Nedbank Sustainable Development financial inclusion criteria

April 2026

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Overview

At 31 December 2025 Nedbank Group had a purpose-led business baseline of R207bn (2024: R183bn) in sustainable-development finance (SDF) aligned with the United Nations Sustainable Development Goals (UN SDGs). This builds on the R108bn that Nedbank had in place in 2021. Our ambition was to increase SDF exposures to more than 20% of the group's total gross loans and advances (GLAA) by the end of 2025. This target has been achieved, with SDF exposures reaching 21% at the end of 2025. We aim to increase sustainable development finance exposure to 25% of GLAA by 2030, through originated growth of SDF assets being higher than overall GLAA growth.

This Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline, developed in 2023, provides guidance for the business and insight for stakeholders with regard to the categorisation of sustainable-development financing and investments, which create positive societal and environmental outcomes and support a just transition and are therefore considered SDF.

In line with our commitment to evolve our Sustainable Development Finance approach as our data maturity improves, global market standards advance and to support our new 2030 SDF target, Nedbank is currently undertaking work across key SDF categories to strengthen the application of its SDFIC. This work focuses on refining eligibility, strengthening data collection and internal governance, to ensure a consistent and robust approach to SDF classification. While this does not impact the SDF volumes reported for the period, it provides a practical foundation for potential future refinements to the SDFIC and supports credible, decision-useful SDF reporting over time.

The accurate categorisation and tracking as well as expansion of SDF-related financing and investments align with Nedbank Group's desire to be a purpose-led business. Our purpose is to use our financial expertise to do good for individuals, families, businesses, and society, and we use the SDGs and appropriate SDG targets to measure and track the delivery of good systemic outcomes and impacts through purpose-led financing.

This guideline allows for the following objectives to be met:

- Implementing a consistent approach to the categorisation of SDF via appropriate and evolving data management systems by using a clear, transparent, and unambiguous guideline that is understood across all areas of the group.
- Tracking, analysing, and reporting on our SDF via appropriate and evolving data mangement systems and meeting related ambitions.
- Disclosing our SDF activity to our stakeholders, including shareholders, regulators, rating agencies, employees, and clients.
- Providing a robust framework that we can position with our stakeholders and environmental, social and governance (ESG) lenders regarding the types of lending activities that we view as being aligned with the SDGs.

The SDF themes, which are aligned with the SDGs, are presented here together with a description of the eligibility criteria for each theme. These were decided through research and consultations with industry specialists, including workshops with key internal stakeholders. Guidance was also obtained from the South African Green Taxonomy and the Financial Sector Code. A transaction must qualify under one of these themes to be considered as SDF.

[1] The shift from an extractive economy to a regenerative economy. It presents many opportunities to achieve social objectives and has the potential to be a new and sustainable engine of growth in lower-, middle- and higher-income economies. It can be a net generator of decent green jobs that can contribute significantly to poverty eradication and social inclusion. There is also a significant risk that without a just transition, a low-carbon, environmentally sustainable economy, which is essential to the well-being of future generations, will not be achieved.

This document is reviewed annually in line with our other policies and updated as required to reflect changing science, implementation practicalities, and evolving best practice.

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Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

Sustainable-development themes and their associated SDGs and targets

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
Environmental	1	Circular economy and solid waste management	Processes or entities that are involved in the following: • The substitution of virgin raw materials for recycled or recyclable materials, ie minimising resource input. (Note: It is preferred to recycle materials into a product that can be recycled again rather than locking or transforming those materials into a product that will have to be disposed of). • The elimination and replacement of hazardous and toxic materials with sustainable or recyclable materials or recovery from previously discarded products. • The repairing, re-using, refurbishing and recycling of existing materials to reduce waste and emission generation. • Alternatives for single-use plastics. • Waste management operations, including responsible collection, transportation and disposal of waste at appropriate facilities where recycling and circular-economy options are not offered.	12	12	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

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Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)

	2	Green buildings	Certified greenfield projects, including commercial or residential buildings that meet or have regional, national or internationally recognised standards or certification, including the following:
			• Minimum Green Star 4 category.
			• Energy water performance (EWP) level 6.
			• Leadership in Energy and Environment Design Gold certification.
			• International Finance Corporation's Excellence in Design for Greater Efficiencies (EDGE) certification.
			• The building must achieve equal to or more than 20% emissions or energy performance improvements (or primary energy demand) over the baseline (the baseline can derive from building codes such as ASHRAE 90.1 2010, SANS 10400-XA, XA, or more recent building energy efficiency codes).
			• The construction, reconstruction, renovation and/or operation of buildings to make them sustainable, improve resource efficiency and adopt environmentally sound technologies such as:
			  • on-site renewable-energy generation;
			  • heat loss reduction such as through the insulation of walls and roofs;
			  • efficient lighting (LED lighting);
			  • efficient heating and cooling systems;
			  • the implementation of energy management systems;
			  • efficient water use (rain water harvesting and minimising waste water disposed); and
			  • minimising waste generation requiring disposal.
			Due to the sometimes prohibitive costs of obtaining independent certification, Nedbank also recognises and captures additional 'green elements' for buildings that are not officially certified, and this will be reported separately.
				11	6, 7, 9, 11	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
						
						11.3: By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

	3	Clean technology	• Products, equipment, methods and projects that mitigate greenhouse gas (GHG) emissions. • Technology that mitigates physical climate risks – including floods, fires, storms, and droughts – and supports climate adaptation.	9	7, 9, 12	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
	4	Infrastructure	• Greenfield infrastructure as well as infrastructure upgrades and retrofitting of existing infrastructure. • Infrastructure that mitigates physical climate risks – including floods, fires, storms, and droughts – and supports climate adaptation.	9	7, 9, 11	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	5	Energy efficiency	• Energy efficiency improvements across residential and commercial properties, including the development, manufacturing and/or installation of energy efficiency technologies, products and systems such as energy-efficient appliances, smart meters, lighting, and peak demand management systems that reduce energy demand.	7	7, 9, 11	7.3: By 2030, double the global rate of improvement in energy efficiency. 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)

	6	Renewable energy	• The construction, generation or maintenance of renewable-energy and associated infrastructure, including the following:
			  • Solar PV.
			  • Wind.
			  • Tidal energy.
			  • Hydropower.
			  • Geothermal energy with direct emissions below 100 gCO2/kWh.
			  • Biofuel.
			  • Green hydrogen projects.
			• Schemes for renewable heat use and energy storage, including heat networks, heat pumps and hydrogen heating.
			• Manufacturing or importing of components of renewable-energy technology, including wind turbines, solar panels, inverters, and storage batteries.
			• Manufacturing and supply chain or distribution solely dedicated to renewable-energy equipment and components.
			• Construction, maintenance or expansion of transmission infrastructure and distribution networks such as the following:
			  • Grid expansion.
			  • Micro-grid infrastructure.
			  • Infrastructure directly connecting renewable energy or integrating renewable energy into existing transmission networks.
				7	7	7.2: By 2030, substantially increase the share of renewable energy in the global energy mix.

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
	7	Sustainable agriculture	Sustainable agriculture and land use: Precision, resilient, conservation, and regenerative farming practices leading to better yields and natural resource management; sustainable ecosystem management leading to carbon removal from the atmosphere; reduced emissions; reduced use of harmful fertilisers; improvement of soil fertility; and the conservation of natural resources. Land use and agricultural practices and operations that show the following: • Sustainable water management systems (eg precision irrigation technologies like drip water, water-recycling systems, rainwater collection systems, and water reservoirs). • Zero or reduced waste generation through prevention, reduction, recycling and reuse. • Environmentally sound management of chemicals, including fertilisers, and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reducing their release into the air, water and soil in order to minimise their adverse impacts on human health and the environment. • Increased land, water and soil biodiversity through purposeful practices (eg regenerative farming, land rehabilitation, and sensitivehabitat protection). • Activities ensuring that nutrients (fertilisers) and other chemicals (herbicides and pesticides) are targeted in their application (in time and the area treated) and are delivered at appropriate levels to reduce risk and impacts on human health and the environment. • Erosion prevention and land restoration • Practices leading to improved yields.	12	2,6,12	12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
	8	Sustainable transportation	• The manufacturing, retrofitting or purchasing of low-carbon transportation technology (eg electric, hybrid and hydrogen-fuelled transportation), including vehicles, buses, tractors, planes, trains and ships. • The development, operation, and upgrade of low-carbon transportation infrastructure, including electric vehicle charging infrastructure. • Rail transportation projects and infrastructure upgrades. • Efficiencies in marine and aviation transportation. • Mass transit infrastructure.	9	9, 11	9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, notably improving road safety by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
	9	Water and wastewater management	Activities that expand public access to safe and affordable drinking water and adequate sanitation facilities and improvements in water quality or water use efficiency, such as the following: • Construction, maintenance and equipment for water supply and/or treatment infrastructure (pipework). • Water treatment facilities. • Wastewater discharge infrastructure. • Water-saving systems and technologies (smart meters). • Desalination projects. • Sustainable urban drainage systems.	6	6	6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
	10	Natural systems	Activities that: • protect our natural systems (conservation); • restore or prevent the degradation of biodiversity (invasive-alien-plant removal and wetland rejuvenation); • restore land and soil health or prevent degradation (erosion management and remediation); • restore or improve the natural flow of water systems; and • improve the water quality of water systems.	15	14, 15	15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
Social	11	Access to energy	• Microgrid technologies (solar for households). • Connection of individuals or communities to electrical grids. • Innovative and affordable renewable-energy solutions for remote communities and lowcost and cleaner alternatives to solid fuels such as coal and kerosene (e.g LNG and LPG). • Shared infrastructure schemes.	7	1, 7	7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.
	12	Access to finance	Development or facilitation of new financial products, credit-scoring methodologies, operating models and distribution channels (including mobile banking) to advance financial inclusion (township economies, small, medium and microenterprises and micro business).	8	1, 8, 10	8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
	13	Education	• Savings and loan products to help families plan for and finance education costs (earlychildhood development; primary, secondary, and tertiary education; or other skills training). • The construction, maintenance or renovation of any greenfield or existing education facilities, including student accommodation, that would enable the efficiency, quality, access and capacity of the facility. • Health, life and livelihood insurance cover to reduce the risk of children's being absent from school.	4	4, 9	4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
	14	Access to land	Financial support for the transfer of land to the previously disadvantaged sector of the population for the purpose of agriculture and better livelihoods.	10	2, 10	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

		Theme or category	Inclusion criteria or guidance	High-level SDG mapping (primary)	High-level SDG mapping (multiple)	Related SDG target(s) (as published)
	15	Small-business development	Providing finance for technologies, products and investments that build the capacity of entrepreneurs and small and medium enterprises [for a definition go to National Small Enterprise Act: Schedule 1: Amendment (www.gov.za)] to stimulate the informal economy and increase local sourcing, job creation and incomes.	8	8	8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small- and mediumsized enterprises, including through access to financial services.
	16	Affordable housing	• Financial services offerings and solutions (products) to facilitate home ownership targeted at those houses valued at R915 200 or below in 2023, or rental housing with monthly rentals of R8 320 or less. • Investment in improving the quality of existing social and affordable housing facilities.	11	9, 11	11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
	17	Sustainable-finance activities, including the following: • Green bonds • Sustainability linked bonds • Green loans • Sustainability linked loans	• Sustainable instruments used to finance or refinance assets, initiatives and project financing or investments that contribute to achieving specific objectives aligned with Nedbank's purpose and vision of using its financial expertise to do good for individuals, families, businesses and society, aligned with the UN SDGs. • Sustainable-finance credit facilities relate to our lending to clients that can take the form of sustainability-linked loans, green loans, and/or sustainability-linked bonds (sustainable finance asset portfolio). • Sustainable funding raised relate to liabilities of ours that we have arranged or have been arranged for us (as borrower) and that can take the form of either sustainability-linked loans, green loans, sustainability-linked bonds and/or green bonds issuances. They are not included due to the risk of double counting.	Dependent on the objective or focus of the specific instrument.		

Nedbank Ltd Reg No 1951/000009/06. Licensed financial services and registered credit provider (NCRCP16).

Nedbank Sustainable Development financial inclusion criteria

April 2026

NEDBANK

Considerations

This guideline was shaped by the following:

- There are currently various ESG protocols and frameworks that are used to guide ESG reporting globally, with this space continually evolving. The organisations that develop these protocols and frameworks are collaborating to develop more aligned and universal disclosure guidance. ESG-related information is beginning to be guided by rules and controls similar to those of financial accounting practices. Systems and processes to identify and gather the relevant ESG data to an investor-grade level of detail are starting to mature while there is not yet a globally published or accepted set of definitions for sustainable finance or SDF. In light of this, Nedbank Group has developed its own definition of 'sustainable development finance', which is finance that creates specific positive societal and environmental outcomes and supports a just transition in alignment with the SDGs.

- 'Just transition' is defined as the shift from an extractive economy to a regenerative economy. It presents many opportunities to achieve social objectives and has the potential to be a new and sustainable engine of growth in lower-, middle- and higher-income economies. It can be a net generator of decent jobs that can contribute significantly to poverty eradication, wealth creation and social inclusion. There is also a significant risk that without a just transition, a low-carbon, environmentally sustainable economy, which is essential to the well-being of future generations, will not be achieved.

- Agriculture: For sustainable development reporting up to 2025, the entire agriculture book has been included in the SDF baseline. This was due to the bank not yet having the required level of data granularity within those investments to analyse the associated social and environmental impacts. Targeted work is currently underway to refine this approach, with further refinement expected as we enhance data insights, systems, and update inclusion criteria aligned to our new SDF target.

- In addition to the positive impacts that SDF brings, the Nedbank Group considers the potential negative impacts that these investments and loans may trigger. In observing the principle of 'do no significant harm', we use our Social and Environmental Management System (SEMS).

- Nedbank Group has committed to Net Zero 2050 and has started to develop carbon pathways to inform the sector's transitions from a financed emissions perspective. Progress on our fossil fuel and power generation pathways has been released in our 2025 Climate Report.

- The SDFIC provides the basis for identifying and classifying Sustainable Development Finance across Nedbank's lending and investment activities, while the Nedbank Sustainable Finance Fundraising Framework governs the issuance of sustainable finance instruments. Where use-of-proceeds instruments are issued, asset eligibility is informed by the SDFIC to ensure consistency between financed activities and sustainable finance fundraising.

Contact Details

We welcome any feedback and engagement on our SDF activity. Please forward feedback or queries to:
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