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## Introduction

Climate change is an issue requiring urgent and extensive action on the part of governments, business and citizens – if the risk of serious damage to global prosperity and security is to be avoided.

Climate change poses both risks and opportunities to all parts of the business sector, and at Nedbank we believe in playing our part in increasing energy efficiency and reducing carbon emissions into the atmosphere.

Banks, in particular, have a crucial role to play in enabling the transition from a carbon-intensive economy to more efficient low-carbon alternatives.

Nedbank intends taking a leadership role by recognising that climate change is a major issue that affects the financial sector both directly through the operations we run and indirectly through our business investments.

Nedbank also recognises that climate change will pose future risks on our investments and we will work directly with our clients to mitigate these risks.

# Nedbank Group climate change position statement

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### Progressing climate change policy within our sphere of influence

- Nedbank is committed to engaging with the national government, inter-governmental organisations and civil society to develop policies and measures that will provide an enabling framework for the business sector to contribute effectively to building a low-carbon economy.
- Nedbank supports long-term regulatory action around the setting of clear and mandatory, medium- and long-term emission reduction targets, building on the existing framework, as well as adopting goals and incentives for renewable energy production.
- Nedbank Group is committed to equipping all staff members with the knowledge and tools to lessen their individual and collective carbon footprints.
- Nedbank recognises that investments made today have long lifespans and, as such, we are committed to taking the long-term climate change consequences regarding investment decision-making into consideration.
- Nedbank will work closely with suppliers to measure, manage and reduce their carbon emissions and, where possible, we will promote preferential purchasing from suppliers who demonstrate commitment to these principles.
- Nedbank will assist clients in identifying and managing the risks and opportunities of climate impacts. We will assess their exposure by providing products and services that improve their adaptive capability.

### Engagement and disclosure

- We will continue transparent public reporting of our own emission profile and the actions we undertake to manage and mitigate emissions in our integrated report.
- Nedbank Group is a signatory to the Carbon Disclosure Project, which encourages greater transparency from the corporate sector in how it is dealing with climate change. In 2010, Nedbank was recognised as a leader in the 'performance' category and was placed third in the 'disclosure' category.
- Nedbank is committed to providing better disclosure about the financial and material risks posed by climate change, our own emissions reduction strategies, as well as emissions resulting from financing and investment.
- We will continue to build upon our research capability for both internal and client use.

### Governance

- The Nedbank Group Transformation and Sustainability Board Committee oversees climate change risks and opportunities.
- At an executive level the Chief Governance and Compliance Officer takes responsibility, and the Group Sustainability Committee meets monthly to manage Nedbank's direct and indirect environmental and climate change impacts.

- One of the key strategic focus areas at Nedbank is to lead as a green and caring bank. Climate change is actively addressed as part of this focus area.
- Nedbank's group environmental policy is strongly focused on climate change issues, which is also a core part of our corporate responsibility/sustainability framework.

### Nedbank Carbon Management Programme

- Nedbank's carbon footprint has been completed and verified by external auditors.
- The total reported greenhouse gas (GHG) emissions in absolute terms increased by 0,16% year-on-year from 213 081 tCO<sub>2</sub>e in 2009 to 213 148 tCO<sub>2</sub>e in 2010. However, this is as a consequence of efforts to continue to expand Nedbank Group's GHG report boundary and scope, while simultaneously focusing efforts on reducing our environmental impact.
- Nedbank Group's emissions per fulltime employee (FTE) were reduced year-on-year by 6% to 8,25 tonnes per annum (tpa), while emissions per m<sup>2</sup> of office space were also reduced by almost 4% to 0,39% tpa.
- Nedbank is committed to reducing our carbon footprint through our carbon management programme, which includes energy efficiency, awareness raising and other recognised forms of carbon reduction.
- Nedbank is committed to improving the management of energy and greenhouse gas emissions across our businesses.
- Nedbank has set intensity reduction targets for energy and greenhouse gas emissions in line with our commitments under the National Energy Efficiency Accord and our Conservation Partnership with WWF-SA. The group has implemented a 12% reduction target in greenhouse gas emissions from 2005-2015.
- Nedbank is investigating the viability of procuring energy for our office complexes from clean sources.

### Products and services

- Nedbank is committed to developing innovative financing solutions to facilitate investment in clean energy and energy efficiency projects.
- Nedbank's energy project finance team is financing a number of renewable energy projects and will increase investments in this sector and other clean technologies.
- Nedbank has set up a carbon finance team, which is involved in the origination of clean development mechanism projects under the framework of the Kyoto Protocol.
- Nedbank will advise and work with clients and project developers in an attempt to minimise the overall carbon footprint of our project-financing portfolio, and will investigate the viability of setting portfolio-wide carbon reduction targets.
- Nedbank will avoid supporting activities that result in deforestation, but will support sustainable transport and property development initiatives.



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### Nedbank's progress, memberships and commitments

At Nedbank we make every effort to play our part in addressing climate change. Some of the ways in which we do so are as follows:

- In 2010, Nedbank became the first African bank to achieve carbon neutrality.
- Nedbank has been included in the Dow Jones World Sustainability Index since 2006. This is the world's premier performance benchmark for companies in terms of corporate sustainability. Nedbank is one of only 25 banks worldwide (and the only SA bank) to be included.
- In 2010, Nedbank was ranked 284th (third highest SA company) in the Global 1 000 Sustainable Performance Leaders Index.
- At the 2009 Climate Change Leadership Awards, Nedbank was the winner in the Corporate Services Sector.
- In 2010, Nedbank was awarded Financial Times' Emerging Markets Sustainable Bank of the Year for the Middle East & Africa.
- In 2006 Nedbank became a signatory to the Carbon Disclosure Project (CDP). In 2010, Nedbank was recognised as a leader in the 'performance' category and was placed third in the 'disclosure' category of the CDP Leadership Index.
- In 2010, Nedbank became a voluntary participant in the Water Carbon Disclosure Project.
- Nedbank has been a member of the United Nations Environment Programme Finance Initiatives (UNEP F1) since 2004 and a signatory to the United Nations Global Compact since 2005.
- In 2008, Nedbank became a founding member of the UN's Climate Neutral Network.
- In 2010, Nedbank became a signatory to the Cancun Communiqué on Climate Change.
- In 2005, Nedbank became the first African bank to adopt the Equator Principles – a set of international banking guidelines to ensure that projects financed are socially responsible and environmentally sound.
- In 2006, Nedbank formalised the first conservation partnership with WWF on the African continent.
- Nedbank has been included in the JSE SRI Index since 2004.
- Nedbank became a signatory to the National Energy Efficiency Accord in 2006.
- In 2006 Nedbank Capital launched the Green Mining Awards in recognition of African mining and mineral beneficiation companies that are striving to ensure that their operations are sustainable.
- In 2009/2010, Nedbank became the first company in South Africa to be awarded three 4 Star Green Star SA ratings – two for its Phase 2 building in Sandton, and one for its Ridgeside campus in Umhlanga.



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