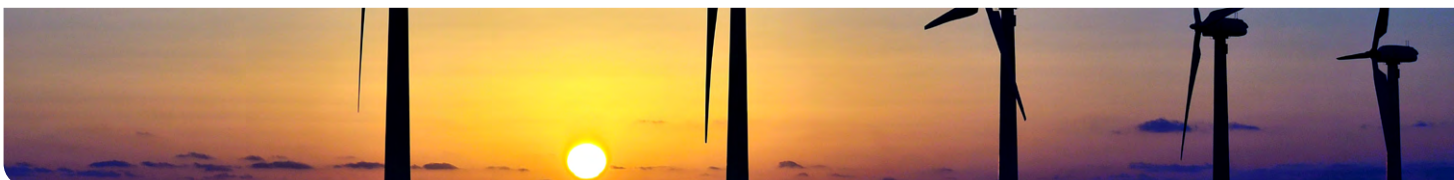
- **Policy and advocacy:** Through the WWF Nedbank Partnership, Nedbank supported WWF's policy and advocacy work by enabling engagement, dialogue, and knowledge sharing on priority transition issues. In 2025, this included structured engagements on transition minerals, EVs, and carbon tax, as well as support for WWF's participation during South Africa's G20 Presidency and targeted discussions with institutions such as the Presidential Climate Commission and National Treasury. Nedbank's role focused on enablement, providing platforms for expert input and exchange. The insights from this work were shared through internal briefings and thought-leadership engagements, supporting awareness across relevant teams and informing ongoing consideration of climate and nature risks within existing governance and policy frameworks.
- **Biodiversity:** We are advancing conservation in the Eastern Cape Strategic Water Source Area by bringing together over 50 stakeholder groupings. These include traditional leaders, communal land authorities, commercial farmers, conservation partners, and public institutions. The work supports resilient landscapes across more than 30 000 hectares of priority catchments that supply water to downstream communities and the economy.

Through the EcoChamps programme, 16 full-time youth have been deployed, with additional young people supported through training and skills pathways linked to land management and conservation. Improved livestock and rangeland management practices are being implemented with farmers and communal associations to reduce degradation and improve long-term productivity.

Technical initiatives include landscape scale invasive alien plant mapping, biochar research linked to rangeland restoration, and participation in international biodiversity research programmes. These actions are improving water quality, strengthening ecosystem function, and building local stewardship and institutional capacity across the region.

(Get more information in the [Nedbank 2025 Society Report](#))

- **Nature materiality assessment:** Building capacity by understanding our nature-related risks and opportunities. In 2025, Nedbank progressed to Phase 2 of its NRA, deepening sector-level insight into nature-related financial risks in the lending book, aligned with TNFD LEAP and using Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) and the WWF Water Risk Filter within existing risk frameworks. Prioritising water, we completed a sector exposure scan and illustrative case studies across higher-risk sectors to test how water availability and quality risks could translate into financial impacts (exploratory, not formal ratings). This work strengthens the foundation for integration into lending and risk processes. [Refer to the Risk management chapter for detailed progress on the NRA.](#)



Case study

IAP/TOPS DIGITAL RESOURCE HUB

IAP and TOPS Digital Resource Hub. Practical tools for nature positive land management

The IAP and TOPS Digital Resource Hub supports the identification and management of invasive alien plants and threatened or protected species. IAP refers to invasive alien plants that degrade ecosystems, reduce water availability, and lower land productivity. TOPS refers to threatened or protected species listed under South African biodiversity legislation.

Developed in partnership with WWF South Africa, the online resource is designed for landowners, land managers, valuers, contractors, agricultural businesses, and conservation practitioners. It provides practical, location-specific information to help users identify regulated species, understand legal requirements, and take informed action to manage environmental risk. The tool links species data to national biodiversity legislation, supporting compliance while protecting the long-term ecological and economic value of land assets.

The hub functions as a practical decision support tool. It enables early identification of invasive species, helping users reduce risks linked to water scarcity, land degradation, declining property values, and regulatory noncompliance. By improving access to clear, credible information, the platform strengthens nature positive land management and supports more resilient outcomes in South Africa's strategic water source areas.



Supporting our clients' transition



Supporting our client's transition

Supporting our clients' transition is a key focus area of Nedbank's climate strategy. Our aim is to provide advisory services and sustainable development financing (SDF) offerings to support our clients' decarbonisation journeys, aligned with the Sustainable Development Goals (SDGs). Involving clients in the bank's sustainability journey is crucial to achieving our net-zero goal. Engagement with clients on their decarbonisation journeys helps deepen relationships as we better understand their businesses. In addition to conventional lending channels that facilitate the transition, decarbonisation empowers Nedbank to create and provide sustainable lending and investment solutions. We continued our client engagement during 2025, integrating considerations of climate impact into our conversations and facilitating a deeper understanding of our clients' plans to transition towards more sustainable practices.

Client engagement insights

Client engagement remains a core lever through which Nedbank advances its climate commitments and integrates sustainability considerations into everyday business decision-making. Our approach is embedded within normal client engagement, origination and portfolio management processes, enabling climate and sustainability matters to be addressed alongside commercial, risk and strategic discussions. This ensures that engagement is ongoing, sector-specific and aligned with the realities of our clients' operating environments.

From 2024 and into 2025, Nedbank continued to mature client engagement processes in climate-sensitive sectors to incorporate sustainability considerations more broadly, extending beyond climate to include wider environmental and social matters where material. This includes strengthening the consistency, depth and quality of sustainability-related discussions with clients, particularly in sectors with material climate transition and physical risk exposure. Engagement supports Nedbank and clients to better understand impacts, risks and opportunities, while recognising differing levels of readiness and the need for phased, transaction-level transition actions.

To enable engagement at scale, Nedbank continues to invest in the capability of client-facing teams through targeted training on climate- and sustainability-related matters. In parallel, the bank continues to mature the digitisation of our Social and Environmental Management System (SEMS) to improve the integration of climate and ESG considerations into credit assessment and decision-making processes.

Client engagement by sector - portfolio focus



Power generation

Engagement prioritises utilities, independent power producers, large energy users, and other relevant private and public sector counterparties. Engagements aim to establish projects bankability, execution timelines and implications for portfolio management.



Fossil fuels

Engagement supports an orderly reduction in financed emissions, aligned with net-zero commitments and governing policies. Dialogue focuses on clients' emissions profiles, borrowing tenors and decarbonisation plans.



Mining

Mining engagement leverages clients' sustainability disclosures to understand maturity and potential financing opportunities to advance greater integration of renewable energy, fleet electrification, methane management, and other operational efficiency.



Heavy industries

Engagement prioritises cement, steel, and aluminium clients as these face high transition risks due to the inherent difficulty in abating their emissions. Dialogue focuses on understanding emissions profiles, operational constraints, and client specific transition pathways over the long term.



Agriculture

Engagement covers the agriculture value chain and focuses on both mitigation and resilience, recognising agriculture's role in food security, rural livelihoods, and export competitiveness. Emphasis is on practical measures that improve productivity and resilience under changing climatic conditions¹¹.

Case study

Client engagement practice: Property portfolio

Nedbank supports a sustainable real estate sector through engagements with property clients and the broader built environment sector. Engagement supports the integration of sustainability considerations into portfolio strategy and management across commercial and residential property portfolios.

Outcomes from engagement include:

- (i) Launch of the South African Real Estate Investment Trust Sustainability Disclosure Guide
- (ii) Increasing use of EDGE certification to deliver measurable improvements in energy, water, and materials efficiency
- (iii) Growing recognition of clients' sustainable elements in their buildings through the Building Energy Efficiency Scale and Scorecard

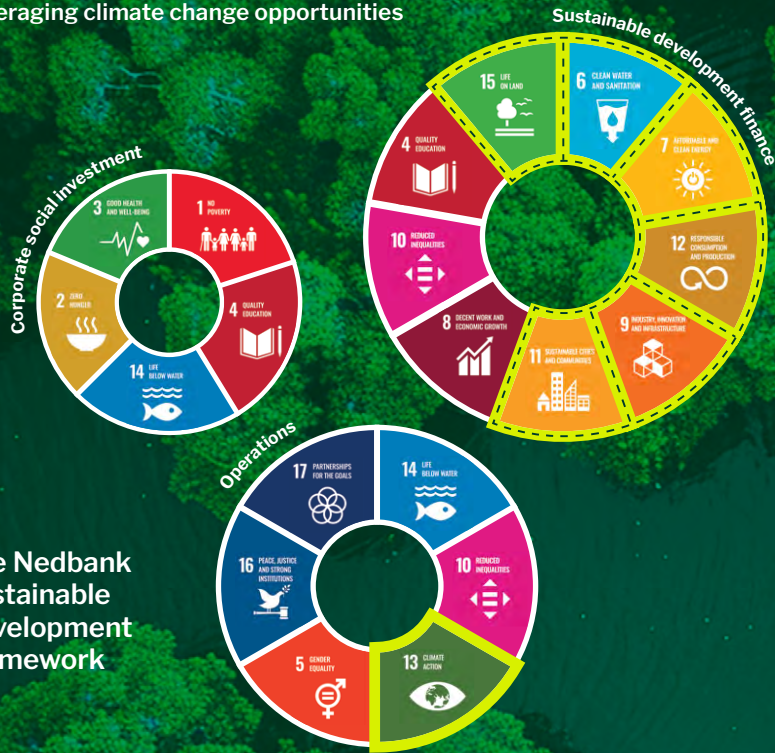
Engagement with sector bodies such as the South African Real Estate Investment Trust Association (SA REIT Association) and Green Building Council South Africa, supports consistent standards, improved data quality, and shared market understanding. These engagement outcomes contribute to more resource-efficient and resilient urban environments, aligned with the objectives of SDG 11.

As a result of our broader sustainability activities, Nedbank's property portfolio now includes over 100 green certified buildings.

¹¹ The agriculture disclosures in this section reflect the Climate Report portfolio boundary, which currently covers post-harvest financing within the Corporate and Investment Banking portfolio. Client engagement extends more broadly across the agriculture value chain, including primary production, resilience, and adaptation considerations, which are addressed through wider client engagement and Society Report disclosures.

Supporting our clients' transition *continued*

Leveraging climate change opportunities



The Nedbank Sustainable Development Framework

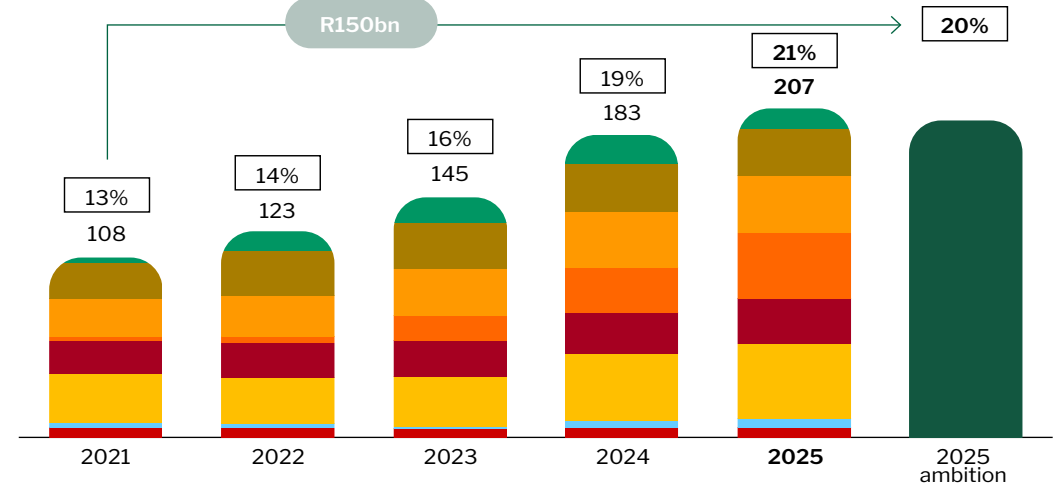
Prioritising SDGs

Although we acknowledge the importance of all 17 SDGs, Nedbank targets 9 key goals where we believe we can create the most significant impact through innovative banking solutions, lending, and investment strategies. Of these, 6 are directly linked to climate change and nature. The following section highlights how Nedbank is leveraging these opportunities to influence our strategy and financial planning.

SDG 6 – Clean water and sanitation	SDG 7 – Affordable and clean energy	SDG 9 – Industry innovation and infrastructure
SDG 11 – Sustainable cities and communities	SDG 12 – Responsible consumption and production	SDG 15 – Life on land

Creating positive impacts - As of December 2025, the group's SDF lending stands at R207bn, representing 21% of the total GLAA of R997bn

Sustainable development finance exposures^{12,13}
(Rbn)



Legend: % of gross loans and advances loan support by 2025
Green aspects linked to green buildings, not included in total SDF number was R52bn in 2025

 R13bn sustainable finance across multiple SDGs	 R30bn support for farmers and the agriculture sector	 R34bn for affordable home loans and green buildings	 R37bn for Industry, Innovation, and Infrastructure. R9bn¹⁴ supporting Municipal infrastructure
 R27bn lending exposure to small businesses and their owners	 R46bn total renewable energy exposures, supporting new generation	 R5bn financing for clean water and sanitation	 R6bn financing for student loans and accommodation

¹² Our SDF target concludes in 2025, marking the end of our initial commitment cycle. We have delivered on our ambition: achieving the R150bn new SDF goal in 2024 and reaching the 20% share of total GLAA in 2025.

¹³ The financing of buildings that include green interventions such as green energy, water and waste efficiencies has not yet been included as we consider its eligibility.

¹⁴ Municipal infrastructure financing was excluded from the baseline calculation of Nedbank SDF-linked lending activity as a percentage of the GLAA in 2021.

Supporting our clients' transition *continued*

Strategic focus

Our initiatives

Highlights for 2025

SDG

Sustainable finance solutions

Sustainability impact bonds or linked loans (SIBs/ SLLs) that link debt restructuring with positive environmental outcomes

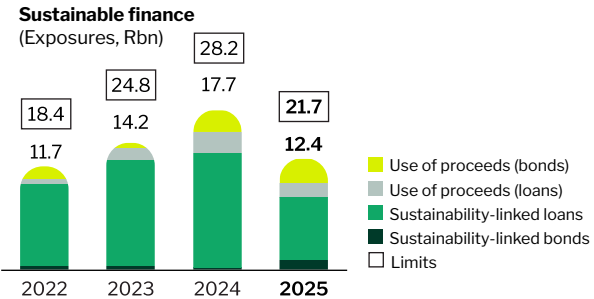
Sustainability impact bonds and sustainability linked loans.

Financing structures that link pricing or terms to agreed environmental outcomes (used in refinancing and capital structure optimisation).

Capital allocation aligned with development impact

- Embedded sustainable finance criteria into core credit and investment processes.
- Used sustainability linked structures to influence borrower behaviour during refinancing and balance sheet optimisation.

- Improved consistency in deal structuring across business units through clearer eligibility and governance.



Renewable energy

Electricity serves as the cornerstone of a low-carbon economy, facilitating reductions in emissions across various sectors.

Financing opportunities:

- Utility-scale renewable energy and small-scale embedded generation (e.g. rooftop solar photovoltaic (PV)).
- Energy storage technologies.
- Energy-efficient technologies and processes in residential, commercial, and industrial facilities.
- Grid upgrades, including smart grids and microgrids.
- Off-grid renewable energy solutions for communities lacking grid access.

Utility-scale renewable energy finance

- Nedbank is a leading funder of renewable energy in South Africa.
- We have been active participants in the REIPPPP since its early stages, successfully growing their portfolio through all rounds.

Private power generation finance

- This market includes embedded energy generation and wheeling by commercial and industrial businesses, as well as small businesses and residences.

Medium enterprises

- Nedbank offers renewable energy finance for clients with annual turnovers of R50m to R1.5bn.
- These installations typically produce up to 1 MW of power and cost between R3m and R4m.

Small businesses and individuals

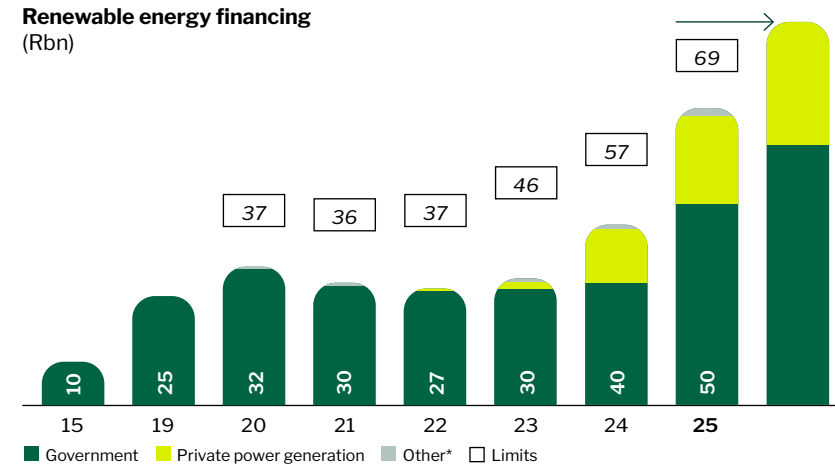
Retail clients face rising energy costs and unreliable supply. Many want practical ways to reduce bills and improve resilience. Nedbank meets this need through a small number of clear channels. We support clients through the following:

- Home loans that include energy upgrades such as solar installations.
- Asset finance for approved renewable energy solutions.
- Personal and alternative energy loans for clients who prefer to choose their own provider.
- The Avo platform, which connects clients to vetted solar solutions with integrated finance and insurance.

Highlights for 2025

- REIPPPP (debt) exposure was R28.07bn;
- private power generation (commercial) exposure was R16.47bn;
- other renewable energy exposure was R0.12bn; and
- total SDG 7 exposure was R46bn.

Renewable energy financing (Rbn)



* Other renewable energy exposure comprises retail renewable energy products, including financing for rooftop solar, battery storage, and other small-scale distributed energy solutions



Supporting our clients' transition continued

Strategic focus

Our initiatives

Highlights for 2025

SDG

Agriculture

The agricultural sector plays a significant role in contributing to greenhouse gas (GHG) emissions in southern Africa. Additionally, this sector is highly susceptible to the impacts of climate change. Strengthening supply chains and promoting sustainable farming practices can enhance resilience in the face of a warming climate.

Financing opportunities:

Investment prospects exist to enhance the food supply chain, which involves upgrading storage facilities, optimising cold-chain logistics and establishing local distribution centres.

These measures aim to mitigate post-harvest food losses.

Financing sustainable agriculture

Nedbank provides a funding programme aimed at addressing the challenges encountered by farmers due to climate change.

These challenges include rising temperatures and decreasing rainfall. Through direct channels or financing cooperatives, this programme offers sustainable farming solutions to farmers.

These solutions encompass water conservation and storage, enhancements to soil health, adoption of advanced irrigation techniques, and implementation of shading strategies to mitigate evaporation.

- Agriculture remains highly exposed to climate variability, water stress, and ecosystem degradation, with direct implications for food security, rural livelihoods, and value chain stability in South Africa.
- At December 2025, **R30bn** of SDF exposure related to agriculture.
- Financing focused on strengthening resilience in primary agriculture and associated value chains, including water management, energy efficiency, and climate resilient farming practices where environmental risks are financially material.
- These investments support more resilient production systems, reduced climate and nature risk for clients, and longer-term protection of natural capital underpinning agricultural productivity.



Funding for water

Climate change is exerting significant pressure on water resources, affecting various sectors that rely on water access. Investments in infrastructure can assist companies in adapting to the challenges posed by a hotter and drier climate.

Financing opportunities:

Investing in water-efficient solutions for residential, commercial, and industrial facilities.

Supporting ecological infrastructure, which includes initiatives such as wetland restoration and catchment area preservation.

Water finance solutions and partnerships

Nedbank provides a financing solution for clean water and sanitation. This solution includes term debt financing for capital expenditure projects aimed at expanding public access to safe drinking water and sanitation facilities.

Nedbank maintains enduring and strong partnerships with several of SA's most notable and accomplished water entities.

We take pride in assisting them in their essential efforts to expand and safeguard our water supply and infrastructure.

Water security remains a critical climate and nature priority in South Africa, with increasing exposure to drought, water stress, and infrastructure failure affecting economic activity and service delivery.

- At December 2025, **R5bn** of SDF exposure supported clean water and sanitation outcomes across the group.
- Financing focused on water supply, treatment, and sanitation infrastructure, supporting resilience in municipalities, industry, and agriculture where water availability is material.
- These investments contribute to improved water security, reduced operational disruption for clients, and long-term protection of natural capital linked to strategic water source areas.



Energy-efficient and sustainable buildings

Renewable energy

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

Financing opportunities:

- New construction of green buildings
- Transitioning brown building
- EDGE Certification

Green building:

Financing the construction, reconstruction, renovation and/or operation of certified greenfield projects, including commercial or residential buildings that meet or have regional, national or internationally recognised standards or certification.

Green aspects:

In supporting our clients, we facilitate their transition by financing green aspects in properties that include 1 or more energy- or water-efficient systems, such as gas, solar PV, solar geysers, wind or hydropower, rainwater harvesting, black-water recycling systems, or boreholes.

Sustainable buildings remain a key climate mitigation and resilience lever, given rising energy costs, water stress, and urban infrastructure pressure in South Africa.

- At December 2025, **R34.5bn** of SDF exposure supported sustainable cities and communities' outcomes, including affordable housing and green-certified buildings.
- Financing focused on energy and water efficient residential and commercial properties, supporting reduced operating costs, lower emissions, and improved resilience for occupants and asset owners.
- **Green aspects** linked to green buildings, including energy and water interventions, amounted to **R52bn** in 2025 and are disclosed separately, outside the SDF total.
- These investments support more resilient urban development, improved housing access, and reduced environmental impact across the built environment.



Supporting our clients' transition continued

Strategic focus

Conservation partnerships

These partnerships and interventions reduce long-term environmental risk and support more resilient economic systems.

Financing opportunities:

- Agricultural land transition, either to natural ecosystems or to land that is cultivated using farming practices, such as regenerative agriculture
- Biodiversity conservation in urban environments
- Protected area expansion invasive species management
- Critical coastal ecosystem restoration

Green economy aligned with small business support

Supporting green and circular small businesses contributes to inclusive growth, job creation, and resilience across priority green-economy sectors. Many activities remain at an early stage and are not yet commercially bankable at scale. That is why Nedbank focuses on partnerships, advisory support, and pre-commercial funding to build viable pipelines. As markets mature and risk profiles improve, financing solutions expand in line with commercial feasibility.

Financing opportunities:

Green economy priorities

Energy

- Small-scale renewable energy and related enterprise development.
- Skills, entrepreneurship, and job creation linked to the renewable energy value chain.

Water

- Water stewardship and efficiency initiatives delivered through partnerships.
- Enterprises focused on maintaining, restoring, and managing water ecosystems.

Waste

- Waste management and recycling enterprises across the waste value chain.
- Circular economy activities that integrate informal waste actors into formal markets.

Agriculture

- Regenerative agriculture, appropriate land use, and climate-resilient farming practices.
- Beneficiation, diversification, and local value chain development in agriculture.

Our initiatives

Over the last 5 years, the WWF Nedbank Green Trust has disbursed about R103m to 33 conservation projects across South Africa, with significant funding directed to water security, protected areas, and community livelihoods. Key areas of work include the following:

- Strengthening catchment governance and water security in strategic water source areas.
- Advancing stewardship and protected area expansion.
- Improving human-wildlife coexistence in priority landscapes.
- Supporting local enterprise, youth employment, and value-chain development linked to conservation.

These initiatives are delivered in partnership with communities, conservation organisations, and public institutions, focusing on long-term resilience rather than short-term outputs.

Catalytic funding for sustainable development grants and concessional funding for the green economy. This is facilitated through our Social Impact Unit, advisory services, the financing we provide, or other existing or new banking products.

Highlights for 2025

- Strengthened national water governance. Catchment Management Agency (CMA) officials received targeted training that improves compliance, monitoring and long-term protection of Strategic Water Source Areas.
- Protected area expansion advanced. More than 20 000 hectares in the Eastern Cape Grasslands moved through stewardship assessment and declaration processes.
- Human-wildlife coexistence model delivered measurable reductions in conflict in the Hluhluwe iMfolozi Park (HiP) landscape. This improved safety, trust and local stability.
- Other Effective Area Based Conservation Measures (OECM) framework matured. South Africa developed a national interpretation of OECM criteria and completed pilot assessments across 3 biosphere reserves.
- EcoChamps and local enterprise support scaled. Youth employment and skills development delivered economic and environmental returns, including through the wool production value chain, where improved rangeland management and animal health supported livelihoods and land outcomes.

Nedbank Social Development Fund

- **Impact amplifier R5m**
The programme objective is to identify and scale innovative circular economy models that will create jobs at scale
- **Fetola R19m**
Scaling of the Circular Economy Accelerator Programme Recapitalisation of the Nedbank Green Economy Fund
- **Indalo Inclusive R38m**
 - » Scaling of the SIAGIA Incubation programme
 - » Recapitalisation of the Nedbank Indalo Fund
 - » Launching of the Nedbank Indalo Energy Resilience Fund.
 - » A R10m initiative aimed at supporting SMMEs, NGOs, and public-benefit organisations in South Africa by providing interest-free financing for clean energy solutions

SDG



Tilting our book



Tilting our book

Due to our focus on the African continent and our geographic location, Nedbank and our clients are especially vulnerable to the adverse effects of climate change. In the journey towards net-zero, we believe our primary responsibility is to assist our clients in their transition by offering financing, investment, insurance products, and related services aimed at climate change mitigation and adaptation. The unique challenges of SA, including persistent energy supply issues and economic constraints, make the net-zero transition particularly demanding.

Approach and purpose

‘Tilting our book’ means intentionally shifting capital over time toward activities, sectors, and clients that align with a net-zero, nature-positive, and just economy. Our largest climate and nature impacts arise from capital allocation decisions across our lending and investment portfolios.

Our primary focus is on real economy outcomes supporting clients as they decarbonise their existing assets and financing credible low-carbon investments thereby managing physical climate and nature risks. Sector constraints and considerations as well as client transition readiness largely guide the pace of what is possible and how we can support as a bank.

This approach is informed by our climate and nature strategy and is guided by our Climate Change Position Statement, and Energy Policy. These frameworks set our net-zero by 2050 ambition, recognise climate as a material financial risk, affirm a Just Transition, reduce fossil fuel exposure, and prioritise non-fossil-energy financing.

Nedbank differentiates between what is disclosed publicly and what is applied in execution. In a limited number of sectors, we disclose financed emissions glidepaths where data quality, methodological stability and portfolio coverage support credible reporting. In other sectors, we focus on practical decarbonisation levers rather than public glidepaths. This reflects a disciplined emphasis on actions we influence today, including technology shifts, efficiency improvements and financing structures. Disclosure follows capability and data readiness.

Net-zero transition plan update

Nedbank is building the foundations required to ensure we can publish a credible net-zero transition plan as part of our 2026 integrating reporting cycle.

Climate transition planning expectations for banks are changing fast. International standards now define what a credible net-zero transition plan looks like and what financial institutions need to disclose over time. These standards shape regulatory, investor, and supervisory expectations.

IFRS S2 defines climate transition planning as part of overall strategy, covering targets, actions, resources, assumptions, and dependencies. Glasgow Financial Alliance for Net-zero (GFANZ) and the Transition Plan Taskforce (TPT) expand

this guidance for banks. In South Africa, disclosure expectations align with these international standards and place added focus on sector relevance, data quality, and strategy alignment.

We are developing our net-zero transition plan in line with international and local banking practices. We are integrating financed emissions measurement/baselining, glidepath development/target setting, and associated decarbonisation levers to develop and execute effective sector-specific decarbonisation strategies. The priority is to

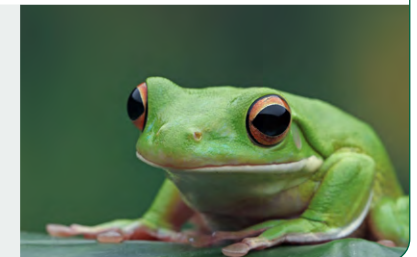
develop a plan that is credible and decision-useful, grounded in sector realities. Metrics and targets form the core, with focus on financed emissions coverage, data quality, and progress tracking.

Current work focuses on strengthening sector coverage and data quality. This approach balances transparency with credibility and supports a just and orderly transition for clients and the broader economy.

The building blocks of tilting our book

Financed emissions reporting

- Financed emissions measure GHG emissions associated with activities financed through our portfolios. They provide a decision-focused view of climate risk and impact across portfolios. We use the Partnership for Carbon Accounting Financials (PCAF) methodology as the primary measurement standard to establish calculations and baselines. This supports consistency across asset classes, allows us to improve data quality scores over time, and enables comparability with peers.
- We are expanding financed emissions measurements across emissions intensive sectors, with focus on coverage and data quality.



Tilting our book continued

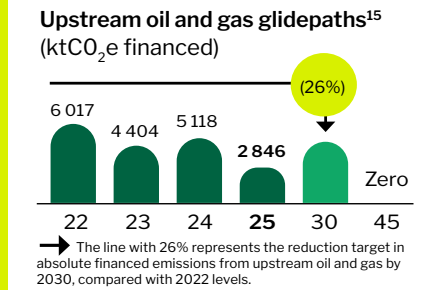
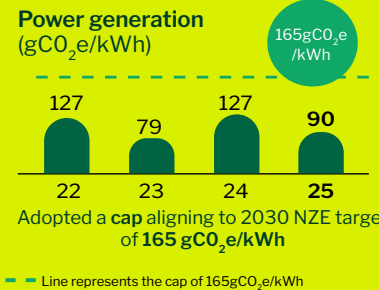
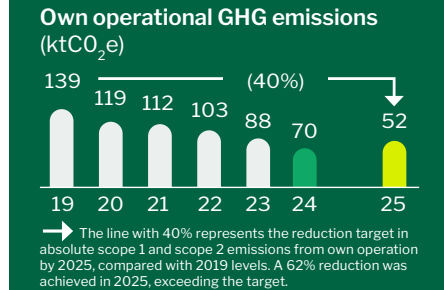
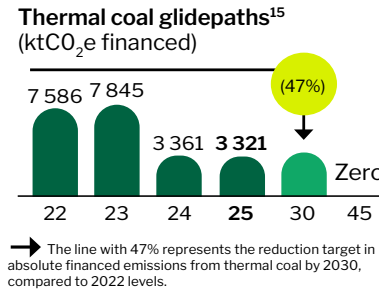
Priority sectors and portfolio focus

- Financed emissions data informs our prioritisation of sectors, the setting of portfolio and sector-level targets, and the monitoring of progress against our net-zero ambition. Detailed methodologies, data assumptions, and coverage are disclosed in the Metrics and targets section.
- Nedbank has prioritised sector-specific analysis to support credible decarbonisation planning. This work examines emissions drivers, transition risks, and practical decarbonisation levers within priority emissions-intensive sectors.
- Capital shifts unevenly across sectors. We therefore prioritise sectors based on a combination of:
 - » Material portfolio exposure and risk contribution.
 - » High emissions intensity or absolute emissions.
 - » Sufficient data quality for baselining and tracking.
 - » Relevance to South Africa and Africa's development and transition needs.
- This prioritisation explains why some sectors already disclose glidepaths and financed emissions, while others remain in earlier assessment phases.
- Our sector overviews outline key decarbonisation trends and developments, highlight the challenges and opportunities within each sector, and summarise Nedbank's activities and transition strategies where these have been developed.

📖 **For further information, refer to the Metrics and targets section.**

Decarbonisation mechanisms

- Glidepaths translate long-term net-zero ambition into sector-level direction. They describe how financed emissions in selected sectors are expected to change over time. Glidepaths are intended to guide capital allocation, structure client engagement, and support transparent monitoring of progress.
- A glidepath sets a planned, time-bound trajectory for reducing financed emissions within a specific sector, grounded in science-based pathways aligned with net-zero emissions scenarios. It reflects sector characteristics, asset life cycles and technology availability, while recognising that portfolio exposures span multiple geographies, including oil and gas activities outside South Africa. Glidepaths do not represent unconditional commitments but function as planning tools that evolve as data quality improves; policy signals strengthen and enabling conditions across markets develop.
- Nedbank uses glidepaths for 3 purposes. Firstly, they support strategic planning by setting short-, medium-, and long-term expectations for emissions outcomes in priority sectors. Secondly, they structure engagement



with clients by providing a shared reference point for transition discussions, investment sequencing, and financing decisions. Thirdly, they support monitoring by indicating whether financed emissions are moving broadly in line with selected transition pathways.

- Glidepath disclosure is selective and based on sector readiness. Sectors with material portfolio exposure, high emissions intensity, and sufficient data maturity progressed to glidepath development and disclosure. Where these conditions are not yet met, sectors remain under assessment. This approach prioritizes credibility and decision-usefulness over uniform coverage.
- Several constraints affect glidepath development in the South African and broader

¹⁵ Glidepaths for the thermal coal and upstream oil and gas sectors are calculated using limits rather than exposure levels, as limits provide a more stable and representative basis for financed emissions and support year-specific decision-making, whereas exposures can be volatile and do not support a reliable longer-term view of sector-associated emissions.



Tilting our book continued


Decarbonisation mechanisms continued

African context. These include dependence on the national grid, policy and regulatory gaps, emissions data limitations, long asset life cycles, affordability pressures, and system-level infrastructure constraints. In sectors without disclosed glidepaths, we focus on specific decarbonisation levers at client and transaction level.

- To date glidepaths have been disclosed for upstream oil and gas, thermal coal and power generation, with sector analysis completed for priority sectors, including mining, vehicle asset finance, residential real estate, and commercial real estate. These insights will inform financing decisions, client engagement, and future target setting to reflect sector realities.

Glidepaths remain dynamic. They are refined over time as data quality improves, client transition readiness strengthens, and enabling conditions evolve. This approach supports an orderly and Just Transition while maintaining alignment with financial risk management and development priorities.

Managing risk while tilting the book

- Tilting the book integrates directly with risk management. Physical, transition, and nature-related risks feed into risk appetite, credit policy, and portfolio steering.
- Scenario analysis and stress testing inform sector limits, origination strategies, and refinement / development of glidepaths and levers.
- **Detailed risk definitions and methodologies appear in the  Risk management section.**





Managing climate and nature risk

Managing climate risk: Integrating climate- and nature-related risks into our Risk Management Frameworks.

Climate-related risks are managed through the CRMF, which sits within the group's Environmental, Social and Governance Risk Management Framework. Aligned with regulation and international guidance, the CRMF defines how the group identifies, assesses, monitors, and governs climate-related risks and integrates them into existing enterprise risk management processes.

The CRMF is supported by key assessments and underlying tools, notably the CRMA and the NRA. The CRMA identifies material climate risk concentrations, with a current focus on the credit portfolio. In parallel, the NRA, aligned with the TNFD LEAP framework, identifies sectors with high nature-related dependencies and impacts, broadening the risk lens beyond climate.

Together, these assessments enable climate- and nature-related risks to be treated as crosscutting risk drivers across traditional risks such as credit, market, operations and underwriting risks. While environmental-related credit risk assessment integration is more mature, the group will progressively integrate climate risk into operational risk, market risk and underwriting risk. [Refer to the Risk management section for a detailed overview of our risk management practices.](#)



Managing our own operations



Managing our own operations

Since 2009, we have sustained carbon-neutrality in our operations by voluntarily offsetting any remaining emissions. Additionally, we have reinforced our decarbonisation strategy by integrating renewable energy into our operations while managing our operational carbon footprint and broader environmental impacts. This 'learn-by-doing' approach informs how we support clients in their decarbonisation efforts.

Operational value chain

We manage our operational environmental impacts as part of day-to-day business management. The focus is on reducing emissions, improving resource efficiency, and strengthening data quality to support decision-making and disclosure.

In 2025, we continued progress toward reducing direct operational emissions using 2019 as the baseline year. This work focuses on scope 1 emissions from owned assets and scope 2 emissions from purchased electricity, alongside selected upstream scope 3 sources linked to business travel, employee commuting, and key procured goods and services.

Achievements in 2025

Operational emissions performance

In 2025, we achieved a 62% reduction in scope 1 and scope 2 location-based emissions relative to the 2019 baseline (138 569 tCO₂e) using the National grid emission factor (56% using the Eskom emission factor). This outcome reflects sustained focus on energy efficiency, renewable energy procurement, and operational controls. Strengthening the quality of emissions data, verification, and reporting processes remained a priority to support accuracy and consistency.

Data integrity and transparency

We continue to improve the quality, completeness, and governance of environmental data used for internal management and external disclosure. During the year, work progressed to better align data sources, controls, and reporting processes across the group. Centralised ESG data repositories are being strengthened to support more consistent monitoring against targets and reporting requirements.

Decarbonisation strategy and net-zero ambition

Our operational decarbonisation efforts align with the group's 2050 net-zero ambition. Priority actions focus on increasing renewable electricity use, improving building efficiency, and managing emissions from travel and facilities. As part of this approach, we targeted, and achieved, a 30% reduction in business travel emissions by the end of 2025 relative to 2019 levels, contributing to cumulative emissions reductions across operations.

Green procurement

Our Green Procurement Policy supports sustainable consumption and production by integrating environmental considerations into supplier onboarding and sourcing decisions. The policy prioritises responsible resource use, reduced waste, and improved management of water, chemicals, and hazardous materials. An environmental evaluation checklist is applied during supplier onboarding to assess practices across these areas.

Case study

Renewable energy certificates for leased buildings

We operate many branches in leased buildings and do not control the electricity supply in these sites. South Africa's grid remains coal-based creating a structural constraint on reducing scope 2 emissions from purchased electricity. We required a credible and auditable solution aligned with our climate commitments.

We partnered with Growthpoint Properties to procure renewable energy certificates linked to onsite solar generation at Growthpoint owned properties. Growthpoint generates renewable electricity through small-scale embedded solar plants. Each megawatt hour of renewable electricity receives certification and tracking through blockchain technology aligned with the IREC and zaRECs registries. We purchase and retire these certificates to offset electricity-related scope 2 emissions from 26 branches located in leased buildings across 5 provinces. An external audit firm provides assurance over certificates.

The arrangement offsets electricity-related scope 2 emissions across more than 8 200m² of branch space. The approach supports our renewable energy targets and reinforces our carbon neutral status, which we have maintained since 2010. The model demonstrates a scalable and verifiable pathway for decarbonising leased assets where tenants lack direct control over electricity supply.

We addressed a material operational constraint using a market-based instrument with high audit integrity. The model strengthens the credibility of our scope 2 reporting and sets a benchmark for corporate decarbonisation in leased environments.



Managing our own operations continued

Case study

Smart metering across the branch network

Energy data across our branch network was fragmented and compiled manually. Limited visibility constrained active energy management and reduced the quality of sustainability reporting. Rapid growth in on site solar PV increased the need for integrated monitoring of electricity consumption and generation.

We deployed smart meters across 100% of our national branch network, covering 390 branches. The solution measures real-time grid electricity consumption and solar PV generation using Victron Energy smart metering equipment. All data feeds into a central energy efficacy application that provides dashboards, analytics, alerts, and reporting at branch and network level.

We now have real-time visibility of energy performance across the branch estate and we identify high consumption sites, detect inefficiencies, optimise solar PV output, and respond faster to anomalies. Automated and accurate data improves operational decision-making and strengthens emissions tracking and ESG disclosures.

We built a digital foundation for long-term energy management. This system reduces operational risk linked to poor data quality and supports cost control, resilience, and credible climate reporting.

Supplier engagement and green procurement

Supplier engagement is a critical lever in managing climate- and nature-related risks across Nedbank's value chain and in advancing the group's environmental, social and governance (ESG) objectives. Guided by Nedbank's Green Procurement Policy, which integrates environmental, social and economic considerations into procurement decision-making, our approach combines robust supplier screening, targeted engagement, capability building and clear policy guidance to improve transparency, manage risk and support emissions reduction and positive environmental outcomes over time.

Supplier screening and ESG risk assessment

Climate and broader ESG considerations are embedded into supplier onboarding and ongoing review processes through Nedbank's Procurement Policy and Environmental Evaluation Checklist. Environmental and ESG screening tools are applied to new and existing suppliers to assess exposure to climate-related risks, emissions intensity, resource use, waste management practices and environmental governance maturity. Priority suppliers are identified based on spend, criticality and inherent risk profile, with enhanced focus on sectors with higher environmental impact or operational exposure, including logistics, cash-in-transit, facilities management, property services and data-intensive services. These assessments inform supplier risk tiering, due diligence cycles and targeted engagement activities across the supply chain.

Supplier engagement, disclosure and ESG capability building

Supplier engagement focuses on improving ESG awareness, strengthening disclosure quality and supporting alignment with Nedbank's sustainability expectations. Priority suppliers are encouraged to disclose environmental and climate-related data, including greenhouse gas emissions, through recognised questionnaires and reporting platforms. Engagement is delivered through structured data requests, direct dialogue, feedback on submissions and ongoing performance discussions to support progressive improvement over time.

To reinforce this approach, ESG training has been rolled out across Corporate Real Estate (CRE) and Procurement teams, strengthening internal capability to embed ESG considerations

consistently into sourcing decisions, contracting and supplier performance management. This training supports more informed engagement with suppliers and reinforces shared accountability for sustainable procurement outcomes across operational and enabling functions. As a result of these combined efforts, approximately 69% of Nedbank's suppliers demonstrate some level of ESG compliance, reflecting progress in embedding responsible business practices across the supply base.

Policy framework guiding supplier conduct

Supplier engagement is underpinned by a comprehensive policy framework, including Nedbank's Green Procurement Policy, the Supplier Code of Conduct, and relevant ESG and risk management frameworks. These policies set minimum environmental and social standards, outline expectations for responsible business conduct and support alignment with regulatory, disclosure and stakeholder expectations. Environmental and ESG criteria are integrated into supplier onboarding, tender evaluations, contracting and periodic reviews, reinforcing accountability and consistent application of sustainability principles across the supply chain.

Green procurement in practice

Since 2023, Nedbank has implemented a range of practical green procurement initiatives, further strengthened in 2025, to embed the Green Procurement Policy and ESG integration across Procurement and Corporate Real Estate (CRE). These initiatives include preferring environmentally compatible products and services where feasible; embedding environmental impact assessments as a core criterion in sourcing and tender processes; promoting waste reduction, recycling and

resource efficiency in facilities and property management; and engaging suppliers on lower-carbon solutions across travel, fleet, logistics and data services.

Open-source data has been adopted to establish baseline ESG ratings for suppliers, supporting more informed procurement and risk decisions. Ongoing and planned initiatives include the increased use of electric vehicles for business travel, expanded adoption of hybrid vehicles for shuttle services, and collaboration with landlords to advance green building practices and solar/PV uptake. A 3-year roadmap underpins these actions, ensuring alignment to demand management, reduced environmental impact and value-for-money outcomes, while progressively influencing supplier behaviour and innovation. In parallel, the adoption of globally recognised independent ESG rating methodologies continues to gain traction as Nedbank expands its influence and maturity in sustainable procurement.

Performance and continuous improvement

In 2025, Nedbank achieved an A+ CDP Supplier Engagement Rating, reflecting strong and sustained engagement with suppliers on climate- and environment-related practices. Ongoing priorities include expanding emissions data coverage, improving data quality, strengthening supplier capability to respond to evolving climate- and nature-related expectations, and deepening ESG integration into procurement decisions. Insights from supplier engagement and ESG assessments continue to inform risk management, sourcing strategies and Nedbank's broader sustainability reporting, supporting continuous improvement across the value chain.

Managing our own operations continued

Strategic focus

Our initiatives

SDG

Various drivers are prompting further investment to adopt technologies and initiatives that not only generate and safeguard water and energy security, but also contribute positively to the environment.

Energy efficiency

- *Replacing LED lights with more efficient 26-watt panels* leading to an average saving of 35% from lighting. In some instances, also reducing the number of fittings which also decreases the routine maintenance and replacement frequency.
- *Refurbishment of the cooling towers:* This has a significant impact on the energy consumption as we acquire cooler condensed water and thus use less energy to cool water.
- *Efficient use of chillers:* Matching chiller run to the building load instead of running all chillers.
- *Air handling units:* Reconfiguring the heating and cooling conflicts at the air handling units.

Water

- Adoption of waterless urinals leading to a 7% reduction in overall water consumption by eliminating the need for urinal flushing.

Waste-to-landfill

- Reintroduce the Bokashi waste management system across selected sites to achieve an anticipated reduction of up to 8% in landfill waste.

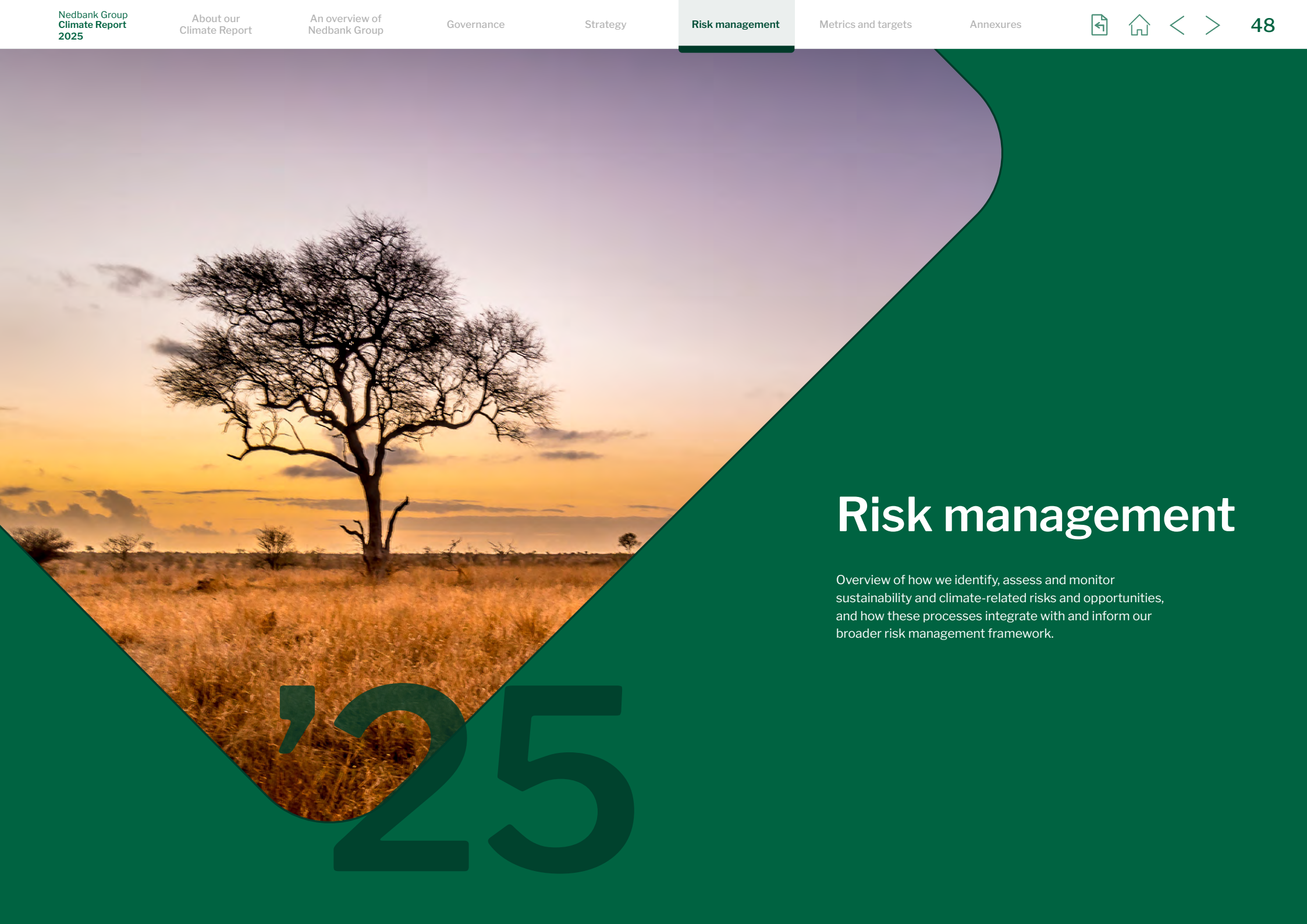


From 2026 and beyond

In 2026 and beyond, we continue to advance operational efficiency across our on-site facilities by implementing targeted technological and behavioural interventions. These include the optimisation of heating, ventilation, and air conditioning (HVAC) systems through smart thermostats and automated scheduling, the enhancement of lighting performance via daylight-harvesting controls, and the replacement of traditional boilers with instant water heaters in restaurants and shower areas.

In addition, we are strengthening the integrity and completeness of our environmental disclosures by establishing mechanisms to track and quantify the carbon impact associated with office relocations, including smart metering for electricity and water. This will enable more accurate reporting of transition-related emissions and support data-driven decision-making across our property portfolio. We also aim to strengthen the integration of sustainability criterion into Nedbank's procurement scorecards for furniture and related items for interior design, refurbishments, art fittings within the overall workspace planning strategy.





Risk management

Overview of how we identify, assess and monitor sustainability and climate-related risks and opportunities, and how these processes integrate with and inform our broader risk management framework.

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Our climate risk management process

Introduction

Climate change is transforming economies and daily life, presenting emerging risks that require new financing opportunities. To effectively manage our risks and strategically pivot our focus to these new opportunities, it is essential to identify our material climate risks. Reflecting on this, we are advancing and embedding our risks assessments into business in an intentional and cross-collaborative manner.

Managing climate risk is a crucial component of our broader risk management framework, influencing not only our operations and portfolios, but our current and future clients. Our approach is shaped by our Climate Risk Strategy and Climate Change Position Statement. Since the release of our Nature Position Statement in 2024, we have extended our focus to include Nature Risk Assessment (NRA). We review our board-approved environmental-related risk appetite annually which covers both climate and nature risks to ensure it remains consistent with our Climate and Nature Position Statements, Energy Policy, and strategic goals.

In addition to our CRMF, our Risk Appetite Framework guides our decision-making by setting boundaries for acceptable climate-related risk levels. The management of climate risk is integrated in our 3LoD model.

Nedbank's CRMF is informed by regulatory requirements and guidance, ensuring both adoption of best practice and compliance. Our Group Compliance function continuously tracks the evolving climate-related regulatory requirements and developments.

The table below outlines significant regulatory changes that influenced businesses and financial institutions in 2025. These new requirements were reviewed to assess their relevance and to pinpoint any gaps requiring attention. Gaining insight into these legislative updates helps us adapt to the changing regulatory climate, maintain compliance, and support sustainable development objectives.

Emerging legislation/regulation	Description
SARB PA – Climate Guidance	The SARB PA issued guidance notes on climate-related governance and risk practices to banks (G2/2024) and insurers (G1/2024) in May 2024. G3/2025, which relates to climate disclosures, was issued in October 2025 (replacing G2/2024) to distinguish between qualitative and quantitative disclosures and includes 4 disclosure templates.
Climate Change, Act 22 of 2024 (Act)	The act was proclaimed in March 2025. However, the commencement of certain provisions of the act have been deferred to a later date.
Draft National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations and Draft Technical Guidelines (for comment) – issued in terms of the Act.	The regulations stipulate the requirements necessary to allocate, implement, and enforce any approved carbon budget and associated mitigation plans. Among others, the regulations provide for mandatory allocation, progress tracking, compliance assessment, and enforcement.
Phase 2 of the Carbon Tax Act, 15 of 2019	The Carbon Tax Act introduced a 'tax per tonne of carbon dioxide equivalent' on emitting companies as part of the polluter-pay principle. Phase 2 of the Carbon Tax Act proposes to increase the tax rate significantly and to restructure the tax-free allowances from 1 January 2026 to intensify the reduction of emissions.
Advertising Regulatory Board (ARB) – Draft Sustainability Code to deal with greenwashing (comment)	The ARB published the draft Sustainability Code in June 2025 for comment. The code aims to address greenwashing by establishing clear definitions and guidelines for various environmental claims, including the compostability, recyclability, and carbon-neutrality of products.
Green Finance Taxonomy (GFT)	Following a 2-year consultation and development process, South Africa's first national GFT was launched by the Taxonomy Working Group as part of country's Sustainable Finance Initiative, chaired by the National Treasury. The GFT represents a classification system to help investors make informed decisions on 'green' projects. It remains voluntary at this stage.
Basel Committee on Banking Supervision – Discussion Paper on Climate Scenario Analysis	The paper explores how climate scenario analysis can be used effectively to enhance the management and oversight of climate-related financial risks. It emphasises the importance of climate scenario analysis in helping banks assess the resilience of their business models and strategies against various climate-related pathways.

Our climate risk management process continued

Climate-related regulation and guidance continues to evolve rapidly, shaping both supervisory expectations for banks and the operating environment of our clients. In this context, Nedbank's approach to climate risk management is underpinned by a proactive and structured response to regulatory developments, ensuring ongoing compliance while supporting informed decision-making across the group.

Compliance plays a central role in this process by systematically identifying, categorising and assessing climate-related regulatory requirements to determine compliance risk exposure and the potential consequences of noncompliance. Monitoring activities are aligned with assessed risk levels, with the effectiveness of controls and key outcomes reported through established governance structures. To strengthen this capability, an internal ESG-related working group has been established. This group enables the early identification and coordinated assessment of emerging ESG and climate-related regulatory developments, as well as close engagement with business units to support the implementation of new requirements.

While certain regulatory developments may not directly apply to Nedbank, international policy and supervisory trends continue to influence the local regulatory landscape and may

have indirect impacts on our clients, depending on the nature of their activities. As a result, Compliance actively monitors both domestic and international developments to anticipate regulatory direction, inform internal preparedness, and provide an advisory function to the business on emerging expectations, including climate-related disclosure practices.

From an international perspective, the issuance of IFRS S1 (general requirements for disclosure of sustainability-related financial disclosure) and IFRS S2 (climate-related disclosures) by the International Sustainability Standards Board (ISSB) in 2023 marked a significant step in consolidating and enhancing the former Task Force on Climate-related Financial Disclosures (TCFD) recommendations into a global baseline for sustainability-related financial disclosures. Nedbank continues to focus on the phased and voluntary adoption of these standards, ensuring alignment with international best practice as well as the SARB PA's climate-related guidance notes.

Nedbank also actively participates in industry forums, including committees established by the Banking Association South Africa (BASA). These platforms facilitate industry engagement, regulatory dialogue and the development of coordinated responses to climate-related risks and sustainability matters.

Process for identifying and assessing climate-related risks

Overview

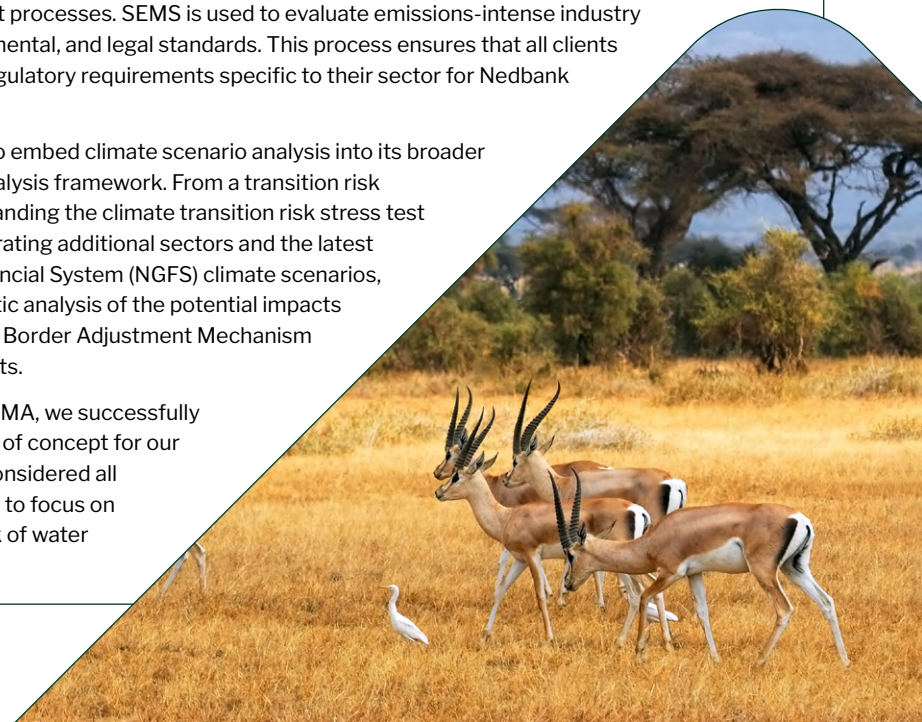
Our primary focus for 2025 has been on the continued and enhanced implementation of the CRMF within frontline business areas, with particular emphasis on assessing climate risk. The process of assessing climate risk distinguishes itself through its unique and complex nature compared to traditional risk types encountered by financial institutions. As a result, we have adopted a more focused approach to mature the CRMA initially developed in 2023.

The 2025 CRMA is a robust, internally developed climate risk assessment methodology, underpinned by collaborative forums that draw on expertise from climate scientists, risk professionals, data modelers, sector specialists, and business strategy stakeholders. This collective approach ensures that the risk management process is highly practical and specifically suited to Nedbank's operating context. In particular, the focused analysis of the manufacturing sector along with its climate-sensitive subsectors was instrumental in further developing and refining the CRMA. The methodology's alignment with regulatory guidance such as the SARB G2/2024 and G3/2025, coupled with ongoing scenario analysis and the integration of diverse perspectives, enables the bank to support informed decision-making and strengthen strategic resilience.

Climate risk is assessed at a transaction level by embedding climate-related risk considerations into existing credit risk assessment processes. SEMS is used to evaluate emissions-intense industry clients against social, environmental, and legal standards. This process ensures that all clients have fulfilled the necessary regulatory requirements specific to their sector for Nedbank to extend financing.

In 2025, Nedbank continued to embed climate scenario analysis into its broader stress testing and scenario analysis framework. From a transition risk perspective, this included expanding the climate transition risk stress test conducted in 2024 by incorporating additional sectors and the latest Network for Greening the Financial System (NGFS) climate scenarios, as well as performing a thematic analysis of the potential impacts of the European Union Carbon Border Adjustment Mechanism (EU CBAM) on Nedbank's clients.

Running in parallel with our CRMA, we successfully completed our first NRA proof of concept for our credit portfolio in 2025. We considered all ecosystem services and opted to focus on Water due to the elevating risk of water scarcity in South Africa.



Our climate risk management process continued

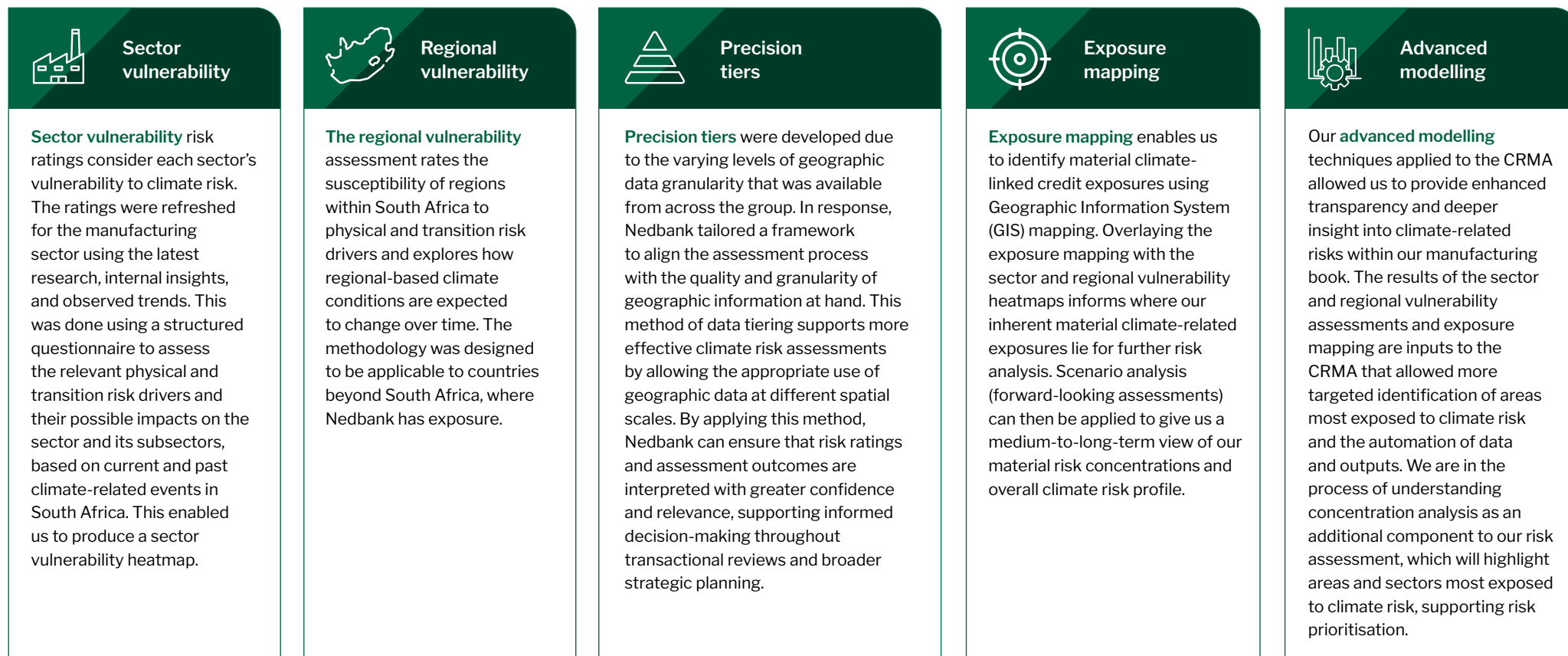
Climate risk materiality assessment

The aim of our refreshed CRMA methodology, first developed in 2023, was to develop the tools and guidelines to conduct the assessment. The CRMA was segmented into stages that support and validate material climate risk concentrations, resulting in a more structured and repeatable process for internally assessing and quantifying climate risk. The enhanced CRMA now enables a logical, science-based prioritisation of climate risks. The updated methodology also enables Nedbank to identify, assess, and manage climate-related risks proactively through a focused risk

assessment lens, looking into how climate risks manifest through economic transmission channels and result in financial impacts. These economic transmission channels aim to assess how climate-related risks translate into financial impacts through productivity and output; income and expenditure; asset valuation and financial markets as well as the potential impacts on clients. Ultimately, these enhancements assist the group in operationalising and providing a robust framework for prioritising and managing climate risks in a consistent manner.



Steps in the CRMA



Our climate risk management process continued

Looking ahead to 2026, Nedbank remains committed to elevating its climate risk management by finalising and implementing the enhanced CRMA methodology across the credit portfolio. The next phase will introduce concentration and scenario analyses, ensuring our approach remains focussed, dynamic and strategic. The CRMA will be integrated across business clusters, enabling comprehensive evaluation of additional sectors and regions, and will be further matured for other risk types as the methodology and tools are validated and evolve. Our journey will be supported by improved data sourcing, with a focus on prioritising data quality and availability, both internally and through collaboration with climate data experts and providers. We plan to expand the CRMA to include operational risk in 2026.

CIB has enhanced its analytical capabilities and strengthened its assessment of physical climate risks within the Commercial Property Finance (CPF) portfolio. The analysis evaluates the potential impact of key climate-related hazards including floods, wildfires, hail, and lightning on properties financed within the portfolio.

As part of this enhancement, Nedbank expanded the underlying methodologies and incorporated a forward-looking component to better understand how physical climate risk may evolve. Three major improvements were introduced, being:

- 1 the refinement of existing risk assessment models,
- 2 expanded coverage of additional physical climate hazards, and
- 3 the inclusion of long-term climate scenario-based projections.



Refined methodologies

Existing flood and wildfire assessment models were strengthened through the introduction of additional variables, influencing the probability and severity of these events. For example, rainfall intensity measures and terrain characteristics were incorporated into the flood risk methodology to improve accuracy and localisation.



Expanded hazard coverage

The scope of the analysis was broadened to include quantitative assessments of subsidence and drought risks. An aggregate physical risk indicator was also introduced, enabling a consolidated view of risk across all hazard types.

Forward looking assessments

A forward-looking capability was developed to assess physical climate risk up to 2050, using a range of scenarios from reputable climate scenario developers such as the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These projections illustrate how risk profiles may shift over time, for example, rising flood risk scores in the higher rainfall eastern regions of South Africa compared with lower, more stable scores in the drier western regions.



These enhancements materially advance Nedbank's ability to identify, quantify, and manage physical climate risks within the CPF portfolio. Grounded in geospatial analysis, the methodology offers strong scalability and can be applied across other portfolios containing physical assets where physical location data is available. The integration of forward-looking climate scenarios further supports a wide range of strategic, risk management, and planning applications.

Aligned with Nedbank's ambition to embed climate scenario insights into decision-making processes, the assessment framework is designed for automation and regular updating. Beyond improved risk quantification, the assessment highlights geographic vulnerabilities and enables the identification of opportunities to support clients in climate resilience and mitigation initiatives.

By embedding best practices and leveraging cutting-edge insights, Nedbank aims to build a resilient and adaptable climate risk profile that empowers proactive decision-making and positions the bank as a leader in sustainable finance, while also enabling robust, reliable reporting aligned with evolving regulatory and disclosure requirements.

Our climate risk management process continued

Nature risk assessment

Climate- and nature-related risks are now widely recognised as mutually re-enforcing and have become critical considerations for banks and the broader business community, given their substantial and far-reaching effects on the economy and financial systems. The ongoing degradation of natural ecosystems and the impacts of climate change, including land use change and increasingly frequent extreme weather events, are disrupting economic activities and present significant challenges to South Africa's financial stability. For Nedbank, proactively addressing these risks is vital not only to protect the bank's financial resilience, but also to support the transition towards a more sustainable and nature-positive economy.

Integrating climate and nature risk considerations into our strategies is fundamental for ensuring long-term sustainability and aligning with global initiatives aimed at combating climate change and biodiversity loss.

The development of this risk assessment reflects the bank's ability to engage with clients and support the financing of activities that contribute to nature restoration and resilience. We therefore aim to meet the goals set out in:

- the Principles for Responsible Banking (PRB);
- the Kunming-Montreal Global Biodiversity Framework (GBF), which aims to protect 30% of the planet's natural habitats by 2030;
- UN and South African basic human rights recognising the

right to protection of the environment which is not harmful to human health; and

- South Africa's National Biodiversity Framework and the 2015 – 2025 National Biodiversity Action Plan.

Nature-related risks are assessed through physical risk drivers (e.g., water scarcity, biodiversity collapse) and transition risk drivers (e.g., regulatory shifts, market changes). Our current focus is our lending portfolio, and our approach has been developed to be integrated into our existing credit risk assessment processes.

The case for water

Water scarcity is no longer a future risk for South Africa it is a current crisis that demands urgent action. In South Africa, water is a cross-cutting constraint on growth and resilience. A small portion of land supplies a disproportionate share of surface water, rainfall levels are far below evaporation rates, and wetlands, which regulate water quality, are largely degraded. This creates material ecological and financial risk that will cascade beyond environmental risk into transition, social, and even geopolitical impacts. This is why water is our first ecosystem service to be assessed in the development of the NRA methodology as a proof of concept.

Top-of-mind water risks in South Africa

➤ **460 mm Annual rainfall vs 1800 mm evaporation**

South Africa replenishes far less water annually than what is used, and rainfall variably is worsening under climate change.

➤ **8% of land supplies ~50% of surface water**

Strategic water source areas (SWSAs) support half the population, two-thirds of the economy, and 70% of irrigation.

➤ **Only 15% of wetlands are near-natural state, 62% are critically endangered, 67% are heavily to severely degraded**

Wetlands regulate water quality and make up only 2.2–3.6% of South African's land area today (equivalent to ~50% of the KZN provincial area).

High water stress risk likelihood score of 4.17 out of 5 from the World Population Review

Extremely High-Water Stress (>80% of renewable water used each year)

Ranked 22nd globally and 'extremely high' for water stress



Our climate risk management process continued

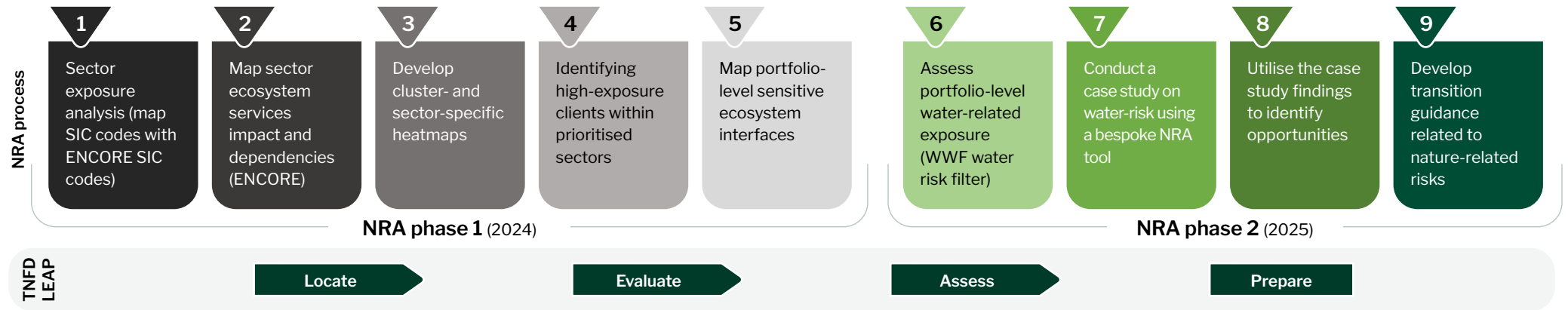
Nedbank's nature risk assessment methodology

Our methodology provides a comprehensive framework to identify, evaluate, and manage nature-related risks and opportunities within the bank's lending portfolio. In 2024 and 2025, Nedbank systematically adopted the Taskforce on Nature-related Financial Disclosures (TNFD) Locate, Evaluate, and Prepare (LEAP) framework, enabling the bank to pinpoint dependencies and impacts, quantify risk exposures, and implement responsible lending strategies. This approach was developed through close collaboration with TNFD experts, and stakeholders from across the group, ensuring that the NRA is both practical and tailored to Nedbank's operating context. By integrating the TNFD LEAP framework with multidisciplinary expertise, Nedbank is strengthening its capacity to proactively address nature-related risks, align with global sustainability initiatives, and support the transition to a nature-positive economy.

Assess, and Prepare (LEAP) framework, enabling the bank to pinpoint dependencies and impacts, quantify risk exposures, and implement responsible lending strategies. This approach was developed through close collaboration with TNFD experts, and stakeholders from across the group, ensuring that the NRA is both practical and tailored to Nedbank's operating

context. By integrating the TNFD LEAP framework with multidisciplinary expertise, Nedbank is strengthening its capacity to proactively address nature-related risks, align with global sustainability initiatives, and support the transition to a nature-positive economy.

The Nedbank nature risk assessment process



Phase 1 was carried out in 2024 which included steps 1 to 5:

Locate

Identifying sensitive ecosystem interfaces: The first step, Locate, was crucial to pinpoint where our loan exposures intersect with vulnerable natural systems. We used geospatial mapping techniques and harmonised Standard Industrial Classification (SIC) codes to accurately map these sensitive ecosystem interfaces. This allowed us to visualise and categorise areas where our lending activities could have the highest impact or face the greatest risk from environmental changes. We undertook this step to ensure that our risk management efforts were targeted, focusing on locations and sectors most likely to be affected by nature-related risks.








Evaluate

Understanding dependencies and impact drivers: The Evaluate phase involved a thorough analysis of our clients and sectors' dependence on natural resources and how their activities might drive environmental impacts. We leveraged advanced tools like ENCORE and the WWF Water Risk Filter to create detailed sector and client heatmaps, adopting a double materiality lens to assess both financial and ecological implications. This step was essential to highlight not only where risks exist, but also how they might manifest, enabling us to understand the direct and indirect consequences of our portfolio's interactions with nature.



Our climate risk management process *continued*

Risks identified through the nature risk assessment process based on client case studies

Sector	Client	Key nature risks identified
 Mining	Client 1	High water scarcity and quality risk; operational disruption; regulatory pressure.
 Mining	Client 2	Cyanide seepage risk; water recycling gaps.
 Manufacturing	Client 3	Medium water scarcity risk (Western Cape); future stress by 2050.
 Manufacturing	Client 4	Low-medium water risk; reliance on municipal supply.
 Agriculture	Client 5	High water scarcity in Western Cape, biodiversity-sensitive areas.
 Energy	Client 6	Operational water dependency; tanker reliance; no backup sources.
 Wholesale and trade	Client 7	High water stress basin; seafood processing vulnerable to drought.

Phase 2 was carried out in 2025 which included steps 6 to 9:

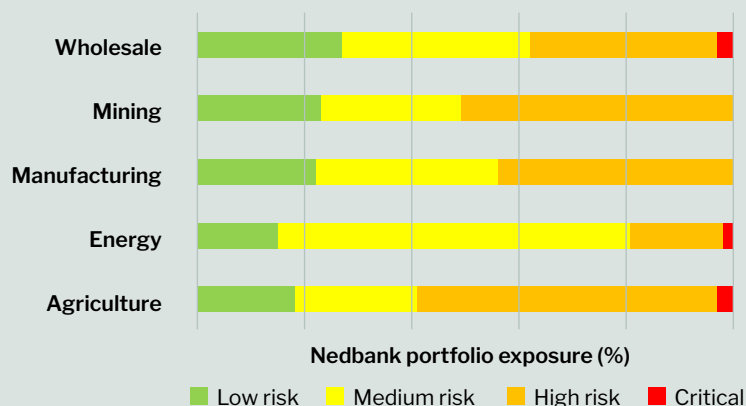
Assess

Measuring and modelling nature-related risks: Building on the insights from the first 2 steps, assess focused on quantifying inherent and residual risks. We conducted scenario analyses using Shared Socioeconomic Pathways (SSP)-Representative Concentration Pathways (RCP) for 2030 and 2050, developed a draft set of KRIs that can be considered in the assessment of water risk, and performed sector and client-level diagnostics through case studies in collaboration with cluster stakeholders, including risk and frontline teams, who have a high dependency on water in their sectors and high financial exposure to the bank. This phase allowed us to model potential future risk exposures and understand how changes in water risk could impact our clients and portfolio over time.

Prepare

Embedding findings and shaping strategic response: Finally, the prepare step involved integrating our findings into Nedbank's Enterprise Risk Management processes. We enhanced our water-risk questionnaire, established transition guidelines, and proposed strategies to support nature-positive opportunities aligned with the Kunming-Montreal Global Biodiversity Framework, the SDGs, and TNFD disclosure expectations. This step ensured that the results of our analysis directly informed decision-making and risk management, positioning Nedbank to proactively manage water-related risks and seize opportunities for sustainable growth.

Water availability inherent risk (%)



Key findings from the end-to-end NRA

The phase 1 analysis (locate and evaluate) used the ENCORE tool to evaluate Nedbank's lending portfolio for physical nature-related risks.

The findings indicated the following:

- Agriculture, mining, manufacturing, energy, and wholesale were identified as high-risk sectors with high nature impacts and/or dependencies.
- Every subsector within these industries relies on at least 1 ecosystem service. Most subsectors have a very high dependency on multiple ecosystem services.

The phase 2 analysis (assess and prepare) used the WWF Water Risk Filter tool and Nedbank's bespoke inherent risk assessment to evaluate Nedbank's lending portfolio against water risk.

The graph presents indicative inherent water risk outcomes derived from the application of Nedbank's NRA methodology, on year-end 2023 data. The assessment will be rerun using year-end 2025 data.

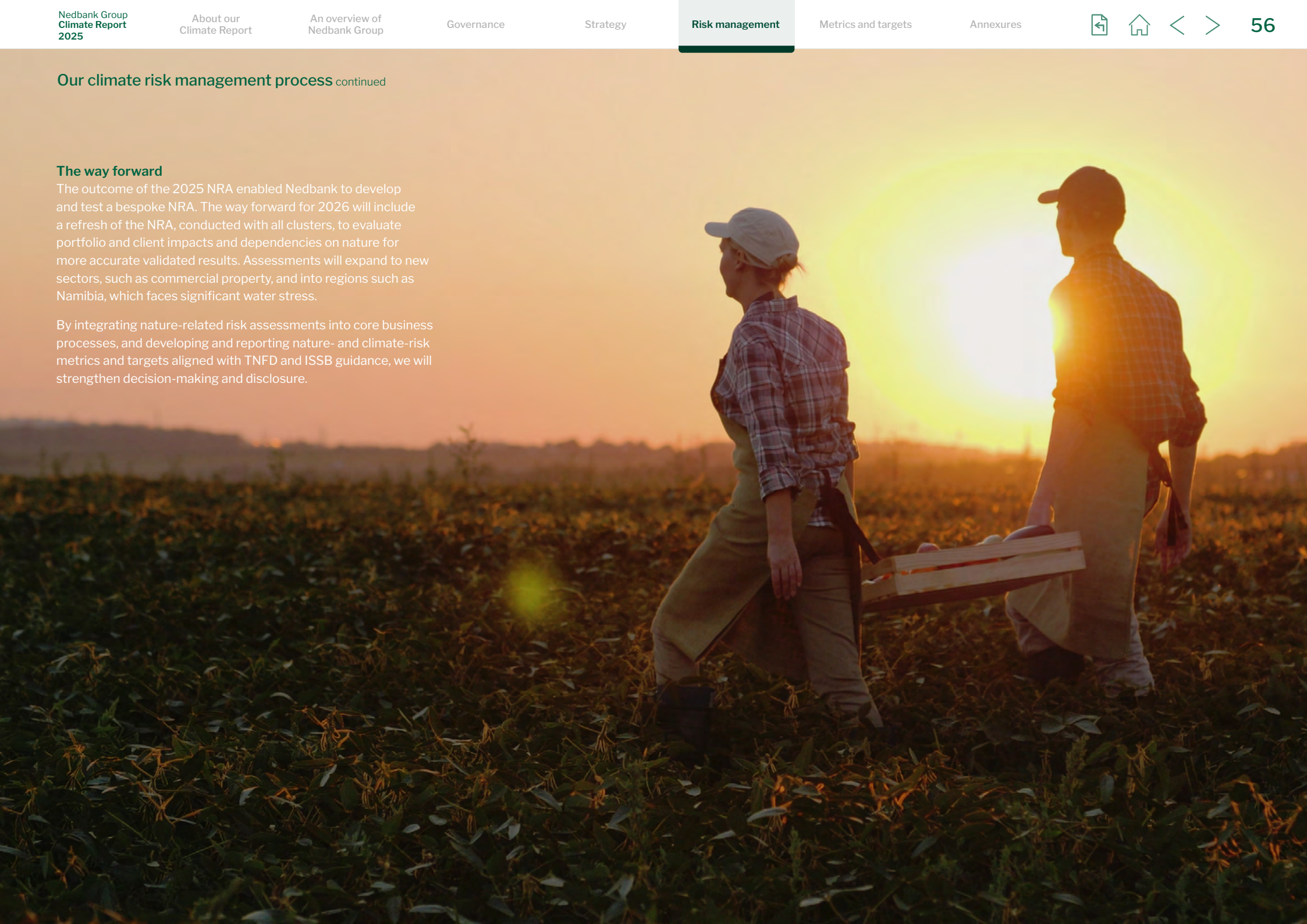
From proof of concept the end-to-end assessment indicates that water-related risks are most pronounced in sectors with high dependency on water availability and quality, notably agriculture, mining, and manufacturing. Wholesale and energy sectors also have exposure to elevated water-related risks, though generally to a lesser extent. Across sectors, both high and, in some cases, critical water-related risks were identified, underscoring the importance of continued risk management, client engagement, and transition planning in water-stressed contexts.

Our climate risk management process continued

The way forward

The outcome of the 2025 NRA enabled Nedbank to develop and test a bespoke NRA. The way forward for 2026 will include a refresh of the NRA, conducted with all clusters, to evaluate portfolio and client impacts and dependencies on nature for more accurate validated results. Assessments will expand to new sectors, such as commercial property, and into regions such as Namibia, which faces significant water stress.

By integrating nature-related risk assessments into core business processes, and developing and reporting nature- and climate-risk metrics and targets aligned with TNFD and ISSB guidance, we will strengthen decision-making and disclosure.



Our climate risk management process continued

Managing climate and nature-related risks within Nedbank lending practises

Social and environmental management systems

Nedbank’s approach to managing social and environmental risks, including climate-related risks, is anchored in responsible lending practices and a forward-looking risk management philosophy. The group seeks to manage its indirect impacts by ensuring that the social and environmental risks associated with clients’ activities, projects and investments are systematically identified, assessed and addressed as part of the credit decision-making process.

Climate-related risks arising through the lending process, particularly in the context of project and sector-specific financing, are managed through the SEMS, which continues to evolve and mature, informed by insights gained through ongoing engagement with industry bodies, civil society organisations, and international initiatives. These engagements include participation in industry and expert forums focused on sustainable finance, climate risk, nature-related risks and responsible banking practices.

The assessment of social and environmental risk is further informed by Nedbank’s participation in recognised sustainability indices and external assessments, which provide additional perspectives on emerging risk themes and stakeholder expectations.

All transactions in sectors identified as having elevated social and environmental risk profiles, including mining, construction, chemicals and oil, manufacturing, property development, agriculture and waste management are subject to social and environmental review and sign-off prior to finalisation of the transaction. This process is aligned with the SEMS governance framework, industry best practice, and applicable environmental, social and human rights standards. Nedbank continues to adopt a partnership-based approach to sensitive lending, working collaboratively with clients, affected communities and relevant authorities to support positive outcomes while mitigating adverse environmental and social impacts.

We continually transform and mature our SEMS from learnings taken from regular interactions with:

- BASA’s Sustainable Finance and Climate Risk Committees.
- the National Business Initiative;
- the Equator Principles Financial Institutions;
- the WWF;
- the Endangered Wildlife Trust;
- the Institute of International Finance (IIF) Nature and Sustainable Finance Expert Working Groups, the Taskforce on Nature-related Disclosures, the African Natural Capital Alliance, and peer learning sessions organised by the Embedding Project; and
- the United Nations Environment Programme Finance Initiative (UNEPFI)’s Africa and Middle East Regional Coordination Programme.

The SEMS supports the operationalisation of the Nedbank Energy Policy and related glidepaths to ensure deals honour the group’s defined risk appetites.

During 2025, the SEMS process was applied across various business units within our organisation. The most significant applications of SEMS were as follows:

In our CIB division, all new applications and credit-risk reviews for transactions in high-risk industries have been incorporated into the SEMS assessment process, which has been assured externally.

A total of **694** deals (excluding property finance) were assessed in CIB, compared with 563 in 2024. In Property Finance, 1 212 deals were assessed, compared with 1 583 in 2024.

Environmental and social risks are assessed by the SEMS team using specialist expertise and a suite of structured risk assessment tools aligned with the IFC Performance Standards. Client disclosures relating to potential environmental or social impacts form part of this assessment and are considered alongside sectoral, geographic and transaction-specific risk factors. Where relevant, appropriate mitigation measures are identified and implemented.

In our Business and Commercial Banking (BCB) operations we have identified and defined environmental and social high-impact industries. A risk-based approach was adopted due to the large number of clients. The SEMS process was automated to improve client service and data management capabilities. In 2025, 1 428 clients involved in these sectors were assessed, compared with 1 434 in 2024.

In Personal and Private Banking (PPB), most of our social- and environmental-risk exposure result from Private Wealth clients’ acquisition of industrial and commercial properties that could present asbestos or land contamination concerns. The total number of clients assessed in 2025 was 127 compared with 144 in 2024.



Our climate risk management process continued



Applying the Equator Principles to our lending practices

As a leading provider of project finance in SA, Nedbank consistently adheres to international best practices. We integrate the Equator Principles (EP) and the International Finance Corporation (IFC) Performance Standards into our evaluation process for all project finance transactions, project-related corporate loans, project finance advisory services, and specific bridge loans.

Nedbank has integrated the fourth version of the Equator Principles (EP4) into its social and environmental assessment for EP applicable transactions. As part of this assessment, climate risks (both physical and transition risks) and biodiversity risks are evaluated.

EP and the IFC Performance Standards are applied within the life cycle of CIB's lending transactions even if they fall outside the scope of EP, i.e. regardless of the quantum as part of the SEMS process. This process is operational in the CIB team. The steps in the CIB SEMS assessment process are as follows:

- Screening and categorisation consider the operations or projects in emissions-intense industries (e.g. mining, manufacturing, construction as well as oil and gas), and the product type (e.g. a term loan facility, a revolving credit facility, a general banking facility, and a letter of guarantee).
- **Risk evaluation:** The following is considered when completing an environmental and social risk assessment:
 - » Understanding the deal structure and evaluating the transaction against EP4.
 - » Considering IFC Performance Standards and the host country's laws and regulations.
 - » Obtaining an independent environmental and social report for project-related deals.
 - » Facilitating a reputational risk scan.
 - » Undertaking a climate change risk assessment (transition risk and physical risk) for project-related deals.

» Understanding and mitigating biodiversity risk.

- **Consideration:** Mitigation of identified risks, including clients' responsibility to develop environmental and social action plans, where applicable, and the inclusion of specific environmental and social clauses or covenants in the facility agreements.
- **Monitoring:** Annual SEMS review of existing transactions, which involves evaluating the independent environmental and social monitoring reports received for project-related deals. For corporate-related deals, the review process involves evaluating the clients' environmental and social risk disclosures as well as reputation scans on environmental and social risk.
- **Reporting:** EP deals are disclosed in the Nedbank Climate Report, on the Nedbank website, in the Integrated Report and to the EP Association. SEMS evaluated deals are disclosed in the Nedbank Climate Risk Report and the Integrated Report.

In the 2025 financial year, 4 Equator Principles deals (2024: 13 deals) to the value of US\$145m had their first drawdown. Of the 4 EP deals, 3 were in the renewable energy sector and 1 in the construction or infrastructure sector.

Nedbank continues to monitor guidance jointly developed by the Equator Principles Association and UNEP FI, including recent guidance relating to nature-related risk. The recommendations set out in this guidance are broadly aligned with the planned implementation of the NRA and support the ongoing integration of nature-related risks within our EP processes and broader risk management framework.

Our climate risk management process continued

Responsible investment

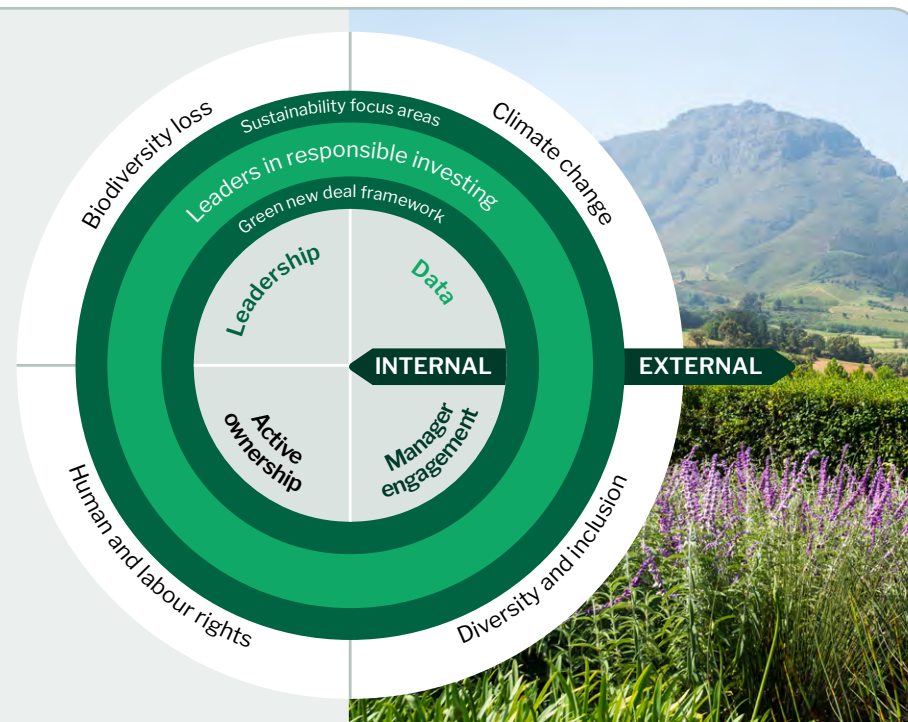
Through Nedgroup Investments, our Asset Management business, we utilise responsible investment principles to direct focus on strengthening our sustainable impact. Our asset management activities span South Africa, the UK, and the EU. Total assets under management at year-end 2025 were R432bn (2024: R405bn). The South African business contributed R328bn, and the international office contributed R104m. Our portfolios cover all major asset classes and regions. Leadership in responsible investment remains a core priority.

Nedgroup Investments delivers across 4 focused pillars of their responsible investment framework:

- | | |
|--|---|
| 1. Data and adoption of ESG information | 2. Engagement with third-party investment managers |
| 3. Active ownership and stewardship | 4. Leadership in responsible investing |

In 2021 Nedgroup Investments identified 4 key sustainability focus areas with the goal of deepening our understanding of how investment activities may directly or indirectly affect these areas. These outward focus areas include climate change, biodiversity loss, people diversity and inclusion, and human and labour rights.

The chart adjacent, inspired by the ideas of Doughnut Economics, illustrates the intersection of Nedgroup Investments' goals, from both a direct internal and an external (indirect investment) perspective. Our primary objective of achieving leadership in responsible investing is supported by the alignment between the 4 DEAL pillars and our 4 key sustainability focus areas.



Regarding the application of ESG data, the full suite of South African and global investment funds uses key MSCI data points to baseline, track and measure the real-world impacts of the investments.

In 2025 Nedgroup Investments launched the Multi-Manager Future Focus Equity Fund, which seeks to align investments with the UN SDGs, most notably goals 5 (gender equality), 10 (reduced inequalities) and 13 (climate action). Select data points related to these global goals have informed portfolio construction and delivered new ways of sustainability-type fund reporting. In the United Kingdom, Nedgroup Investments

continue to serve clients with a responsible and sustainable range of investment solutions by investing in companies and assets that seek to address the global social and environmental challenges.

In South Africa, Nedgroup Investments offers 3 areas of investment solutions – the active single manager Best of Breed™ range, the multi-manager range, and the passive (or Core) range. Partnering with an extensive network of local and international asset managers affords Nedgroup Investments the ability to broadly influence the adoption of responsible investment practices. Being an agent of change has been identified as

a strategic lever and has delivered deeper collaboration with fund managers through the years. In 2024 Nedgroup Investments published its inaugural Climate Change Position Statement, and developments in science, understanding, and skillset have led to the second iteration of this in 2025.

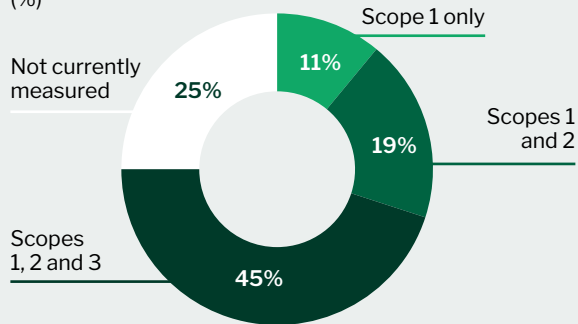
Covering all investment partners and their mandates with Nedgroup Investments, the 2025 climate change assessment and review has formally baselined the adoption of climate considerations in fund management and portfolio construction and has helped identify the appropriate scope of climate-related metrics as they pertain to the various

asset classes and geographies. A central feature of the review is to track the degree to which asset managers engage with investee companies on climate-related risks and opportunities.

The below charts illustrate some findings from the 2025 review, and importantly serve as a measure of progress, identifying areas of success, and highlighting where intentional and focused improvement is required. These charts represented R145bn of Nedgroup Investments actively managed Best of Breed™ assets.

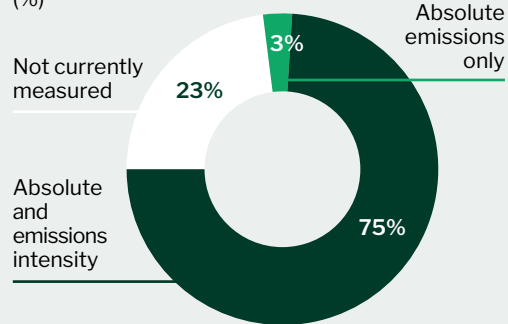
Our climate risk management process continued

Scope or carbon emissions being measured at portfolio level (%)



Source: Nedbank Investments, December 2025.

Emission factors being measured as it pertains to investee companies (%)



Regarding active ownership and investment stewardship, Nedgroup Investments continue to engage with JSE-listed companies on material ESG factors. These engagements are undertaken both independently and in collaboration with other asset managers. In line with South African and global standards, all voting records are available online alongside Nedgroup Investments' proxy voting policy. For local passive funds, Nedgroup Investments employ the services of Institutional Shareholders Services (ISS) to advise on shareholder resolutions and submit voting instructions at company shareholder meetings. Internal governance structures and processes have been set up to evaluate these recommendations and make measured determinations on the direction of voting.

In 2025, Nedgroup Investments placed renewed focus on being champions of responsible investing in South Africa.

A unique feature of Nedgroup Investments' structure is the network of third-party managers, and the growing network of South African asset managers more broadly.

During 2025, Nedgroup Investments hosted several closed and open sustainability-related workshops and upskilling sessions. Now in the fifth year as a signatory to the UN-supported Principles for Responsible Investment (PRI), the prerogative remains to be an engaged member through full utilisation of the PRI's platform, tools, and value-add proposition. Nedgroup Investments also hosted the CEO of the PRI for a roundtable with local signatories and represented African signatories on the PRI's annual conference advisory forum.



Our climate risk management process *continued*

Stress testing and scenario analysis

In 2025, Nedbank continued to embed climate scenario analysis into its broader stress testing and scenario analysis framework. From a transition risk perspective, this included the replication of the climate transition risk stress test that was conducted in 2024, and a thematic analysis of the potential impacts of the European

Union Carbon Border Adjustment Mechanism (EU CBAM) on Nedbank’s clients. From a physical risk perspective, Nedbank enhanced its analytical capabilities and incorporated a forward-looking component into its risk assessment of the Commercial Property Finance (CPF) portfolio (an overview of the analysis is

included under the [Climate risk materiality assessment on page 52](#)), and undertook a deep-dive analysis into the insurance risk from wildfire events, prompted by the severe wildfire events in California in early 2025 and supported by historical evidence of local wildfire events such as the 2017 Knysna wildfire.

Climate transition risk stress test

Nedbank conducted a climate transition risk stress test to evaluate how adverse carbon-tax pathways affect its clients and the bank’s solvency. The assessment used a financial model that combined client-level discounted cash flows with a Merton-style structural credit risk approach to quantify credit impacts.

1 Climate change scenarios

- Climate transitional risk scenarios:
 - » NGFS scenarios
 - » Climate policy
 - » Carbon tax

The first step was defining a set of scenarios, which project the future state(s) of the world concerning climate. Seven climate scenarios were used, which are discussed on the following pages.

2 Climate footprint and cost

- CO₂ emissions of clients
- CO₂ cost of taxes (price per tonne emissions)
- Timing of taxes
- Pass-through

The second step was identifying the implied climate footprint based on clients’ emissions and the associated costs (i.e. emission taxes).

3 Impact on client financial performance

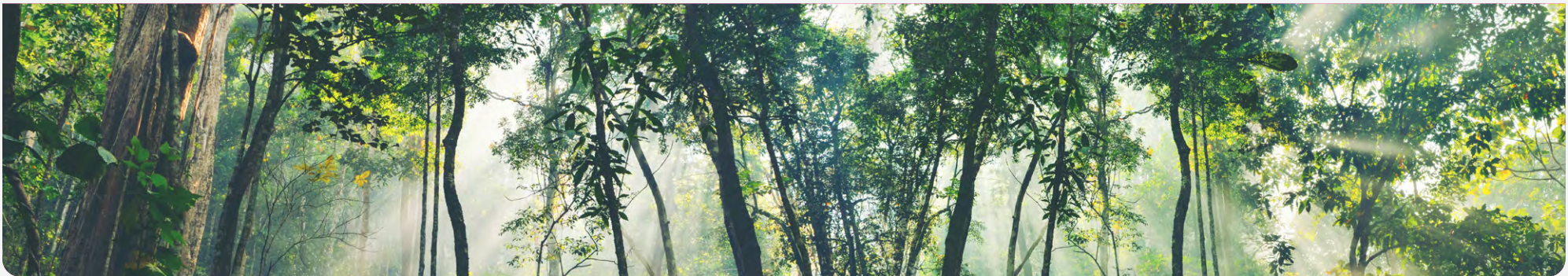
- Increase in cost
- Discounting the negative cash flows from carbon tax
- Loss in valuations per asset class

In the third step, the information from the first 2 steps were combined and used to compute the financial impact on Nedbank’s counterparties/clients.

4 Impact on Nedbank’s solvency

- Devaluation in bank’s assets
- Market value loss on bank’s assets
- Loss in CET1 capital

In the final step, we computed the asset valuation shocks and market value losses for the bank, which reflected the impact of climate transition risk that the bank was exposed to.



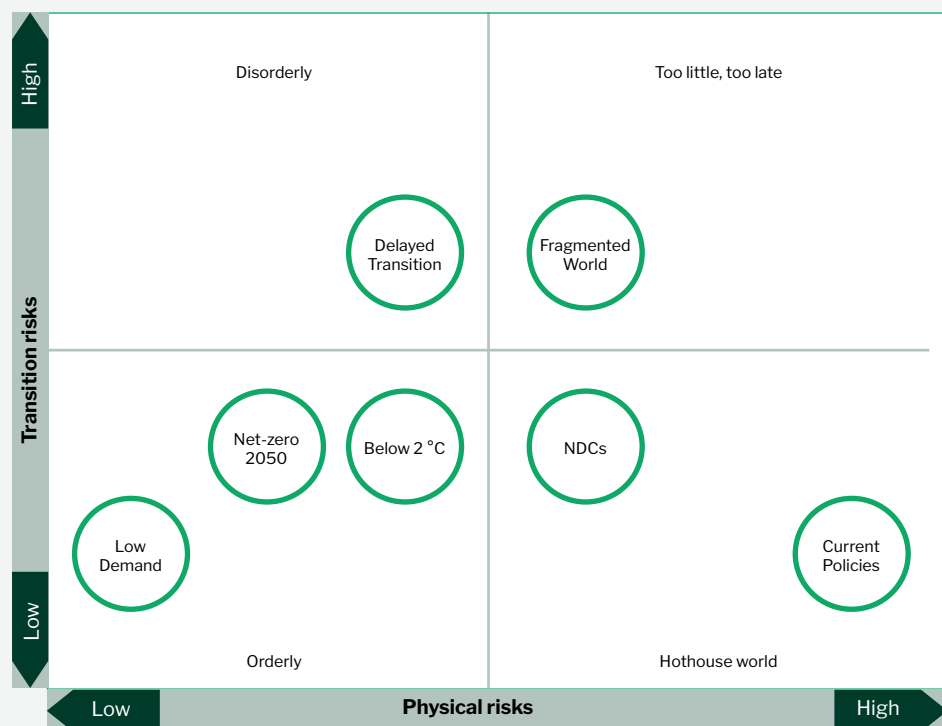
Our climate risk management process continued

Scenarios

Nedbank used the carbon tax scenarios developed by the NGFS for the stress test. In 2025, Nedbank applied the fifth vintage (phase V) of the scenarios, which grouped the scenarios into 4 categories: orderly transition, disorderly transition, hot house world, and too little, too late.

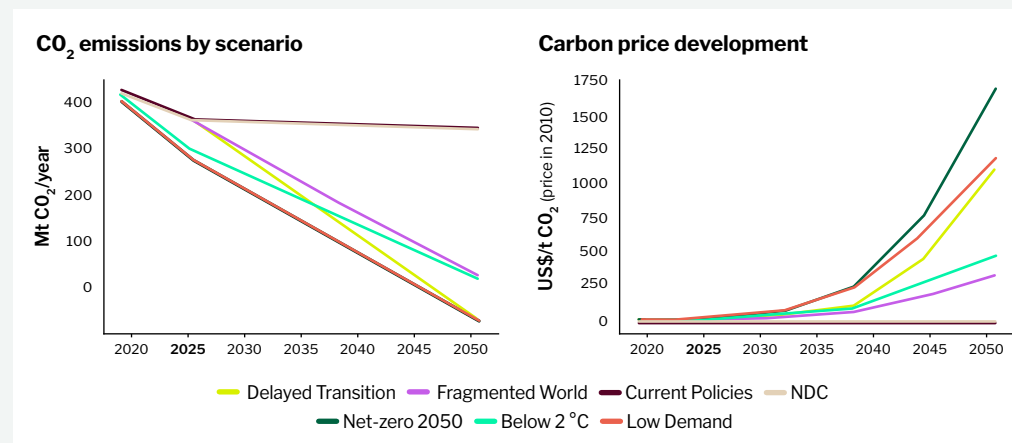
Seven scenarios were used for the purposes of the stress test: Delayed Transition, Net-Zero 2050, Low Demand, Below 2 °C, Fragmented World, Current Policies, and the newly added NDC Scenario. The figure below depicts the positioning of each of the selected scenarios across the risk spectrum.

NGFS scenarios framework in phase V



The figure below displays the projected South African carbon price under the various scenarios based on NGFS data.

NGFS scenarios for SA – carbon emissions and carbon price trajectories (Source: NGFS)



Quantifying the climate footprint and cost

The primary climate impact of financial institutions on the economy and society arises from their ability to provide financing and to facilitate investment. As a first step in assessing Nedbank’s climate impact, it was necessary to quantify the emissions that the bank finances through these activities. This required calculating each client’s GHG emissions as well as the potential tax implications for the bank that result from financing these clients.

Nedbank’s CIB cluster compiled financed emissions data for clients within its fossil fuel portfolio in accordance with the Partnership for Carbon Accounting Financials methodology. In 2025, the fossil fuel portfolio was defined to include clients in the upstream oil sector, the thermal coal sector, the natural gas sector, the non-renewable power generation sector, and, newly included for this assessment, the mining sector. The data used for the stress test reflected positions at 31 December 2024.

Our climate risk management process continued

Methodology

The methodology used to assess how the climate scenarios affect clients' financial performance, and in turn Nedbank, consisted of 2 main steps. We first estimated changes in asset values based on the scenario outcomes and allocated these changes to the holders of debt, namely the clients in the fossil fuel portfolio to whom Nedbank has extended credit. To estimate the asset value changes for each client, the projected negative cash flows from carbon tax were compared with the client's total asset values. These asset value impacts were then calibrated using client-level data for scope 1 and scope 2 carbon emissions, along with client-level financial statement information.

In the second step, we applied a Merton contingent claims model to allocate the estimated asset value losses to the clients in the fossil fuel portfolio that have loans from Nedbank.

Key results

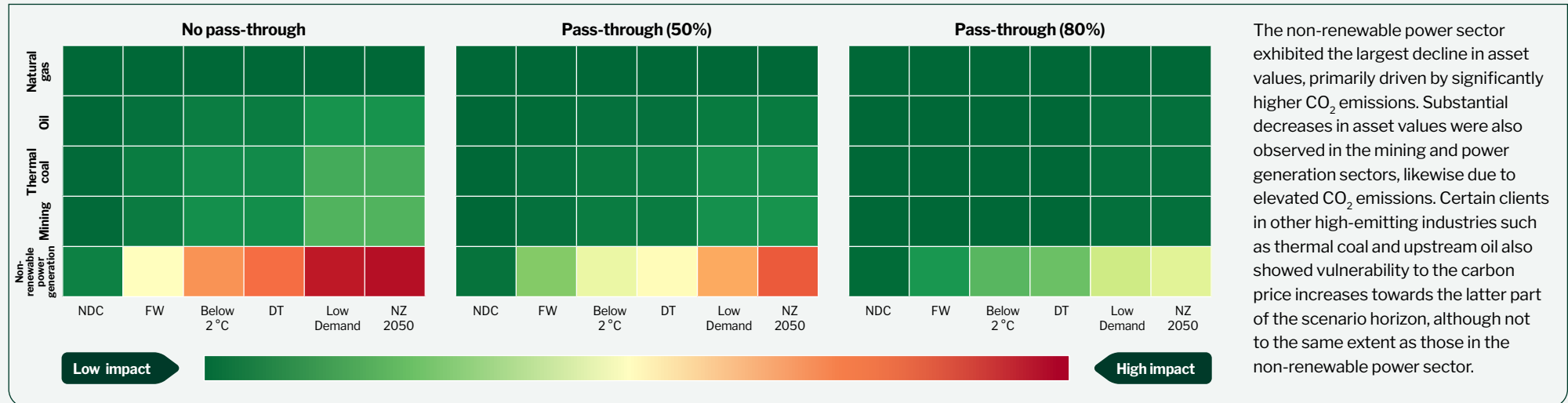
There were several overarching observations from the stress test. Firstly, the magnitude of the devaluation under all scenarios is greatest under the no-pass-through application and is least severe under the 80% pass-through application. This is consistent with expectations under the no-pass-through assumption as the firms (our clients in this case) absorb the entire carbon tax without passing on the additional costs to consumers. Under the latter assumption, firms only absorb 20% of the rising costs. Secondly, when comparing carbon tax scenarios, the asset valuation shocks are highest under the Net-Zero 2050 Scenario as climate policies are implemented earlier and more aggressively throughout the stress horizon.



Asset valuation shocks

A summary of the asset valuation shocks, per industry, are depicted in the heatmap below.

Estimate asset valuation shocks (Σ_k) by industry per climate scenario



The non-renewable power sector exhibited the largest decline in asset values, primarily driven by significantly higher CO₂ emissions. Substantial decreases in asset values were also observed in the mining and power generation sectors, likewise due to elevated CO₂ emissions. Certain clients in other high-emitting industries such as thermal coal and upstream oil also showed vulnerability to the carbon price increases towards the latter part of the scenario horizon, although not to the same extent as those in the non-renewable power sector.

Our climate risk management process continued

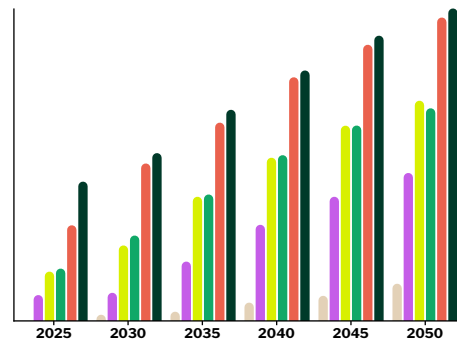
Market value losses

Considering the above asset valuation shocks, the graphs below present the market value losses per scenario, which summarises the outcome of the climate stress test.

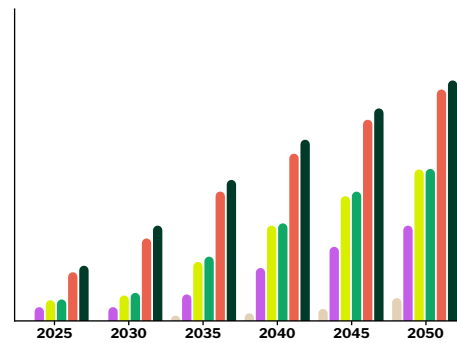
The majority of the losses were experienced in the Net-Zero 2050 Scenario followed by the Low Demand scenario, driven by losses in the mining and non-renewable power generation sectors. This is in part driven by a combination of high-asset valuation shocks and on-balance-sheet exposure.

Market value losses across the different carbon tax scenarios

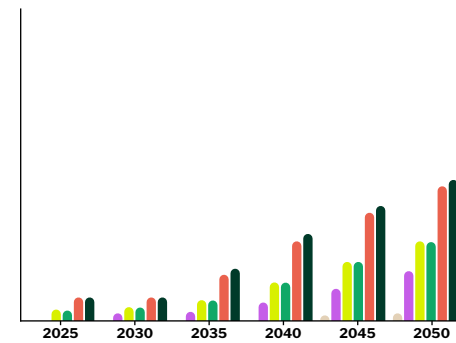
No pass-through



Pass-through (50%)



Pass-through (80%)



— NDC — FW — DT — Below 2°C — Low Demand — NZ 2050

Conclusion

The stress test results underscore the significant adverse impact that changes in climate-related policies, such as increases in the carbon tax rate, could have on Nedbank's clients and, consequently, on the bank's potential losses. The climate transition risk stress tests conducted to date have important implications for Nedbank in assessing and pricing transition-related financial risks, as well as capital allocation. It provides estimates of market value losses at the tail-end of the distribution, which can help Nedbank set risk limits and inform loan origination, investment, and pricing decisions.



Our climate risk management process *continued*

Summary of Nedbank’s Climate Transition Risk Analysis related to the EU CBAM

The EU CBAM, introduced in 2023, is a key regulatory initiative aimed at reducing global carbon emissions by placing a fair and transparent price on the carbon embedded in carbon-intensive goods imported into the EU. The regulation is intended to encourage cleaner industrial production practices globally, and to level the playing field between EU producers subject to stringent emissions requirements and foreign producers operating in more carbon-intensive environments.

In parallel with the introduction of CBAM, international markets are experiencing increased consumer awareness of climate change and evolving product-labelling requirements related to carbon intensity.

These developments are expected to gradually shift global demand away from high-emission products toward greener alternatives and low-carbon technologies. The EU CBAM is likely to reinforce this trend by exposing importers to higher carbon-related costs, which could influence consumer sentiment as well as trade patterns.

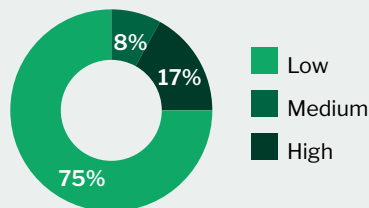
As part of its broader climate risk management processes, Nedbank undertook an internal assessment to understand its exposure to clients operating in sectors expected to be most affected by the EU CBAM. The analysis focused specifically on the cement, steel and aluminium manufacturing sectors, which are anticipated to face material impacts from the regulation. Potential implications include increased compliance costs, exposure to carbon pricing, and possible trade disruptions, all of

which may affect the long-term profitability and creditworthiness of companies in these sectors.

Nedbank identified all clients operating within the relevant sectors at 31 December 2024 and undertook an assessment of their export activity to the EU to gauge potential exposure to CBAM-related risks. A high-level summary of the key findings from this analysis is provided below.

The chart suggests that the overall impact of the EU CBAM on the cement, steel, and aluminium sectors is expected to be largely manageable, with 75% of clients falling into the low-impact category, while only a small portion (8%) facing moderate exposure. However, almost a sixth of clients (17%) were assessed as high impact, indicating that certain carbon-intensive clients could experience significant cost pressures and may require more urgent decarbonisation or operational adjustments to remain competitive under the CBAM regime. In certain instances, clients have begun implementing risk mitigation measures, including adjustments to production processes and the development of carbon management strategies.

Client Impact Assessment of EU CBAM Across Cement, Steel, and Aluminium Sectors
(Percentage of Clients (%))



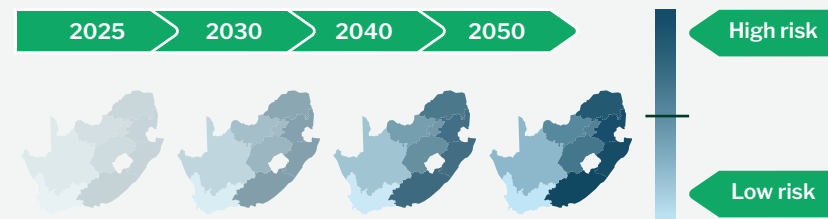
Analysis of Nedbank’s insurance risk from physical climate risk events like wildfires

Nedbank undertook a focused assessment of the insurance risk posed by physical climate-related events, with a particular emphasis on wildfires. Recent global developments, including the severe wildfires that occurred in California in January 2025, highlighted the potential scale of physical damage and insurance losses associated with such events. These international incidents resulted in substantial claims and, in many cases, triggered reinsurance protection demonstrating the magnitude of the insured losses.

South Africa has also been impacted by wildfire events, most notably the 2017 Knysna wildfire, which remains one of the country’s most damaging wildfires on record. That event caused extensive destruction to both movable and immovable property, which led to significant insured losses across the industry.

Against this backdrop, Nedbank conducted an analysis to evaluate the potential insurance risk to Nedbank Insurance arising from wildfire events. The analysis found that while wildfire-related claims have been material in the past, they have generally remained within Nedbank’s established risk appetite. In instances where claims exceeded these thresholds, reinsurance arrangements were in place to absorb excess losses, thereby limiting the financial impact on the business.

Although wildfire risk has historically been manageable, projections under the NGFS current policies of climate scenario indicate that this risk is likely to increase over time. As a result, Nedbank recognises the importance of continued monitoring and proactive risk management. Nedbank Insurance routinely performs catastrophe stress testing to assess the potential future impacts of climate-related events, including wildfires, to ensure that appropriate risk mitigation strategies remain in place and are responsive to changing risk conditions.



Our climate risk management process continued

Climate and nature risk opportunities identified

Our advancing work across both climate and nature risk assessments, through the CRMA and the NRA, is already generating deeper insights that help us identify fit-for-purpose, highly targeted opportunities and impactful solutions aligned with

client needs. These opportunities are designed to strike a balance between addressing climate- and nature-related risks and will help us pinpoint where financial flows can be redirected towards climate resilience and nature-positive outcomes.

The opportunities identified through our risk assessments are highlighted in the figures below. They begin with the risk driver, an explanation of the risk driver, and the potential financial effects of the risk driver on the economy and the bank.

Climate and nature risk

Category

Description

Opportunities identified

Physical risk

Acute physical risk

Climate- and nature-related impacts resulting from the increased severity and frequency of extreme weather events (strong winds, floods, wildfires and storms) or single event-driven environmental shocks that are point and time specific (e.g. forest fires, oil spills and an influx of pests affecting harvests).

Building on the initial findings of the 2024 CRMA and NRA, Nedbank recognises that there are significant opportunities to help strengthen climate resilience across our client base. These assessments highlight the need for proactive engagement with high-risk clients to understand their current and planned adaptation strategies, while also supporting smaller businesses, especially in vulnerable sectors such as agriculture. This can help reduce exposure to acute physical hazards.

Nedbank aims to enable resilience through tailored financing solutions that accelerate climate adaptation and nature-positive practices. We identify strategic opportunities to enhance resilience while addressing key financial impact channels through infrastructure such as the following:

Wildfire risk reduction:

- Supporting the development and deployment of advanced fire detection and suppression technologies, alongside investment in fire-resistant infrastructure and landscape restoration to help minimise business disruptions and supply chain losses, protect property values and stabilise credit risk profiles.

Climate-smart agriculture and food systems:

- Enabling adoption of regenerative farming practices, climate-resilient supply chains, and digital tools for risk monitoring and early-warning systems to boost resilience and efficiency in food production and diversify income streams and reduces volatility.
- Enabling adoption of drip irrigation and 'internet of things' technologies to reduce and monitor water-use to safeguard against water availability risks.

Chronic physical risk

Climate and nature-related impacts resulting from incremental shifts in climate patterns (such as droughts, sea-level rise, changing precipitation patterns, land and sea use change, pollution, invasive alien species and the overexploitation of organisms).

Nedbank is advancing a comprehensive approach to tackle chronic climate risks while creating long-term value for clients, communities, and ecosystems. These opportunities are informed by both the CRMA and NRA.

Water security and drought resilience

- Financing innovations in water conservation technologies, drought-resistant crop varieties, and precision irrigation systems to mitigate the growing risk of prolonged droughts. To help sustain agricultural yields during drought periods, reduce operational costs through efficient water use and enhance long-term land value and investor confidence in climate-smart agriculture.
- Financing water recovery and recycling technologies to support sustainable mining practices that aim to reduce water pollution and the amount of water extracted in the mining operations.

Enhancing Nedbank's own operational climate resilience

- Improving on our own sustainability initiatives such as waste management, energy use, water use, and a sustainable supply chain that will minimise income shocks from supply disruptions and protect long-term contractual value.

Our climate risk management process continued

Climate and nature risk

Category

Description

Opportunities identified

Transition risk

Policy and regulations

Risks arising from the introduction, tightening, or enforcement of laws and regulations aimed at reducing GHG emissions (mitigation) or enhancing climate resilience (adaptation), which may increase compliance costs, restrict certain activities, or require changes to operations, assets, or business models.

- We have identified that we can leverage evolving climate-related policies and regulations as an opportunity to innovate and expand our sustainable finance offerings. By developing green financing solutions, such as loans and investment products that support clients' transition to low-carbon operations and/or reduced water dependency and pollution, the bank can help businesses and households comply with new regulatory requirements.
- We can also provide advisory services to guide clients through complex compliance landscapes, manage costs, and access incentives for adopting sustainable practices. We may also introduce tailored products for supply chain financing and consumer needs, such as green mortgages and eco-friendly vehicle loans, while facilitating the reallocation of capital away from high-carbon assets.
- Expanding ESG investment products will further position Nedbank as a leader in supporting clients' resilience and growth in a rapidly changing regulatory environment.

Market responses or preferences

Risks arising from changes in consumer, investor and market preferences linked to climate and nature considerations altering demand, pricing and competitiveness across climate-sensitive sectors. This could potentially weaken the financial performance and resilience of affected clients.

- We can support clients as they adapt to shifting consumer preferences and industry trends driven by climate considerations by enabling businesses to scale up production of sustainable goods and services. This way the bank can help clients capture new market share and enhance competitiveness in emerging green sectors.
- There is also potential to collaborate with clients on innovative financing solutions that address supply chain vulnerabilities, such as supporting the procurement of critical materials for clean technologies.
- Furthermore, we can play a pivotal role in facilitating workforce transitions by backing reskilling and upskilling initiatives, ensuring that businesses and communities are equipped to thrive in a low-carbon economy.
- Leveraging advanced analytics to anticipate market shifts will allow Nedbank to proactively design financial products that meet the evolving needs of corporate and retail clients, strengthening its reputation as a trusted partner in sustainable growth.

Technology developments

Risks arising from the development, adoption, or pace of low-carbon and nature-positive technologies, where failure to adopt new technologies (or reliance on technologies with unintended environmental impacts) may increase costs, reduce competitiveness, or exacerbate nature degradation and climate exposure.

- We have identified and we already support clients with investing in low-carbon technologies. By developing and offering green financing products, such as loans and bonds tailored for proven, compliant technologies, we can help clients manage the capital costs and risks associated with technology adoption. Additionally, providing advisory services to guide clients in assessing technology risks, selecting reputable vendors, and ensuring regulatory compliance can reduce the likelihood of financial losses and operational disruptions.
- Strategic partnerships with technology providers enable Nedbank to offer bundled solutions that combine financing with technical support for renewable energy, emissions reduction, and energy efficiency projects. We can further differentiate ourselves by creating insurance or risk mitigation products that protect clients from technology adoption failures, and by supporting research and development through venture capital or grant programmes focused on climate-aligned innovations.

Reputation and litigation

Risks arising from actual or perceived contributions to climate change and nature degradation, where businesses (particularly in emission-intense or nature-impacting sectors) may suffer reputational damage, loss of stakeholder trust, or legal action resulting in financial penalties, compensation claims, or increased cost of capital.

- We have a strategic opportunity to proactively support clients in emission-intense sectors as they navigate reputational and litigation risks associated with climate change by offering innovative green financial products, facilitating access to sustainability-linked funding, and providing sound ESG advisory services.
- Nedbank assisting clients' transition to low-carbon operations can therefore enhance their resilience to regulatory scrutiny and reputational challenges. This approach not only attracts sustainability-focused investors and opens new markets for climate-aligned financial solutions, but also strengthens Nedbank's own reputation, reduces exposure to credit risk, and contributes to long-term financial stability within affected industries.

Our climate risk management process continued

Climate risk manifesting in existing risk types

Management of credit risk

Credit risk management processes are in place to monitor progress towards the bank's strategic climate-related objectives, including the commitment to reduce exposure to all fossil fuels to zero by 2045. These processes include the ongoing monitoring of the thermal coal ratio and other climate-related risk appetite metrics to confirm that exposures remain within board-approved limits. Our CRMA further enables the group to assess the impacts of physical and transition risk drivers on the credit portfolio, strengthening the forward-looking understanding of climate-related credit risk concentrations.

In 2025, a targeted climate credit risk integration case study was undertaken in CIB facilitated by Group ESG Risk, CIB Enterprise Risk Management and Credit Risk, to assess how climate considerations are incorporated into credit processes across a range of client transactions. The case study confirmed that climate risk is formally recognised within CIB's credit policy and is overseen through established credit, risk and reputational governance structures. Climate-related considerations are anchored in the CRMF, Energy Policy and SEMs. Positive observations were noted in respect of consistency, risk awareness and the quality of credit risk discussions.

Within CIB, climate considerations inform transaction structuring, credit approval, portfolio monitoring and reputational risk management. Particularly for fossil-fuel-related activities, transition risk is assessed against glidepaths, energy policy requirements and climate risk appetite, including the impact of transactions on financed emissions. Physical climate risk is considered on a targeted basis, primarily through the SEMs and Equator Principles processes.

The case study represents an important step in developing a roadmap for deeper integration of climate risk into CIB's credit processes. Key next steps include leveraging the refreshed CRMA and embedding climate considerations more consistently across the credit life cycle.

Climate risk has been formally integrated into the Group Credit Risk Management Framework and Policy, providing a consistent foundation for application across business clusters. Building on the learnings from the 2025 case study, a guideline is being developed for frontline clusters to further support the structured incorporation of ESG, including climate risk, into credit risk processes and governance structures. This work is underpinned by close collaboration between business and risk functions and supports the progressive alignment of the lending portfolio with the bank's low-carbon transition objectives, while continuing to enable clients through this transition.

In BCB, fossil-fuel-related activities are rigorously evaluated in accordance with the organisation's Energy Policy requirements and climate risk appetite. The SEMs, in conjunction with the EP, provides a robust framework for identifying, assessing, and managing social and environmental risks associated with credit exposures. Furthermore, BCB has embedded physical risk considerations into credit risk management by equipping frontline teams to identify and assess client-level climate risk, which enables proactive engagements with potentially impacted clients and provide more insights into supporting our clients with climate adaptation, leading to further funding opportunities. This is supported by credit analytics, which uses these insights to evaluate the extent of credit risk and impairment adequacy.

Management of market risk

Climate risk within market risk is currently considered as part of the broader risk management framework. Processes to identify, assess, and manage climate-related risks within market risk are integrated into the overall Nedbank Enterprisewide Risk Management Framework, specifically the Credit Risk Management Framework. The Market Risk Framework relies on the credit approval process to address climate-related credit risks related to derivative products. While this process is credit-related and not directly related to market risk, it serves as a key control mechanism to determine which risks are accepted into the market risk portfolios.

The impact of climate-related risk drivers that result in volatility in macro-financial variables (such as interest rates, foreign exchange rates, equities, commodities, and credit spreads) is captured by the trading market risk measures (eg value-at-risk). Where climate-related risk factors may impact market risk in the future, appropriate model changes will be considered.

Nedbank will continue to evaluate and adapt its risk management strategies to maintain their effectiveness and adaptability in addressing evolving risks.



Our climate risk management process continued

Management of operational risk

Climate change is a significant source of operational risk across industries, including financial services. Physical risks such as floods, wildfires, heatwaves, and other extreme weather events, together with transition risks arising from regulatory change, technological advancements and the shift to a low-carbon economy is increasingly influencing operational resilience across organisations.

Nedbank manages these risks through comprehensive operational risk and resilience frameworks and policies that integrate climate considerations. The bank applies scenario analysis to assess the impact of severe climate events, informing proactive mitigation measures and supporting robust business continuity planning.

The bank also invests in technology resilience, including cloud-based solutions, to maintain operational continuity as far as possible when physical infrastructure is compromised. Nedbank maintains primary and secondary disaster recovery sites, alternate work areas across key provinces, and a hybrid working model to support operational continuity when physical infrastructure is affected. Crisis management structures enable rapid, coordinated response, supported by established escalation and communication processes.

Training, awareness programmes, and post-incident reviews reinforce continuous improvement and strengthen organisational readiness. By embedding climate considerations into governance structures, operational processes, and resilience strategies (anticipate and prepare, respond and adapt, and recover and learn), Nedbank safeguards against disruptions meets regulatory expectations, and contributes to a sustainable future. We plan to perform our first CRMA for operational risk in 2026.

Management of liquidity risk

Through our Internal Liquidity Adequacy Assessment Process (ILAAP), we assess the potential impact of climate-related financial risks on net cash outflows, including factors such as increased drawdowns in credit lines and accelerated deposit withdrawals. These assessments include evaluating sensitivities in key prudential liquidity metrics such as the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) under climate stress scenarios, as well as assessing whether liquidity buffer size and composition

remain sufficient under severe but plausible climate-related shocks.

Where climate-related risks are assessed as material to liquidity risk, the results inform liquidity buffer calibration and contingency planning to strengthen resilience and support ongoing operational stability. As part of structured implementation, we continue refining scenario analysis and stress testing methodologies to progressively embed climate-related considerations into our liquidity risk management framework.

Management of insurance underwriting

Climate risk pertains to the potential effects of climate change on the financial health and stability of various sectors and entities, including non-life and life insurance companies. Underwriting involves assessing and pricing risks, where feasible, and issuing policies to cover these risks. At Nedbank Insurance, climate risk is appearing in underwriting in several ways, such as the following:

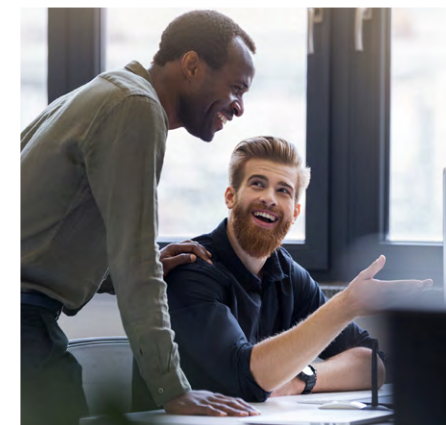
- The increased frequency and intensity of natural disasters, such as the KwaZulu-Natal floods, Gauteng storms, wildfires, and droughts, can result in higher claims and losses for our non-life insurance business. Heatwaves also increased in frequency and intensity in 2024, and this trend continued into 2025.
- Over the medium to long term, we foresee changes in mortality and morbidity patterns, such as heat stress, vector-borne diseases, and respiratory illnesses, which can impact our insurance portfolio over the long term.

These manifestations of climate risk present significant challenges for Nedbank Insurance, necessitating an assessment of

the current and future impacts of climate change on the risks we cover. As a result, depending on what the claims experience and future risk expectations inform us, there may be a need to adjust our pricing and product or policy terms accordingly.

Nedbank Insurance also considers the opportunities that climate change may bring, such as attracting new clients and developing products and services to help our clients adapt to or mitigate the effects of climate change. Nedbank Insurance is beginning to incorporate climate risk assessments into its strategies to better manage climate-related risks and align with global standards IFRS S1 and S2. This proactive approach aims to enhance resilience and ensure the sustainability of Nedbank Insurance's operations amid escalating climate-related challenges. Nedbank Insurance became a signatory to the UN Principles for Responsible Investment (UN PRI) as an asset owner in July 2022. In 2026, we will submit our third annual disclosure, outlining our responsible investment approach and performance.

Our annual Own Risk and Solvency Assessment (ORSA) process considers current and emerging risks when determining which stress scenarios to include in the assessment. Climate risk has been included in ORSA stress testing and is considered as a possible stress scenario each year. This process involves a thorough qualitative and quantitative assessment of the possible impacts to Nedbank Insurance, which is used to test future solvency under severe but plausible stress events.





'25

Metrics and targets

Assessment of our progress against metrics and targets that we employ to evaluate and address climate-related risks and opportunities.

Climate-related targets

Nedbank has established the following targets to effectively address the risks and opportunities identified. These targets focus primarily on managing and supporting the transition to a low-carbon economy in our portfolio, while also creating an opportunity to support renewable energy projects.

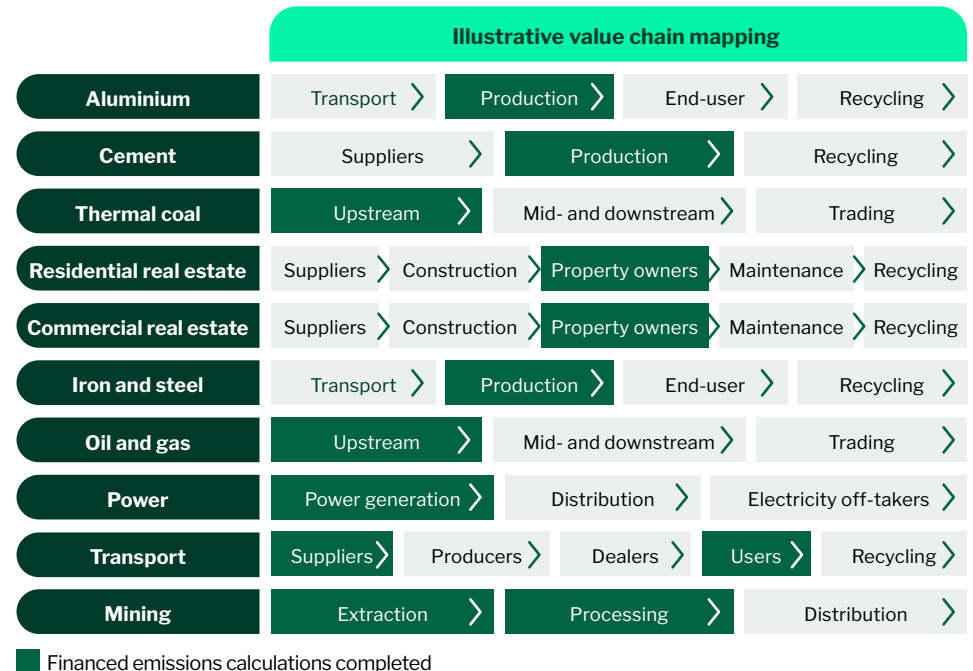
Sector	Key commitments	Current performance
	SDF exposures to around 20% of the group's total gross loans and advances (GLAA) by the end of 2025.	Achieved: The group successfully met its SDF target, with exposures of R207bn supporting SDF as of December 2025, accounting for 21% of total GLAA.
Thermal coal	<ul style="list-style-type: none"> No project finance for new thermal coal mines from 1 January 2025. Aggregate exposure to thermal coal mining, infrastructure and trade capped at < 1% of gross loans, reducing to 0.5% by 2030. Financed emissions managed in line with IEA Net-Zero by 2050 glidepaths 	<p>On track: Nedbank is on track to achieve its 47% target reduction in absolute financed emissions from thermal coal by 2030, relative to a 2022 baseline. By 2025, absolute financed emissions had declined by 56%, consistent with the bank's transition glidepaths.</p> <p>Thermal coal exposure was 0.2% of GLAA in 2025, reflecting continued portfolio alignment with the commitments.</p>
Upstream oil and gas	<ul style="list-style-type: none"> No financing of new oil exploration projects (immediate and ongoing). No new financing for oil production from 1 January 2035. Financed emissions aligned with published decarbonisation glidepaths through to 2050. 	<p>On track: Nedbank is on track to deliver a 26% reduction in absolute financed emissions from upstream oil and gas by 2030, compared with 2022 levels.</p> <p>Emissions continued to decline in 2025, with a 44% yoy reduction relative to 2024, and 53% compared with 2022 base, consistent with the bank's longer-term transition glidepath.</p> <p>Progress reflects a portfolio rebalancing and is supported by the prohibition on financing new gas exploration projects.</p>
	<ul style="list-style-type: none"> No financing of new gas exploration projects (ongoing). Financed emissions managed against science-based glidepaths adopted in 2024. 	
Fossil fuel power generation	<ul style="list-style-type: none"> No financing of new coal-fired power stations (ongoing). No financing of new oil-fired power generation, except where integrated as renewable backup (ongoing). No new gas-fired power generation from 1 January 2030, subject to limited transition-enabling exceptions. Target of zero exposure by 2045 to fossil fuel activities covered by the policy. 	<p>On track: Power generation portfolio CO₂e intensity of 90 gCO₂e/kWh in 2025, materially below the IEA NZE 2030 benchmark (165 gCO₂e/kWh), consistent with the bank's transition glidepath.</p> <p>Progress supported by the prohibition on financing new oil-fired power generation.</p>

Building on momentum: 2030 SDF ambition

After achieving our initial SDF target of exposures of 20% of total GLAA by 2025, we are building on our momentum by setting a new SDF ambition to grow SDF exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth. This enhanced ambition reflects our growth trajectory, underpinned by continued expansion in SDG-aligned financing.

We have developed an illustrative value chain map to highlight the segments in which we assess financed emissions. Our focus remains on emissions-intensive sectors in line with our Energy Policy. We initially achieved coverage across our CIB portfolios in power generation, upstream thermal coal, and upstream oil and gas. By 2025, coverage extended to 96% of the vehicle finance portfolio and 98% of the home loans portfolio. As we add further emissions-generating sectors to complete baseline development, we will continue to set transition glidepaths towards net-zero, consistent with our Energy Policy.

Emissions-intensive priority sectors



Tilting our book: Our scope 3 financed emissions

As a financial institution, our most significant influence on the economy and society stems from the capital we deploy through lending and investment. To better understand our climate footprint, we quantify the GHG emissions associated with the activities we finance.

To ensure our measurement is robust and consistent, we apply the Partnership for Carbon Accounting Financials (PCAF) methodology. Aligned with the GHG Protocol, PCAF standardises the reporting of scope 3, category 15 emissions, commonly referred to as financed emissions, enabling clear, transparent and comparable disclosures across the banking sector.

In 2025, we enhanced our financed emissions disclosures by expanding coverage across the bank. By broadening disclosures for thermal coal and commercial property within the BCB cluster, we achieved full coverage of these sectors. We further expanded sector coverage by introducing new disclosures for heavy industry and transport within the CIB cluster. In line with PCAF recommendations, we combined internal portfolio data with publicly reported client information and relevant emission factors, targeting the lowest attainable PCAF data quality score. As client disclosures improve, we will continue to refine these estimates, broaden coverage across a larger share of the portfolio, and enhance overall data-quality scores.

The basic principle to calculate financed emissions is the following formula:

$$\begin{aligned} \text{Financed emission} &= \sum_i \text{Attribution factor}_i \times \text{emissions}_i \\ &= \sum_i \frac{\text{Outstanding amount}_i}{\text{Total equity} + \text{debt}_i} \times \text{emissions}_i \end{aligned}$$

Note that the PCAF methodology requires the use of on-balance-sheet exposures only in the outstanding amount.

PCAF data quality score scale

Uncertain -----> Certain

Score 5

Score 4

Score 3

Score 2

Score 1



Tilting our book: Our scope 3 financed emissions continued

Financed emissions**

Sector	PCAF Asset Class	Subsector/description	Nedbank Cluster	Portfolio size On-balance-sheet exposure (Rm)	Portfolio coverage Total sector portfolio (%)	Total absolute financed emissions (ktCO ₂ e)	Total emissions intensity (ktCO ₂ e/Rm)	2025		2024	
								Portfolio size On-balance-sheet exposure (Rm)	Portfolio coverage Total sector portfolio (%)	Total absolute financed emissions (ktCO ₂ e)	Total emissions intensity (ktCO ₂ e/Rm)
Oil and gas	Corporate Loans & Bonds	Upstream – production and exploration: This stage in the oil and gas industry focuses on funding the search for and extraction of natural resources.	CIB	11 158	100%	1 998	0.18	14 188	100	2 888	0.204
Thermal coal	Corporate Loans & Bonds/ Business loans & unlisted equity	Coal mining: We report on upstream thermal coal, which involves financing coal mining operations. This includes funding the physical activities of the thermal coal mine.	CIB	823	100%	628	0.76	473	100	2 309	4.88
			BCB*	32	100%	7	0.21	-	-	-	-
Power generation	Corporate Loans & Bonds and Project Finance	Non-renewable energy generation: This category relates to non-renewable electricity generation (not related to Eskom).	CIB	2 422	100%	480	0.20	3 067	100	368	0.120
Transport	Motor Vehicle Loans	Vehicle Asset Finance – Passenger vehicles, motorcycles, light/medium/heavy.	PPB	163 137	100%	1 747	0.01	144 620	92	1 680	0.01
	Corporate Loans & Bonds/ Business loans & unlisted equity	Financed emissions for the transport sector covering corporate lending exposures to transport-related activities, including road, rail, aviation and shipping.	CIB*	8 929	100%	228	0.03	-	-	-	-
Real estate	Commercial Real Estate	Commercial property: Property used for commercial purposes, such as retail, hotels, office space, industrial, etc.	CIB	194 084	92%	1 792	0.01	171 980	92	1 903	0.01
	Commercial Real Estate	Commercial property: Property used for commercial purposes, such as retail, hotels, office space, industrial, etc.	BCB	11 399	100%	169	0.02	-	-	-	-
	Residential Real Estate	Home loans: Residential mortgages.	PPB	197 388	100%	2 132	0.01	179 733	97	2 209	0.01
Mining	Corporate Loans & Bonds/ Business loans & unlisted equity	Financing of mining activities, which involves extracting valuable minerals or geological materials from the earth.	CIB	15 307	92%	742	0.05	16 118	100	775	0.05
Heavy industries	Corporate Loans & Bonds/ Business loans & unlisted equity	Financed emissions are calculated for steel, cement and aluminium clients.	CIB*	1 451	90%	1 060	0.73	-	-	-	-
TOTAL	-	-	-	606 131	-	10 982	0.02	530 179	-	12 132	0.02
Other	-	Portfolios not yet baselined, including emissions-intensive and non-emissions-intensive sectors.	-	390 929	-	-	-	413 375	-	-	-
GLAA	-	-	-	997 060	-	-	-	943 554	-	-	-

* This information is disclosed for the first time in 2025. Accordingly, the group has applied the IFRS S2 transition relief and has not provided comparative information.

** The above financed emissions are based upon the PCAF standards. Management also tracks total absolute financed emissions for thermal coal clients on a segmental attribution basis, which would result in 1 351ktCO₂e of total absolute financed emissions.

Tilting our book: Our scope 3 financed emissions continued

In line with our commitment to net-zero by 2050, we continue to make progress on establishing a clear financed emissions baseline for our portfolio, using best available data, noting data quality gaps and planning improvements for greater accuracy over time. This will inform our sector-based approach to decarbonising our portfolio and solutioning for our clients' needs through their transition journeys.

We published interim decarbonisation targets for our most carbon-intense sectors, grounded in climate science, and continue to assess evolving global and local sectoral landscapes to inform our transition plans.

While no additional interim targets are announced in this report, we highlight the key decarbonisation opportunities (technological, operational, or financial) that can enable progress decarbonising our portfolio, while balancing trade-offs. We continue to engage with clients on practical decarbonisation actions that are feasible within current operating and policy conditions.

The challenge:

Global emissions trajectories have diverged from earlier projections, which anticipated average annual reductions of 7.6% between 2020 and 2030. Instead, emissions increased by approximately 8% between 2020 and 2024, implying that steeper annual reductions around 13% per year from 2025 to 2030 would now be required to align with 1.5 °C pathways.

Without green technologies; reaching net-zero emissions is highly unlikely due to the scale of emissions from fossil fuel use in industrial activities.

The role of green technologies

Hard to abate sectors¹:

Hard-to-abate sectors are responsible for 52% of global emissions making them critical targets for innovation and investment in the push to net-zero.

Green technologies:

The innovation and rapid scaling up of green technologies is crucial to close the 'emissions gap' and transition industries to net-zero pathways.

Emissions reduction levers:

- 4 key pillars of emissions reduction are:
1. renewable energy
 2. low-carbon feedstock
 3. energy efficiency and
 4. carbon capture, utilisation and storage (CCUS)

Emissions scenarios:

Tracking the deployment of low-carbon technologies enables financial institutions to evaluate their clients potential net-zero pathway and viable levers.



What does this mean for business?

- Real-world case studies demonstrate that industry leaders are effectively deploying green technologies, reinforcing confidence in their scalability and global impact.
- \$7.6 trillion of green technologies and infrastructure is required by 2030 providing significant funding opportunities.
- Cross industry collaboration is required to build green hydrogen and CCUS hubs, EV infrastructure and green value chains to achieve economies of scale.

Policy and regulation that enforces compliance with disclosure and decarbonisation plans is critical to achieving sufficient progress across industries.

¹ Hard-to-abate sectors refers to industries in which the reduction of carbon emissions is difficult due to technical, economic, or process-related constraints. Such industries include transport, cement, chemicals, steel and aluminium.

Tilting our book: Our scope 3 financed emissions continued

Sector: Power generation

Decarbonisation of the power sector is central to the transition to low-carbon economies worldwide and is particularly critical in South Africa, where electricity generation remains heavily dependent on coal, Nedbank has long been at the forefront of advocating and solutioning for the effective transitioning of South Africa's power supply to be more sustainable evidenced by the continued growth in our renewable energy financing.

Our power-generation portfolio continues to be predominantly made up of renewable energy projects. We strengthened our position as a leader in the renewable energy sector, and by December 2025 our renewable energy exposure had grown to R50bn² (📄 refer to [Funding the transition on page 87](#)).

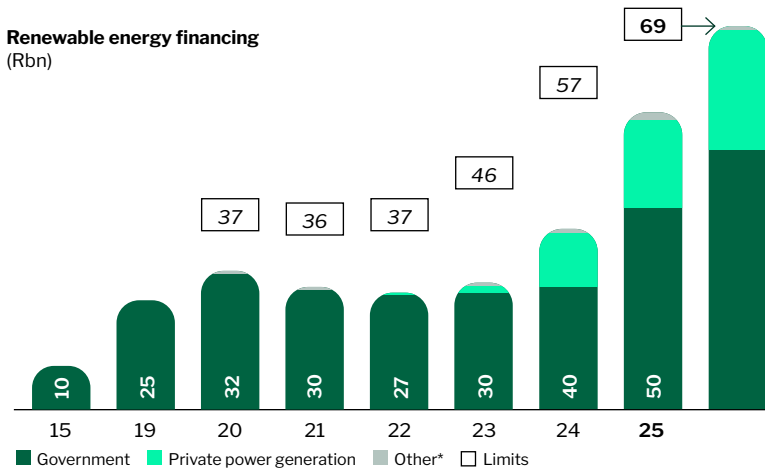
We are further advancing this leadership, supported by a robust pipeline of opportunities following the recent awards made under REIPPPP Round 7 and BESIPPPP Round 2 and 3.

Non-renewable exposure includes fossil-fuel-related activities such as thermal coal, upstream oil and gas, and thermal power plants, where absolute GHG emissions are measured. Renewable energy exposure covers technologies such as wind, solar, hydro, geothermal and tidal power, for which avoided emissions are calculated.

We monitor total financing and emission associated with non-renewable power generation to ensure we remain in line with our commitments.



Renewable energy financing
(Rbn)

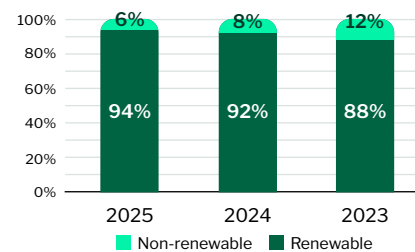


Nedbank has supported **8.8 GW** of REIPPPP and private power projects to date.

** Rooftop solar understated, given use of access bonds.*

The exposure split shown in the graph demonstrates our continued focus on renewables, which represent 94% of the power generation book.

On-balance-sheet exposure portfolio split (%)



R48bn in awarded facilities³

- **Closed 5 deals in 2025** (4 private power generation and 1 REIPPPP), advancing the energy transition and supporting our client energy needs
- **Good pipeline** will support book growth over the medium term
- **Uncertainty remains** around the project pipeline closing in 2026 due to final grid commitment timelines
- **Supporting transmission grid expansion** for greater renewables integration – Nedbank to support pre-qualified bidders under phase 1 of the Infrastructure Transmission Programme

Project pipeline	Mandated	Estimate close	Nedbank debt
REIPPPP R7	7 (1.5 GW)	H1 2026–H2 2026	R10.6bn
REIPPPP R7 (VFM)	4 (0.8 GW)	H2 2027	R11.5bn
BESS R2	7 (0.5 GW)	H1 2026–H2 2026	R5.6bn
BESS R3	4 (0.5 GW)	H2 2026	R4.3bn
Private generation	15 (2.7 GW)	H1 2026–H2 2026	R16.2bn

Power generation: Non-renewable energy

	% Change	2025	2024	2023
On-balance-sheet exposure (Rm)	▼ -21%	2 422	3 067	3 769
% of portfolio covered		100%	100%	100%
Total Scope 1 & 2 Absolute (ktCO ₂ e)	▲ 30%	480	368	445
Total Emissions Intensity (ktCO ₂ e/Rm)	▲ 65%	0.20	0.12	0.12
PCAF Weighted data quality score			2	2

Where revenue was unavailable, CEDA factors were applied; otherwise PCAF factors used. Kenya Power (grid infrastructure) estimated via PCAF despite missing plant-level data.

Conventional power exposures (e.g., diesel, natural gas, Eskom), 2025 expanded reporting from scope 1 to include scope 2.

² The R50bn amount incorporates derivative exposures. By contrast, the R46bn disclosed for the SDF represents on-balance-sheet exposure amounts exclusively and does not include any derivative exposures.

³ Some renewable energy financing could be distributed.

Tilting our book: Our scope 3 financed emissions continued

Sector: Power generation continued

Decarbonisation strategy

Nedbank will continue to support increasing integration of renewable energy and ensure the make-up of our portfolio is reflective of our net-zero transition ambitions while balancing the needs of businesses and communities for energy security. Our power generation decarbonisation strategy is centred around the financing of the following:

- **Renewable energy** – power generation from energy sources that are not depleted when used, such as wind, solar, hydro, geothermal, and biomass.
- **Embedded energy** – energy technologies, usually renewable generation or energy storage, that are integrated into the built environment.
- **Backup supply** – the least carbon-intensive fossil-fuelled technologies where necessary for stability

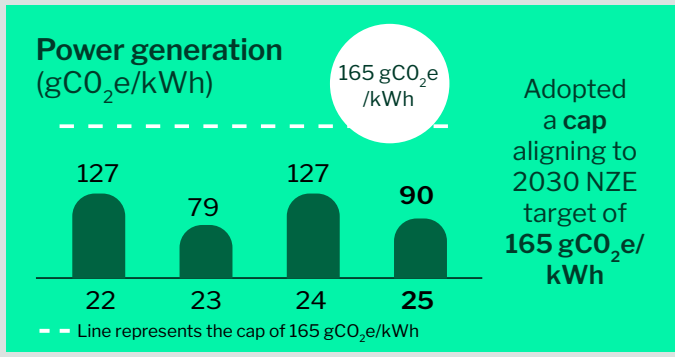
We remain committed to not only deploying capital but also collaborating with our clients (IPPs, electricity utility companies, governments and large energy users) in realising

their decarbonisation goals, Nedbank is well positioned to play its part in advancing these initiatives as part of a common journey with our clients and other stakeholders to achieve net-zero and strengthen energy security. Through our deliberate focus on renewable energy and extensive expertise in the sector, we have supported over 8 GW of renewable energy and built a pipeline of financing opportunities that will support the delivery of a further 6 GW of generation capacity.

Recent amendments to the Electricity Regulation Act support power-market reform by enabling a more competitive, multi-buyer electricity market, strengthening non-discriminatory grid access and wheeling, and accelerating private renewable energy and storage development. This reform improves project bankability of renewables, storage and grid-enabling infrastructure. We continue to work with the South African government and other key stakeholders to advance the delivery of additional transmission infrastructure capacity to integrate renewable energy at the desired rate for an effective energy transition.

Glidepath

In 2023, Nedbank adopted the IEA net-zero emissions by 2050 scenario as the foundation for setting our first targeted decarbonisation milestone of 31 December 2029 for our fossil fuel and power generation portfolios. This science-based pathway supports the objectives of the Paris Agreement to keep global temperature increases well below 2 °C and to pursue efforts to limit warming to 1.5 °C. In line with this commitment, we aim to maintain the CO₂e intensity of our power generation portfolio significantly below the IEA NZE 2030 target of 165 gCO₂e/kWh.



Adopted a cap aligning to 2030 NZE target of 165 gCO₂e/kWh



Tilting our book: Our scope 3 financed emissions continued

Sector: Power generation continued

Avoided emissions

Avoided emissions from the renewables book were 1 862.18 ktCO₂e (2024: 2 670 ktCO₂e – restated) with an intensity of 0.22 ktCO₂e/Rm. In 2025, 61% of renewable energy exposures related to projects under construction, 35% to operational assets, and 4% to projects with incomplete information. Avoided emissions are recognised only for operational projects generating electricity, with construction-phase projects excluded until they become operational.

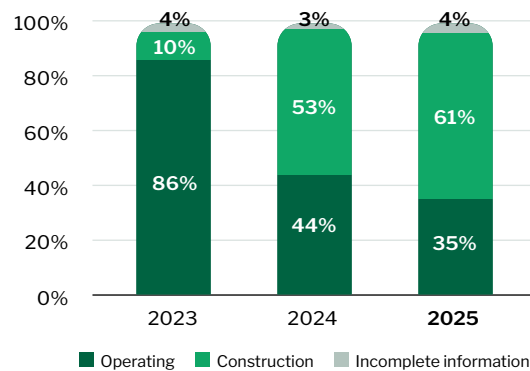
Nedbank undertook a review of the emission factor used to calculate avoided emissions. Historically, the grid emission factor was applied; however, this was found to understate avoided emissions, as it reflects the combined impact of both fossil-fuel-based and renewable energy sources.

To improve accuracy, a revised avoided-emission factor was developed, and the 2023 and 2024 avoided-emissions figures were restated to reflect this methodological enhancement. This update ensures that reported avoided emissions more reliably represent the substitution of fossil-fuel-based generation with renewable energy alternatives. For the purposes of financed emissions, projects under construction were treated as operational where generation data was available, to reflect the best available information. The graph on the bottom left shows the breakdown by operational status and data availability.

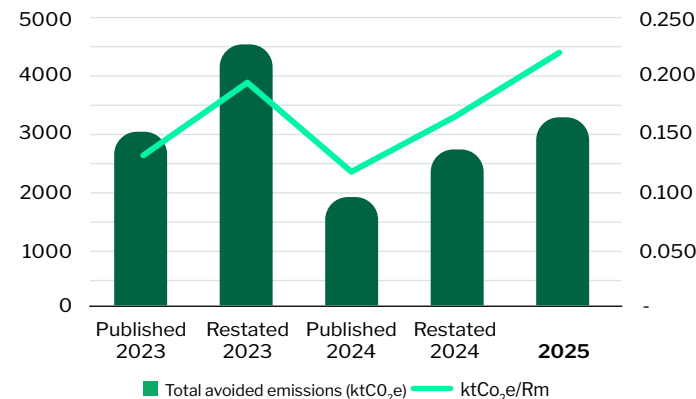
Renewable energy avoided emissions summary and history

	2025	2024	2024	2023	2023
		Published	Restated	Published	Restated
Total on-balance sheet exposure (Rm)	15 029	16 295	16 295	23 313	23 313
Total avoided emissions (ktCO ₂ e)	3 322	1 862	2 670	3 007	4 526
Percentage of portfolio covered (%)	35%	44%	44%	86%	86%
Emissions intensity (ktCO ₂ e/Rm)	0.22	0.11	0.16	0.13	0.19
Portfolio data quality score on covered portfolio	3	3	3	3	3

Renewable energy exposure distribution (%)



Total avoided emissions (ktCO₂e)



Tilting our book: Our scope 3 financed emissions continued

Sector: Fossil fuel

In line with the global energy sector context, Nedbank's fossil fuels book is the biggest contributor to our disclosed financed emissions and the most carbon intense. We remain committed to an orderly exit from fossil fuels in line with our net-zero commitments and also recognising the challenge of decarbonising our

fossil fuel portfolio given that global progress towards net-zero is slower than anticipated. As such, we are prudently managing our fossil fuel exposures and will continue to assess market development in relation to our commitments.

The upstream oil and gas portfolio continues

to be managed to ensure that the committed emissions targets at the end of 2029 are met through reductions in commitment levels in the period between now and the target date. The portfolio is monitored consistently and before any new commitments or renewal of commitments are made to ensure we remain

confident of meeting the targets. Returns from the portfolio are also assessed against both capital and financed emissions to ensure that financed emissions are utilised in the most efficient manner. [Refer to Funding the transition on page 87.](#)

Thermal coal

Thermal coal CIB	% Change	2025	2024	2023	2022
On-balance-sheet exposure (Rm)	▲ 74%	823	473	777	911
% of portfolio covered		100%	100%	100%	100%
Scope 1 & 2 Absolute (ktCO ₂ e)		10	9	30	35
Scope 3 Absolute (ktCO ₂ e)		617	2 300	5 488	7 992
Total Emissions Absolute (ktCO ₂ e)	▼ -73%	628	2 309	5 518	8 027
Scope 1 & 2 Intensity (ktCO ₂ e/Rm)		0.01	0.02	0.04	0.04
Scope 3 Intensity (ktCO ₂ e/Rm)		1	5	7	9
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -84%	1	5	7	9
PCAF Weighted data quality score		Scope 1: 1.02;	Scope 1: 1.4;	Scope 1: 2.0;	Scope 1: 1.34;
		Scope 2: 1.02;	Scope 2: 1.4;	Scope 2: 2.0;	Scope 2: 1.34;
		Scope 3: 1.06	Scope 3: 1.7	Scope 3: 2.39	Scope 3: 1.69

Explanation of year-on year emissions change

Thermal coal financed emissions decreased by approximately 73% from 2024 to 2025 due to changes in portfolio exposure and emissions estimation methodology, rather than improvements in counterparty emissions performance. The reduction reflects lower exposure to a highly emissions-intensive counterparty and a shift from production-based to revenue-based scope 3 estimation, resulting in lower attributed emissions and an improved PCAF data quality score.

Underlying assumptions

PCAF-aligned approach; where client scope 3 was missing, emissions were estimated using CEDA revenue factors, with CEDA scope splits.

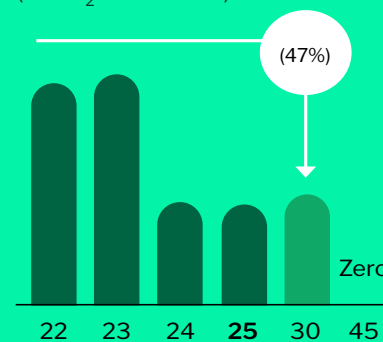
Calculations cover thermal coal mining only.

Thermal coal BCB	2025
On-balance-sheet exposure (Rm)	32.5
% of portfolio covered	100%
Scope 1 & 2 Absolute (ktCO ₂ e)	2.04
Scope 3 Absolute (ktCO ₂ e)	4.63
Total Emissions Absolute (ktCO ₂ e)	6.67
Scope 1 & 2 Intensity (ktCO ₂ e/Rm)	0.06
Scope 3 Intensity (ktCO ₂ e/Rm)	0.14
Total Emissions Intensity (ktCO ₂ e/Rm)	0.21
PCAF Weighted data quality score	4.05

Underlying assumptions

Calculations follow PCAF for business loans/unlisted equity using Option 3 (economic activity-based) with CEDA revenue factors.

Thermal coal glidepaths⁴ (ktCO₂e financed)



→ Represents the reduction target in absolute financed emissions from thermal coal by 2030, compared with 2022 levels.



⁴ Glidepaths for the thermal coal and upstream oil and gas sectors are calculated using limits rather than exposure levels, as limits provide a more stable and representative basis for financed emissions and support year-specific decision-making, whereas exposures can be volatile and do not support a reliable longer-term view of sector-associated emissions.

Tilting our book: Our scope 3 financed emissions continued

Sector: Fossil fuel continued

▶ Upstream oil and gas

Absolute financed emissions intensity have dropped steadily from 2022 to 2026.

Upstream oil and gas	% Change	2025	2024	2023	2022
On-balance-sheet exposure (Rm)	▼ -21%	11 158	14 188	13 695	11 445
% of portfolio covered		100%	100%	100%	100%
Scope 1 & 2 Absolute (ktCO ₂ e)		133	157	196	288
Scope 3 Absolute (ktCO ₂ e)		1 865	2 731	2 751	2 805
Total Emissions Absolute (ktCO ₂ e)	▼ -31%	1 998	2 888	2 947	3 903
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -12%	0.18	0.20	0.22	0.27
PCAF Weighted data quality score		3	3	3	3

Explanation of year-on year emissions change

On-balance-sheet exposure fell from R14.19bn to R11.1bn; total intensity improved from 0.20 to 0.18 ktCO₂e/Rm. The portfolio shows a steady multi-year decline in absolute emissions and intensity since 2022.

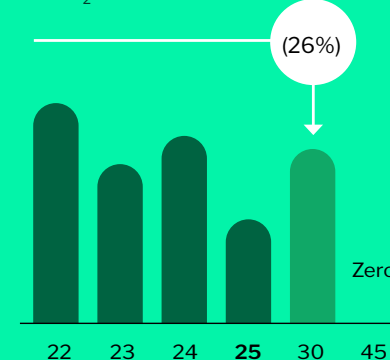
Underlying assumptions

Emissions sourced from Wood Mackenzie; Scopes 1&2 are combined (not split).

Upstream Oil	% Change	2025	2024
On-balance-sheet exposure (Rm)	▼ -16%	10 500	12 456
% of portfolio covered		100%	100%
Total Emissions Absolute (ktCO ₂ e)	▼ -26%	1 800	2 432
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -12%	0.17	0.20

Upstream Gas	% Change	2025	2024
On-balance-sheet exposure (Rm)	▼ -68%	658	2 031
% of portfolio covered		100%	100%
Total Emissions Absolute (ktCO ₂ e)	▼ -57%	198	455
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ 34%	0.30	0.22

Upstream oil and gas glidepaths⁵
(ktCO₂e financed)



→ Represents the reduction target in absolute financed emissions from upstream oil and gas by 2030, compared with 2022 levels.

Nedbank fossil fuel decarbonisation strategy

Nedbank aims to have zero exposure to all activities related to fossil fuels, with the exception of backup supply to renewable generation projects, by 2045. Our fossil fuels decarbonisation strategy is centred around limiting financing for:

- **Thermal coal** – mining, trading and infrastructure
- **Oil** – upstream activities (exploration and production of crude oil)
- **Gas** – upstream activities (exploration and production of natural gas)

Key considerations in the financing of the above activities in the interim are premised on the absolute emissions of the projects, the practicality of the lending tenors and the necessity of projects in ensuring a sustainable, secure and affordable global energy system. These will help in managing the transition risks associated with the highlighted fossil fuels activities.

We continue to pursue active dialogue with key stakeholders to inform future enhancements of our energy sectors net-zero commitments. If future developments (i.e. technological breakthroughs or regulatory changes) allow for the large-scale roll-out of negative-emissions technologies such as carbon capture and storage, we may consider the financing of fossil fuels projects that implement such technologies in line with net-zero pathways and are aligned with our carbon budget construct and risk appetite.

⁵ Glidepaths for the thermal coal and upstream oil and gas sectors are calculated using limits rather than exposure levels, as limits provide a more stable and representative basis for financed emissions and support year-specific decision-making, whereas exposures can be volatile and do not support a reliable longer-term view of sector-associated emissions.

Tilting our book: Our scope 3 financed emissions continued

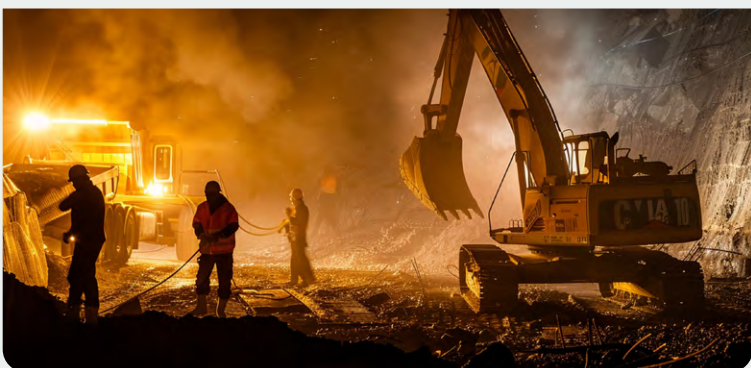
Sector: Mining

The mining sector will continue to play an important role in the supply of materials that are critical to the energy transition and achieving a low-carbon economy. Mining companies must however continue to focus on their own emissions reduction and overall process efficiency to remain competitive and grow. As one of the leading financiers in this sector, with assets across Africa, we appreciate the responsibility to leverage our market position to be at the forefront of solutioning for transition opportunities in the sector.

Mining	% Change	2025	2024
On-balance-sheet exposure (Rm)	▼ -5%	15 307	16 118
% of portfolio covered		100%	100%
Scope 1 & 2 Absolute (ktCO ₂ e)		313	376
Scope 3 Absolute (ktCO ₂ e)		429	399
Total Emissions Absolute (ktCO ₂ e)	▼ -4%	742	775
Total Emissions Intensity (ktCO ₂ e/Rm)	▲ 56%	0.05	0.03
PCAF Weighted data quality score		2	2

Underlying assumptions

PCAF asset-based factors were applied in 2025 (exposures converted to EUR) where scope 3 data was unavailable, but revenue data was available; 2024 figures were not restated and exclude scope 3 estimates. CEDA revenue factors and scope splits were used by country/currency.



Mining decarbonisation strategy

The mining sector remains central to economic activity and to the supply of materials that enable the energy transition; however, mining operations are emissions-intensive and exposed to both transition and physical climate risks. Operational emissions are dominated by electricity consumption (scope 2), reflecting South Africa's carbon-intensive grid, with additional contributions from diesel combustion in mobile fleets and stationary plant (scope 1), and fugitive methane emissions in coal mining. Downstream (scope 3) emissions arise primarily from the combustion of thermal coal in electricity generation and synfuels production and from iron ore used in conventional steelmaking. These features make electricity decarbonisation, fleet electrification, methane management and value-chain shifts the critical levers for emissions reduction.

Mining is in scope of the Climate Change Act's sectoral emissions target and carbon budget framework, while the Critical Minerals and Metals Strategy (2025) positions mining as a strategic enabler of the energy transition value addition agenda. This should ultimately support growth in finance for credible decarbonisation capex (renewables, efficiency, fleet electrification) and for critical minerals value chains.

Nedbank's mining sector assets mainly relate to upstream mining operations and other mining-related services, although the reported financed emissions in this report relate to primary miners only. We provide structured lending to clients

based on risk assessment informed by jurisdiction and minerals being mined. This further helps us to assess the outlook and sustainability of our financed activities and inform our decarbonisation strategies. The majority of our upstream mining clients are listed and are already disclosing their carbon emissions, and many have decarbonisation plans in place. As such, we engage clients on financing viable decarbonisation technologies where implementation is feasible and supported by available data. Our mining financing portfolio decarbonisation strategy is centred around:

- Limiting financing for mining operations that face a high risk of being stranded due to lack of competitiveness.
- Supporting clients transition to focusing on critical minerals that would be mined in a more carbon efficient manner.
- Advancing the integration of green solutions in mining operations (i.e. renewable energy and electric vehicle fleet).

A primary decarbonisation lever is the substitution of grid electricity with renewable energy through embedded or wheeled power to materially reduce scope 2 emissions. Feasibility is high due to technology maturity and conducive power sector regulatory reforms, although progress depends on grid-connection availability. We therefore monitor grid-capacity developments and mining companies investment in

private power generation projects as key indicators of transition momentum.

The electrification of mining fleets using battery-electric or hydrogen fuel-cell technologies is another material decarbonisation pathway. This will reduce diesel-related scope 1 emissions and, in underground operations, lessen ventilation energy requirements. Fleet electrification will scale progressively as next-generation electric and hydrogen-powered mining trucks become commercially available. We monitor OEM delivery timelines, infrastructure development and client fleet-replacement cycles, given their direct influence on financing opportunities.

Efficiency-focused interventions, such as ventilation optimisation, advanced process control and improved water management, offer immediate and low-cost emissions reductions solutions. Their feasibility is high, and they align well with sustainability-linked financing structures. These measures are increasingly complemented by physical-risk adaptation investments, as mines face rising heat stress, water scarcity and rainfall variability.

Global decarbonisation trends are shifting value pools toward transition-enabling minerals such as copper, nickel, lithium, cobalt and manganese. Unlocking competitive beneficiation in South Africa will depend on consistent, affordable, low-carbon electricity with adequate grid capacity energy security.

Tilting our book: Our scope 3 financed emissions continued

Sector: Property

Commercial real estate

As the largest commercial property funder in SA, Nedbank is well positioned to lead financial solutioning and innovation that will strengthen the sector’s climate resilience and reduce the carbon intensity of our clients’ property portfolios. Although decarbonisation remains challenging for the sector, we continue to support our client’s growth ambitions while also strengthening our capabilities for ongoing carbon emissions and climate risk assessment.

Total financed emissions for the CIB portfolio decreased to 1.791.9 ktCO₂e, compared with 1 903.6 ktCO₂e in the prior year. This reduction can be partially attributed to the decrease in the South African grid emission factor from 1.06 to 0.988 tCO₂e/MWh, as well as the exclusion of properties that were still under construction and had been included in the prior year’s calculation (24.5 ktCO₂e).

Commercial real estate - CIB				Commercial real estate - BCB	
	% Change	2025	2024		2025
On-balance-sheet exposure (Rm)	▲ 33%	194 084	171 980	On-balance-sheet exposure (Rm)	11 399
% of portfolio covered		92%	92%	% of portfolio covered	100%
Total Scope 1 & 2 Absolute (ktCO ₂ e)	▼ -6%	1 792	1 904	Total Scope 1 & 2 Absolute (ktCO ₂ e)	169
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -29%	0.01	0.01	Total Emissions Intensity (ktCO ₂ e/Rm)	0.01
PCAF Weighted data quality score		4	4	PCAF Weighted data quality score	4
Explanation of year-on-year emissions change A lower SA grid factor (1.06 to 0.988 tCO ₂ e/MWh) and removal of under-construction properties (24.5 ktCO ₂ e) reduced totals.				Underlying assumptions Assessment covers Commercial Real Estate and vacant land and properties captured in other high-emitting sectors are excluded. PCAF methodology is used, Option 2 where building type and floor area are available, and Option 3 with conservative proxies where they are not.	
Underlying assumptions Only the Property Finance debt portfolio is included; equity and non-property 'other' exposures are excluded.					

Commercial real estate decarbonisation strategy

Real estate emissions are structurally concentrated in 2 sources - around 70% arise from building operations (energy use, heating, cooling and maintenance) while the remaining 30% stem from construction-related activities such as material production, transport and machinery use. This split is critical because most sector metrics and benchmarks focus only on operational (scope 1 and 2) emissions, leaving embodied (scope 3) emissions largely unaddressed despite being a material contributor to lifecycle climate impact.

Scope 2 emissions account for most of the

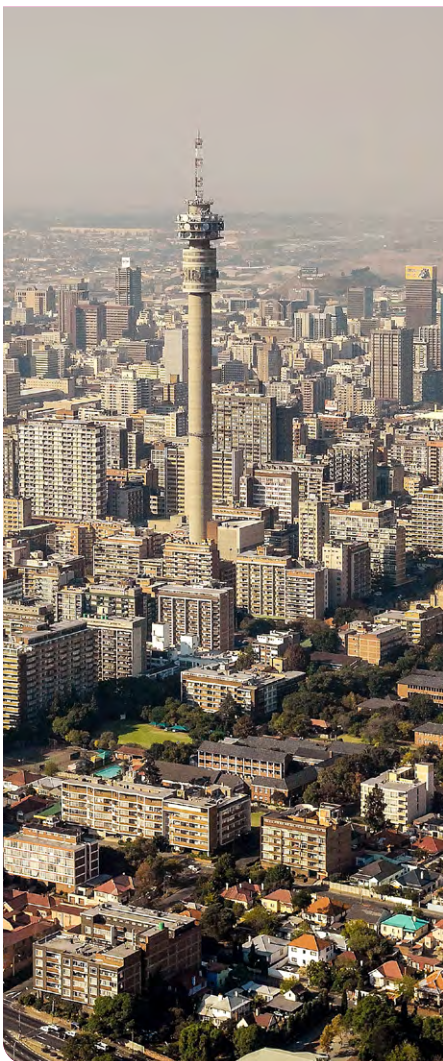
carbon emissions for the real estate sector as the sector is, for the most part, directly dependent on the energy mix from Eskom. As such, our sustainability drive for the sector is focused on:

- placing greater emphasis on new buildings to ensure they are designed and constructed to reduce environmental impacts, and
- growing support for retrofitting existing buildings with energy and water-efficient technologies.

Decarbonisation in real estate diverges between operational and embodied sources, and the most immediate progress sits on

the operational side. Operational emissions reductions rely on mature and widely deployable measures such as energy efficient retrofits, upgraded building systems, improved envelopes and insulation, modern lifts, better glazing, efficient appliances, and HVAC and controls optimisation. Operational activity focus is generally on water and energy where stability of supply is priority. In the absence of regulation, necessity is driving the change with uptake generally for rooftop solar PV and energy storage, and water security measures. By contrast, embodied carbon solutions, such as material reuse, recycling, low-carbon steel and cement, and design for deconstruction



Tilting our book: Our scope 3 financed emissions continuedSector: Property continued

remain far less developed. On the construction side in particular, progress remains centred on on-site efficiency improvements and early electrification of stationary machinery, which reduce diesel consumption but still require supportive economics and clearer performance benchmarks to scale. There is also muted building activity in SA currently hence the impact is not material. Together, these dynamics explain why operational levers are driving the bulk of near-term decarbonisation, while embodied levers represent the next frontier that the industry has yet to integrate consistently.

South Africa's Energy Performance Certificate (EPC) regulations under the National Energy Act require qualifying public and private buildings in specified occupancy classes (including offices) to register and publicly display an EPC, strengthening transparency and performance in the build environment. For Nedbank, the EPC roll-out strengthens the commercial case for efficiency retrofits and supports our transition strategy by improving building-level energy data quality, supporting financed-emissions measurement and risk modelling, while expanding green and sustainability-linked financing opportunities for upgrades.

Our client engagements are greatly enriched by our in-house EDGE (Excellence in Design for Greater Efficiency) expertise that assist clients with making their properties more sustainable

with the option to be EDGE-certified. EDGE was developed by the International Finance Corporation (IFC) as a green building certification that focuses on savings in energy, water and embodied materials. EDGE aligns to the realities around water scarcity, energy shortage and climate risk challenges and requires at least 20% savings in energy, water and embodied carbon and is becoming an important indicator of resource efficiency in the South African property market. Market dynamics increasingly reward buildings with validated performance and, as a result, EDGE certification continues to gain traction nationally as it is now widely accepted as an accessible, credible green-building standard in South Africa. The IFC facility also has incentives to clients that build to green certification standards, due to cost being a barrier to entry. As the only South African bank with an in-house EDGE expert team, clients increasingly rely on the bank for:

- EDGE modelling
- Technical advisory and efficiency calculations
- Certification preparation
- Guidance through auditor review and submission processes

We have also developed the Building Efficiency Scale (BES) and a related performance scorecard to measure water and energy efficiency in buildings. The BES provides a practical and accessible tool to assess

performance, identify resource-efficient design and operational elements, and support clients in transitioning individual assets and entire property portfolios towards improved environmental performance and long-term sustainability.

Furthermore, we built a Climate Risk Tool to assess and manage physical risks in our Property Finance portfolio. This tool offers several features, including geospatial visualisation, which displays properties on a map with risk levels and exposure sizes. The tool incorporates a risk assessment function that flags high-risk properties for deeper analysis. This supports the integration of physical climate risk into property-level due diligence, collateral assessment and ongoing credit monitoring, particularly where climate events may impair asset values, insurability or long-term cash flow sustainability. By identifying properties potentially affected by climate hazards, the tool enables more risk-sensitive credit judgements, including targeted escalation, enhanced monitoring or risk mitigation where warranted. This capability strengthens the link between climate risk insights and credit risk management actions. It informs credit committees' understanding of how physical climate risk may translate into traditional credit risk drivers (such as LGD and concentration risk), while also supporting constructive client engagement on climate resilience, adaptation measures and insurance solutions.

Tilting our book: Our scope 3 financed emissions continued

Sector: Property continued

Residential mortgages

Nedbank continues to disclose the financed emissions associated with its home-loans portfolio, reinforcing our commitment to transparent and accountable climate reporting. Looking at our peers around the world, we acknowledge that real estate portfolios have been among the most difficult portfolios to steer towards net-zero. This has been, for the most part, due to the many factors at play, such as grid emissions intensity that banks do not have control over, yet which greatly influence the emissions profile of building stock across different regions.

Despite these constraints, Nedbank recognises the significant decarbonisation opportunities that exist within the home-loans portfolio. Energy-efficiency improvements in residential properties, including better insulation, efficient heating and cooling systems, and the adoption of rooftop solar, represent meaningful pathways to reduce financed emissions while lowering operating costs for clients. By supporting green-building standards, incentivising sustainable home upgrades, and expanding access to renewable-energy financing solutions, Nedbank aims to contribute to a lower-carbon residential sector and enhance the climate resilience of the South African housing market.

Home loans	% Change	2025	2024	2023
On-balance-sheet exposure (Rm)	▲ 10%	197 388	179 733	141 730
% of portfolio covered		100%	97%	83%
Total Emissions Absolute (ktCO ₂ e)	▼ -3%	2 132	2 209	1 664
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -12%	0.01	0.01	0.01
Total Physical Emissions Intensity (kgCO ₂ e/sqm)	▲ 0.26%	49.73*	49.60	-
PCAF Weighted data quality score		4	4	4

Underlying assumptions
The scope of our calculation includes all residential mortgages within Consumer, Relationship Banking and Private Wealth. We estimated building emissions based on energy consumption data from the National Building Regulations provided in the SANS 10400-XA:2021 document, as well as building energy efficiency labels and area under roof (AUR) square meterage provided by Lightstone Property.



* Total area under roof in 2025 amounted to 42 871 378 m²

Tilting our book: Our scope 3 financed emissions continued

Sector: Transport

Transport is a heavy emitter globally and the third-largest emitter in South Africa, with road transport being the biggest contributor to the sector’s carbon emissions (over 90% of the sector’s total emissions). The sector is, however, the backbone of South Africa’s economy and as such Nedbank provides financing to clients across the transport ecosystem, including all transport modalities, original equipment manufacturers (OEM) and suppliers into the sector. CIB’s transport sector exposures are largely with road transportation clients, particularly freight, logistics and automotive manufactures.

Vehicle Asset Finance	% Change	2025	2024	2023
On-balance-sheet exposure (Rm)	▲ 42%	157 045	114 620	132 704
% of portfolio covered		100%	92%	98%
Total Scope 1 & 2 Absolute (ktCO ₂ e)	▲ 4%	1 747	1 680	1 747
Total Emissions Intensity (ktCO ₂ e/Rm)	▼ -27%	0.01	0.01	0.01
PCAF Weighted data quality score		3	3	3
Underlying assumptions				
<ul style="list-style-type: none"> • The scope of our calculation includes all road-vehicle facilities within VAF. • We estimated vehicle emissions based on manufacturer-specified intensity data. • Average distance driven per year is based on TransUnion mileage data. • We use in-sample average for facilities for which we don't have this full view. 				

Transport CIB	2025
On-balance-sheet exposure (Rm)	8 929
% of portfolio covered	100%
Scope 1 & 2 Absolute (ktCO ₂ e)	122
Scope 3 Absolute (ktCO ₂ e)	106
Total Emissions Absolute (ktCO ₂ e)	228
Total Emissions Intensity (ktCO ₂ e/Rm)	0.03
PCAF Weighted data quality score	2
Underlying assumptions	
The financed emissions reported for the transport portfolio reflect a combination of client-specific emissions data and estimated values where information was not available.	

Transport decarbonisation strategy

Transport is South Africa’s third-largest emitting sector, producing about 55 MtCO₂e annually, with over 90% of emissions coming from road transport as roughly 8 million private cars, 300 000 minibus taxis, 60 000 buses and nearly 3 million freight vehicles burn around 850 petajoule of petrol and diesel each year. Decarbonisation therefore

hinges on shifting demand away from fossil-fuel-intensive modes and accelerating the adoption of zero-emission technologies across vehicles, fuels and infrastructure.

Three structural levers define the transition pathway. Firstly, shifting passengers and freight from roads and aviation to efficient, electrified rail reduces both emissions and

energy intensity. Secondly, accelerating zero-emission vehicle uptake, across passenger cars, vans, buses and freight, leverages rapidly improving global cost curves. Battery electric cars have already reached total cost of ownership parity in many markets, with electric vehicles making up 1 in 4 global sales in 2024, and cost parity for vans, medium-duty trucks and heavy-

duty electric or hydrogen trucks expected through 2025–2030 as battery ranges increase and hydrogen production scales. Thirdly, greening residual fuels in aviation and shipping through sustainable aviation fuel and emerging green fuels such as e-methanol and e-ammonia supports decarbonisation of hard to abate segments.

Tilting our book: Our scope 3 financed emissions continued

Sector: Transport continued

These levers matter because without deliberate intervention, transport emissions are unlikely to decline meaningfully before 2040, risking misalignment with South Africa's Nationally Determined Contribution and threatening the competitiveness of the domestic automotive sector as export markets tighten emissions requirements. Feasibility continues to strengthen across modes: rail electrification is based on mature global technologies; battery technologies are improving rapidly, including solid-state and megawatt-charging systems; and fuel-blending mandates in major markets are stimulating sustainable aviation fuel supply growth. However, green fuels still carry significant cost premiums. Sustainable aviation

fuel is approximately 1.7–2.1 times the price of jet fuel, while e-methanol and e-ammonia cost 2.1–2.5 times more than marine fuels, so widespread adoption depends on tightening mandates and falling production costs through the 2030s and 2040s.

Transport decarbonisation is supported by South Africa's Green Transport Strategy and accelerating rail/logistics reform through the Freight Logistics Roadmap and related access reforms, which are intended to enable modal shift and improve system performance. Key signals to monitor include the relative uptake of battery-electric versus hydrogen fuel-cell trucks, roll-

out of electric-vehicle charging infrastructure, green hydrogen cost curves, sustainable aviation fuel price trajectories, and the recovery of rail for both passengers and freight. The strongest near-term opportunities lie in road-fleet electrification, where battery-electric operating costs can be up to 70% lower than internal-combustion alternatives, and in early green-fuel and sustainable aviation fuel production, where South Africa's renewable resource base and Fischer-Tropsch capabilities offer competitive advantages. While the sector can technically be decarbonised by mid-century, successful delivery depends on early policy choices timelines to promote required financing and avoid escalating transition risks.



Tilting our book: Our scope 3 financed emissions continued

Sector: Heavy industry

The heavy manufacturing sector, which includes iron and steel, aluminium, cement, glass, machinery, as well as pulp and paper, remains a critical contributor to South Africa's industrial base but is among the most emissions-intensive segments of the economy.

The reported financed emissions refer to our exposures in the cement, steel and aluminium industries.

The financed emissions for the heavy manufacturing portfolio highlight the inherently emissions-intensive nature of these activities, driven by both energy use and process-related emissions. While client-specific data was available for a limited portion of the portfolio, the calculation relied in part on sector-average and proxy emission factors, reflecting current limitations in emissions disclosures and the availability of steel-specific factors. The resulting figures therefore establish a pragmatic baseline for these hard-to-abate sectors, which will be refined over time as client reporting improves and more representative, region-specific emission factors become available.

Heavy industry	2025
On-balance-sheet exposure (Rm)	1 451
% of portfolio covered	90%
Scope 1 & 2 Absolute (ktCO ₂ e)	362
Scope 3 Absolute (ktCO ₂ e)	697.43
Total Emissions Absolute (ktCO ₂ e)	1 059.61
Scope 1 & 2 Intensity (ktCO ₂ e/Rm)	0.25
Scope 3 Intensity (ktCO ₂ e/Rm)	0.48
Total Emissions Intensity (ktCO ₂ e/Rm)	0.73
PCAF Weighted data quality score	2
<p>Underlying assumptions Only steel, cement, aluminium within manufacturing were included; covering 90% of exposure. PCAF asset factors used - cement-specific factor; for steel, SA sector-average 'Metal and metal products' factor applied. Where only scope 1 and 2 are available, CEDA revenue factor used to estimate scope 3.</p>	

▶ Decarbonisation strategy

Cement, steel and aluminium are critical inputs even in the transition to low-carbon emissions economies, and because these industries are hard to abate nature, transition financing will be necessary to enable clients to invest in technology and processes that reduce carbon emissions over time, as green alternatives are not yet readily available. This entails developing medium-term as well as long-term financing solutions that support implementation of renewable energy sources, increasing usage of recycled materials, low-carbon substitution blends, process optimisation and digitisation. In the longer term, it also involves enabling investment in carbon capture, storage and usage once these technologies become viable at scale.

South Africa's heavy industries, primarily iron, steel, aluminium and cement, generate roughly 77 MtCO₂e annually across scope 1 and 2, driven by on-site fuel combustion, hard-to-abate process emissions, and heavy reliance on carbon-intensive grid electricity (National Business Initiative's decarbonisation analysis). Without accelerated decarbonisation, the sector faces rising transition risks as key export markets (i.e. EU, UK, US, Japan and China) tighten climate regulations and implement carbon-border adjustments. At the same time, domestic demand for steel, cement, and aluminium is expected to grow as the power, transport and construction sectors transition, making resilience and decarbonisation

essential for South Africa's broader industrial competitiveness.

Emissions remain structurally concentrated in a few sources, shaping realistic decarbonisation pathways. Aluminium is dominated by electricity consumption, which accounts for about 70% of the footprint. Steel emissions stem mainly from the coal-based Blast Furnace-Basic Oxygen Furnace route. Cement emissions are driven by calcination, which accounts for roughly half of total emissions.

Across these sectors, mature levers (renewable energy integration, fuel switching, efficiency improvements, recycling, and material substitution) offer the most immediate abatement potential and are already commercially viable in many applications. Aluminium can decarbonise rapidly through clean electricity and improved process control to prevent highly potent perfluorocarbon releases. Steel and cement require deeper, more capital-intensive transformations over longer timeframes, with increasing investment opportunities emerging in lower-carbon steel and aluminium as international buyers differentiate based on verified embodied carbon. Further cement-specific opportunities include scaling supplementary cementitious material supply chains, driving materials efficiency innovation, and developing early carbon capture, utilisation and storage demonstration projects.

South Africa's heavy manufacturing sector is estimated to require R150bn to R160bn in retooling to 2050 (National Business Initiative's decarbonising analysis), with the 2020s and 2030s representing the most capital-intensive period. This investment landscape coincides with tightening transition risks (including CBAM and stricter procurement standards), rising physical risks such as water scarcity, heat stress and load-shedding, as well as social considerations associated with retooling and cost passthrough.

Nedbank's approach prioritises financing that enables operational decarbonisation and long-term technological shifts. This includes renewable power integration and process transformation in steel and aluminium, efficiency and fuel-switch interventions in cement, and sustainability-linked structures tied to demonstrable emissions-intensity improvements. Transition finance solutions remain dependent on clients having credible, science-aligned transition plans, and supporting clients in developing and operationalising these strategies is a central focus of our engagement.





Funding the transition

In 2025, in line with the Nedbank Energy Policy ambition to reach zero exposure to fossil-fuel-related activities by 2045, we continued to advance our strategy to enable South Africa's energy transition.

Renewable energy financing increased to R50.2bn (5.03% of GLAA), up by 25.6% year on year, supported by continued progress in the IPP programme and strong demand for private power solutions across CIB, BCB and PPB. Total renewable limits rose to R68.7bn (+19.9%), with improving utilisation as projects reach financial close and drawdown. Fossil-related drawn exposures declined to R18.5bn (~1.85% of GLAA), with upstream oil (-5.2%) and upstream gas (-67.2%) down year on year. The thermal coal book remains small at 0.19% of GLAA, despite a low base increase, and the thermal coal ratio increased to 0.33% at 31 December 2025 (YE 2024: 0.23%), remaining below the board-approved limit of 1.00%. Non-renewable power generation increased to R4.2bn as approved mandates converted to drawn positions. Overall, renewables now outsize fossil exposures by ~2.7x (2024: 2.1x), evidencing a sustained rebalancing of the portfolio towards lower-carbon sectors while we continue to exit selected higher-emission client relationships. The climate-related disclosures table shows 2025 exposures and limits as a share of GLAA and how they have moved year on year.

Internal carbon price – application

Nedbank has not adopted a single groupwide internal carbon price, and decision-making is instead guided by the Nedbank Energy Policy and our commitment to a just, orderly transition.

Climate-related disclosures •ESG•

	Rm			% of GLAA	
	Dec 2025	Dec 2024	yoy change	Dec 2025	Dec 2024
Thermal coal⁶					
Limit ⁷	3 337	2 153	1 184	0.3	0.2
Drawn exposure	1 932	920	1 012	0.2	0.1
Upstream oil⁸					
Limit ⁷	17 772	18 881	(1 109)	1.8	2
Drawn exposure	11 602	12 244	(642)	1.2	1.3
Upstream gas⁸					
Limit ⁷	4 302	6 575	(2 273)	0.4	0.7
Drawn exposure	732	2 233	(1 501)	0.1	0.2
Non-renewable-power-generation exposure					
Limit ⁷	8 384	7 132	1 252	0.8	0.8
Drawn exposure	4 204	3 258	946	0.4	0.3
Renewable Energy Independent Power Producer Procurement Programme					
Limit ⁷	38 828	39 940	(1 112)	3.9	4.1
Drawn exposure	30 338	28 922	1 416	3.0	3.0
Private power generation - CIB					
Limit ⁷	27 042	15 705	11 337	2.7	1.6
Drawn exposure	18 002	9 609	8 393	1.8	1.0
Private power generation – BCB					
Limit ⁷	2 298	1 191	1 107	0.2	0.1
Drawn exposure	1 472	1 088	384	0.1	0.1
Private power generation – PPB					
Limit ⁷	177	128	49	0.0	0.0
Drawn exposure	123	99	24	0.0	0.0
Private power generation – NAR					
Limit ⁷	144	63	81	0.0	0.0
Drawn exposure	103	46	57	0.0	0.0
African renewable energy projects					
Limit ⁷	254	296	(42)	0.0	0.0
Drawn exposure	148	191	(43)	0.0	0.0
Total renewable energy					
Limit ⁷	68 743	57 323	11 420	6.9	6.0
Drawn exposure	50 186	39 955	10 231	5.0	4.2

⁶ Excludes derivative products and environmental guarantees.

⁷ Limits include all currently committed facilities approved to clients in respective portfolios, aligned with the Nedbank Energy Policy.

⁸ Includes all limits and exposures, including all products and derivatives, aligned with the Nedbank Energy Policy.

Managing our own carbon footprint and achieving our climate targets

In 2025, we continue to lead by example to strengthen our credibility as partners in our clients' net-zero transitions. Since 2009 we have maintained carbon-neutrality in our operations by voluntarily offsetting our residual emissions. We have set clear, robust targets to decarbonise our operations, prioritising a shift to renewable energy and disciplined management of our operational footprint.

Reduction targets

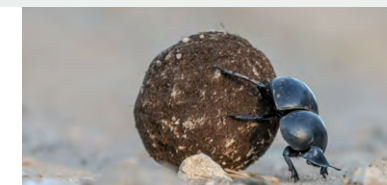
We remain committed to meeting and, wherever possible, exceeding our emissions reduction targets. These targets guide responsible resource use and environmental management across all levels of our organisation, from the group to clusters, business units, teams, and individuals.

We engage with employees on an ongoing basis to ensure a shared understanding of their role in minimising our operational environmental footprint. Emissions reduction goals are integrated into employee performance contracts, strengthening accountability and supporting our collective progress toward a more sustainable future.

The following table summarises the emissions reduction targets that were set for achievement by 2025 across our operations.

2025 Target	Current performance against target
Reducing emissions from electricity by 30% by the end of 2025, based on 2019 base levels, targeting annual electricity use below 97 000 MWh (absolute target) or 3 320 kWh per full-time employee (FTE) (intensity target), whichever is met first.	Achieved: This target was achieved in 2023, and we continued to lower our energy consumption in 2024. By 2025, we had further reduced our consumption to 58% compared with the 2019 base year.
In our own operations, renewable energy to account for 30% of our total energy consumption by 2025.	Not achieved: We achieved 17% renewable energy in our total electricity consumption; falling short of our 30% target due to the limited availability of renewable energy supply in the market.
A 40% reduction in GHG emissions in our own operations by the end of 2025 based on 2019 base levels, implying a total carbon footprint (scope 1 and 2 emissions) of ~83 000 tCO ₂ e.	Achieved: We achieved the target for the first time in 2024; in 2025, emissions were 62% below the base year and 26% lower than 2024.
A 30% reduction in the total GHG inventory for the group by the end of 2025 based on 2019 levels, implying a total carbon footprint of 132 ktCO ₂ e or 4.52 tCO ₂ e per FTE, whichever is met first.	Achieved: This target was achieved ahead of schedule in 2023. In 2025, we continued to make progress, reducing emissions by 45% against the base year and 14% year on year.

ESG	2025	2024	2019 Baseline
Total occupied floor space of buildings reported on (m ²) ⁵	436 098 m ²	441 700 m ²	642 434
Employees included in FTE ⁶ calculations	27 033	27 524	30 931



New 2030 targets

In line with IFRS S1 and S2 (Climate), we disclose timebound 2030 environmental and climate targets with clearly defined metrics, organisational boundaries and calculation methods to support decision-useful, investor-grade comparability under the metrics and targets pillar.

Our operational boundary applies campus FTE to water, waste and recycling metrics, and group FTE to energy and greenhouse gas metrics, with scopes 1–3 emissions disclosed. For electricity and emissions, we report absolute and intensity measures, renewable share, and scope 2 information (including any relevant contractual instruments) consistent with IFRS S2 requirement.

- **Paper:** By 2030, we target paper use ≤ 120 tonnes across own operations, reported as a quantitative absolute target.
- **Water:** By 2030, we target water use ≤ 7.07 kl per campus FTE and ≤ 134 799 kl total, disclosed as intensity and absolute targets with the campus operational boundary.
- **Waste to landfill:** By 2030, we target general waste ≤ 4.42 kg per campus FTE and ≤ 84.32 tonnes total, disclosed as intensity and absolute targets in support of landfill diversion.
- **Recycling:** By 2030, we target recycling of 29.93 kg per campus FTE and a recycling

to waste ratio of 6.77, disclosed as operational circularity metrics linked to waste performance.

- **Electricity (energy):** By 2030, we target electricity use ≤ 2.404 kWh per group FTE and ≤ 64 995 MWh total, with > 50% renewable electricity, disclosed as intensity, absolute and renewable share metrics.
- **GHG Scopes 1–3:** By 2030, we target total emissions ≤ 1.99 tCO₂e per group FTE and ≤ 54 ktCO₂e, disclosed as intensity and absolute metrics in line with IFRS S2 and the GHG Protocol.
- **GHG scopes 1–2:** By 2030, we target scopes 1 and 2 emissions ≤ 2.8 ktCO₂e, disclosed as an absolute metric with accompanying scope 2 information per IFRS S2.

⁵ Since 2022 we exclude area occupied by external tenants (area occupied by tenants: 2025: 42 810 m² (2024: 41 667 m²).

⁶ Full-time employees (FTE): Our campus FTE used to calculate campus-specific intensities i.e., energy, emissions, water, waste and recycling.

Managing our own carbon footprint and achieving our climate targets continued

Energy and carbon-reduction target progress

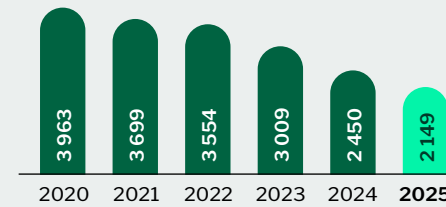
Energy consumption

In 2025, Nedbank continued efforts to diversify our electricity use, with a focus on procuring electricity from cleaner sources. With the expansion of our on-site renewable energy sources, and the use of renewable energy certificates (RECs) that verify our wheeled renewable electricity consumption, we have further reduced Nedbank’s impact on the environment. Our non-renewable energy consumption decreased by 14% year on year, and renewable energy now represents 17% of our total energy use, up from 10% in 2024.

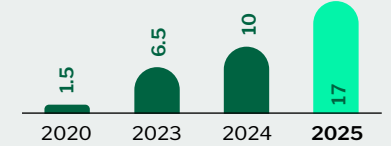
The resulting summary of electricity consumption is as follows: • ESG •

Energy	2025	2024	2019 baseline
Consumption in (MWh)	58 082	67 442	138 488
Renewable own generation (no pollution) (MWh)	3 469	1 918	687
Wheeled renewable energy (SA only) (MWh)	8 575	5 587	0
Total electricity used (MWh)	70 126	74 927	139 175
SA total purchased electricity from the grid (MWh)	50 345	59 496	128 721
RECs offset (MWh) – SA only	-	-	-
SA total purchased electricity from the grid less RECs and wheeled energy (MWh)	50 345	59 496	128 721
Other countries' total purchased electricity from the grid (MWh)	7 737	8 054	9 767
Total purchased electricity from the grid less RECs and wheeled energy (MWh)	58 082	67 422	138 488
At the National Grid Emission Factor (tCO ₂ e/MWh) ⁸	0.906	1.06	0.99
SA adjusted electricity (tCO ₂ e)	45 613	63 065	127 434
Other countries electricity (tCO ₂ e)*	4 858	5 545	9 669
Total adjusted electricity (tCO ₂ e)	50 470	68 611	137 103
Fossil-fuel-based electricity – consumption in KWh per FTE	2 149	2 493	4 477
Renewable energy as % of total energy (%)	17.2	10.0	

Fossil-fuel-based electricity per FTE (kWh/FTE)



Own operational renewable energy sources (% of total electricity)



We continue to track and monitor fossil-fuel-based electricity intensity on a per-FTE basis. Since 2020, electricity consumption from fossil-fuel-based sources per FTE has seen a 46% reduction since 2020; however, performance remains below the target level of 2 070 kWh per FTE.

Renewable energy target

Nedbank increased its renewable energy sourcing from 10% in 2024 to 17% in 2025. This was achieved through a combination of on-site solar PV installations at Nedbank-owned and landlord-owned buildings, as well as wheeled renewable energy from independent power producers. Although below the 30% target set for the end of 2025, this reflects strong momentum in advancing Nedbank’s renewable energy transition. As previously communicated, achievement of the full 2025 target was constrained by limited availability of renewable energy supply in the market. Currently, renewable energy can only be wheeled to sites supplied directly by Eskom, which restricts our ability to scale renewable energy uptake across the broader property portfolio. A significant future opportunity lies in enabling the wheeling of renewable energy through municipalities and landlord-supplied buildings without prohibitive cost barriers. Despite these constraints, Nedbank continues to actively pursue additional solutions and partnerships that are expected to accelerate progress and support the achievement of targets beyond current levels.

* Note: Nedbank applied the respective grid emission factors for other countries during 2025 and 2024.

⁷ RECs are certificates that prove electricity was generated from a renewable source and fed into the grid. Each REC represents 1 megawatt-hour (MWh) of renewable electricity. They can be bought or sold, allowing consumers to support renewable energy production indirectly, regardless of their physical electricity source.

⁸ Wheeled renewable energy refers to the process of transmitting electricity generated from renewable sources (like wind or solar farms) through the power grid to a different location for use. This allows consumers to use renewable energy even if they are not located near the generation source.

Managing our own carbon footprint and achieving our climate targets continued

Nedbank own emissions

Scope 1

Includes the following direct emissions: gas and fuels used in our owned or controlled equipment, such as generators, air conditioning and refrigeration gas refills, and our vehicle fleet.

Scope 2

Includes emissions from purchased electricity in both our South African and non-South African operations.

Scope 3

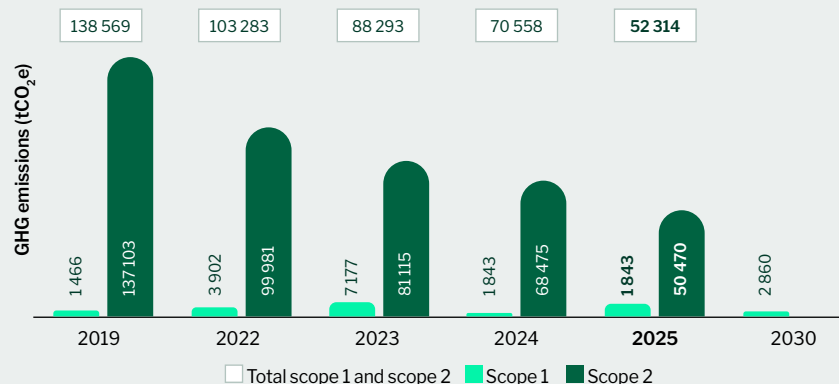
Includes the following indirect emissions: all business travel-related activities, including rental cars, employee-owned cars, commercial airlines, employee commuting, office paper consumption, cloud computing, and digital platform services, cash-in-transit services, courier services and distributed workforce emissions.

Own operation glidepaths

Our glidepath sets out the year-on-year decarbonisation pathway for our total emissions, and we remain on track against these targets. The glidepath outlines how we will achieve carbon-neutral facilities by 2035 through the reduction of direct emissions and the close management of indirect emissions. Under our glidepaths, a total reduction of 132 000 tCO₂e, or 4.52 tCO₂e per FTE, including enhanced scope 3 supply chain emissions, has been achieved.

We plan to continue supporting REC projects, carbon credit projects, and Green Star ratings of our facilities to accomplish carbon-neutrality.

Decarbonisation Glidepath for own operation scope 1 and scope 2 Emissions



GHG emissions inventory - tCO ₂ e •ESG•	2025	2024	2019 baseline
Scope 1: Direct emissions	1 843	2 083	1 466
Fuel used in equipment owned or controlled by Nedbank	524	1 917	1 268
Air conditioning and refrigeration gas refills	614	101	44
Nedbank fleet of vehicles	704	65	154
Scope 2: Indirect emissions from purchased carbon-intensive electricity	50 470	68 475	137 103
Total scope 1 and 2 emissions	52 314	70 558	138 569
Scope 3: Indirect emissions – Nedbank operations	34 588	34 782	49 875
Business travel in rental cars	181	180	338
Business travel on commercial airlines	4 443	6 598	4 729
Business travel in employee-owned cars	2 347	2 483	4 430
Employee commuting	24 935	25 413	38 981
Distributed workforce	2 542	2 505	n/a
Consumption of office paper	140	108	1 397
Scope 3: Indirect emissions – supply chain	15 846	14 179	n/a
Cloud computing and digital platforms	3 234	3 391	n/a
Cash in transit	3 997	8 233	n/a
Courier	8 615	50	n/a
Total scope 1, 2 and 3 emissions (GHG protocol)	102 748	119 519	188 443
Total scope 1, 2 and 3 (excluding supply chain)	86 902	105 340	-
Split of Nedbank Group carbon emissions			
Scope 1 (%)	2	2	1
Scope 2 (%)	49	57	72.8
Scope 1 and 2 (%)	51	59	73
Scope 3: Nedbank operations (%)	7	8	n/a
Scope 3: Employee commute (%)	24	21	n/a
Scope 3: Indirect emissions – supply chain (%)	18	12	27
Volume of carbon emissions offset via the purchase of carbon credits (verified emission reductions (VER))	125 000	127 000	n/a
Emissions per FTE (tCO ₂ e/FTE)	3.8	4.3	6.0
Emissions per m ² of office space (tCO ₂ e per m ²)	0.3	0.3	0.3

Managing our own carbon footprint and achieving our climate targets continued

Scope 2: Grid emission factor

In 2025, we updated the methodology used to calculate scope 2 emissions following the publication of South Africa's National Grid Emission Factor (NGEF) by the Department of Forestry, Fisheries and the Environment (DFFE). This policy directs organisations to use a nationally prescribed factor rather than Eskom-specific emission factors for scope 2 reporting. Accordingly, our 2025 scope 2 emissions were calculated using the DFFE NGEF, consistent with Eskom's guidance in its 2025 Integrated Report.

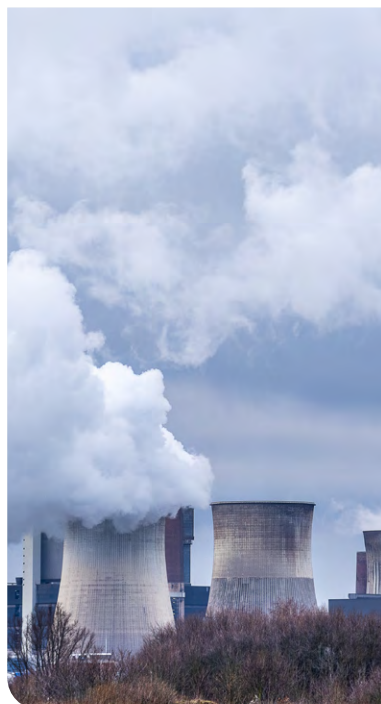
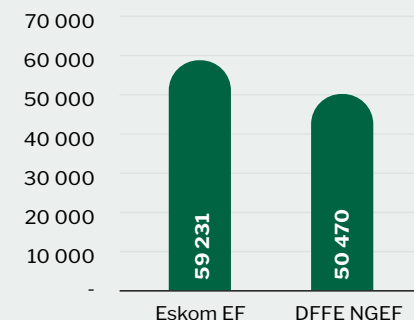
The change affects only the emission factor applied to purchased electricity, not underlying consumption data. The DFFE NGEF of 0.906 tCO₂e/MWh is approximately 16% lower than Eskom's 2025 factor of 1.08 tCO₂e/MWh, resulting in reported scope 2 emissions that are around 15% lower than if the Eskom factor had been applied.

In line with this guidance, our scope 2 emissions for 2025 were calculated using the DFFE NGEF compared to Eskom's emission factor. This approach is consistent with Eskom's own

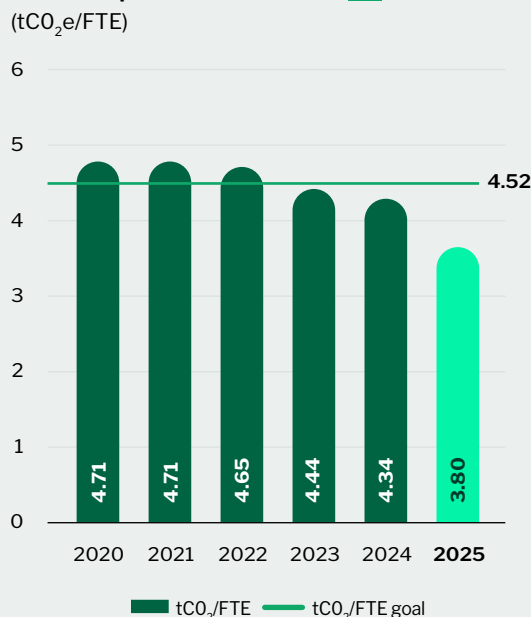
guidance in its 2025 Integrated Report, which notes that companies should rely on the DFFE NGEF for scope 2 emissions reporting.

This methodological change does not affect our greenhouse gas reduction targets or performance assessment. Our target remains a 40% reduction in combined scope 1 and scope 2 emissions from the 2019 baseline. By the end of 2025, we achieved a 62% reduction using the DFFE NGEF and a 56% reduction using the Eskom factor, with both outcomes exceeding the target.

Scope 2 (tCO₂e)



Emissions per FTE



GHG emissions explained

In 2025, total greenhouse gas (GHG) emissions decreased by 14% year on year, driven primarily by reductions in scope 1 and scope 2 emissions. Scope 1 emissions declined by 12% and scope 2 emissions by 26%, while scope 3 emissions remained broadly flat, increasing marginally by 0.2%.

Compared with the 2019 base year, scope 2 shows the most material improvement, with emissions 63% lower, scope 1 emissions are 26% higher. This results in a combined reduction of 62% across scope 1 and scope 2 emissions (and a 45% reduction when including scope 3).

In 2025, scope 2 remained the largest contributor to total emissions, accounting for 49%, followed by scope 3 at 49% and scope 1 at 2%. Within scope 1, the emissions profile shifted year on year. Generator fuel emissions decreased by 73% following improvements in energy resilience and a reduced reliance on backup generation.

In contrast, emissions from air-conditioning and refrigeration refills increased by 508%, and fleet emissions rose by 983%, primarily due to the inclusion of Eqstra in the reporting boundary. Emissions per m² remained level at 0.27 tCO₂e/m² for 2024 and 2025.

Within scope 3, employee commuting accounted for approximately 49% of scope 3 emissions in 2025. These emissions decreased by 2% year on year and were 36% lower than 2019 levels. Business air travel emissions declined by 33% year on year and were 6% below the 2019 baseline.

Emissions from paper consumption continued to decline significantly against the base year, at 90% below 2019 levels, although they increased by 30% year on year from a low base. Enhanced upstream supply-chain disclosure resulted in a 30% year-on-year increase in reported scope 3 emissions, moderating what would otherwise have been a larger overall reduction in scope 3.

Managing impacts from own operations

Progress on targets •ESG•

We report progress for paper, water, waste and recycling using 2019 as the base year, presenting both campus-FTE intensity and absolute results against our 2025 targets.

Target	2025 status
<p>Paper</p> <p>We set a target of 40% reduction in the mass of paper used by the end of 2025, based on 2019 levels (2019: 826 tonnes), which equates to a residual target of 495 tonnes of paper reduced over the period by the end of 2025.</p>	<p>Achieved target</p> <p>For the 2025 financial year, paper consumption rose by 35 tonnes compared with the previous year, totalling 116 tonnes. Despite this 44% increase, due to higher consumption relating to more employees returning to the office, we have exceeded our overall reduction target.</p> <p>Our paper consumption target focuses on absolute reduction rather than intensity-based metrics, as a significant portion of our paper use is linked to client communication and regulatory compliance, not just employee usage.</p>
<p>Water*</p> <p>A 40% water reduction by the end of 2025, based on 2019 levels (2019: 254 801kℓ). This equates to a target annual consumption of 152 900 kℓ or 8 kℓ per FTE, whichever is met first.</p>	<p>Achieved target</p> <p>The total water consumption of our campus sites decreased by 303 kℓ to 150 162 kℓ (2024: 150 465 kℓ) resulting in achieving our absolute consumption target for 2025. Additionally, the consumption per FTE improved from 8.70 kℓ/FTE in 2024 to 7.87 kℓ/FTE in 2025. These positive results in both absolute and water-intensity consumption can primarily be attributed to the reduction of our campus footprint and the implementation of water-saving initiatives such as waterless urinals.</p>
<p>Waste*</p> <p>A 40% reduction of waste sent to landfill by the end of 2025, based on 2019 levels (2019: 183 tonnes). This equates to an annual residual targeted waste to landfill generation of 110 tonnes or 5.75 kg per FTE, whichever is met first.</p>	<p>Achieved target</p> <p>The amount of landfill waste decreased from 92 tonnes in 2024 to 82 tonnes in 2025, achieving a 13% reduction for the year and surpassing our 2025 target. This success is due to our awareness and education campaign, zero-to-landfill policy, and effective management by our facilities teams.</p>
<p>Recycling*</p> <p>Recycling rates can increase only up to the point at which no waste is sent to landfill, which represents the ultimate target. To support this objective, a recycling target of 2.5 to 3.0 times the mass of waste generated has been set.</p>	<p>Achieved target</p> <p>In absolute terms, recycling increased from 403 tonnes to 969 tonnes (140%) in 2025. Our on-site recycling banks have proven very effective in ensuring maximum recycling and good levels of waste-sorting at source. Recycling increased from 23.10 kg/FTE in 2024 to 50.80 kg/FTE, allowing us to surpass our target by achieving a result of 12.14 times the mass of waste. The main contribution was from our logistic management team for the recycling the old archival boxes.</p>

* Water, waste and recycling figures are based on campus FTEs equal to 27 033.



Annexures

'25







ESG rating agencies and industry engagement

Nedbank engages with a broad range of local, regional and global stakeholders, including industry forums, standard setters, policy-aligned initiatives and multistakeholder platforms, to support the development, interpretation and application of decision-useful, comparable and reliable climate- and sustainability-related information, informed by the best available science and aligned with international sustainability disclosure standards. Through active participation in these forums, Nedbank seeks to learn from peers, engage constructively on emerging practices, and contribute to the harmonisation and consistent implementation of climate- and sustainability-related frameworks, methodologies and principles that inform governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities across the bank's value chain.

The stakeholders Nedbank engages with on climate change and sustainability matters include, but are not limited to:

- International Sustainability Standards Board (ISSB)
- Partnership for Carbon Accounting Financials (PCAF)
- South African Green Finance Taxonomy
- African Natural Capital Alliance
- United Nations Environment Programme Finance Initiative (UNEP FI)
- United Nations Sustainable Development Goals (UN SDGs)
- King IV Report on Corporate Governance
- Positive Impact Initiative
- Code for Responsible Investing in South Africa
- National Development Plan
- Banking Association South Africa, including the Sustainable Finance Committee, Positive Impact Finance Task Group and Climate Risk Forum
- United Nations Global Compact, including the CEO Water Mandate
- National Business Initiative Advisory Committee on Climate Change
- The Embedding Project: South Africa Peer-to-peer Network
- International Finance Corporation Performance Standards
- Equator Principles
- United Nations Global Compact Advisory Committee Working Group

The examples referenced exclude direct client engagements and Nedbank-sponsored climate- or sustainability-related industry or sector events. For a comprehensive and detailed listing of stakeholders engaged on climate and broader sustainability matters, refer to the Stakeholders we engage with.

ESG rating agency	2025/6 rating	Nedbank rank
 MSCI	AAA	Top 10% of global banks
 SUSTAINALYTICS	11.2	Top 5% of 1001 global banks
 S&P Global	63	Top 11% of global banks
 ISS ESG	C+	Top 10% of global banks
 FTSE Russell	4.3	Top 18% of global banks
 CDP	B	Top 2 bank domiciled in SA

Referenced documents

This report should be read together with the following supporting documents, which provide additional methodological detail, definitions and contextual information.

Nedbank reports:

- Nedbank Annual Results
- Nedbank Integrated Report
- Nedbank Society Report
- Nedbank Governance Report

Supporting annexures:

- 2025 Nedbank GHG Methodology
- 2025 Nedbank Carbon Credit Projects
- 2025 Nedbank Climate Definitions
- 2025 Nedbank Climate Acronyms and Abbreviations
- 2025 Nedbank Climate Stakeholder Engagement



IFRSS1-S2

Topic	IFRS Index	Requirement (summary)	Report Reference Page number
General Requirements	IFRS S1:1-4	Objective	About our climate report p. 4
	IFRS S1:5-9	Scope	
	IFRS S1:11-16	Fair representation	
	IFRS S1:17-19	Materiality	An overview of Nedbank Group p. 9 - 11
	IFRS S1:20	Reporting Entity	About our climate report p. 4
	IFRS S1:59	Sources of guidance	
	IFRS S1:21-24	Connected Information	
	IFRS S1:61	Location of Disclosures	
	IFRS S1:64 - 69	Timing and location of disclosure	
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