



# United Nations Global Compact CEO Water Mandate Communication of Progress for 2013

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*Nedbank Group signed up to the CEO Water Mandate in March 2011. This is therefore the group's third Communication of Progress. It is intended to fulfill the annual reporting requirements of our commitment to the UN CEO Water Mandate and discloses the group's progress against the six principles contained therein. Much of the information contained in this report has also been disclosed in the Nedbank Group Integrated Report 2013- This report can be accessed on the Nedbank Group website [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).*

## 1. Commitment to the UN Global Compact & CEO Water Mandate

# Letter from Chief Executive

April 2014

**Attention: United Nations Global Compact Office**

### **Nedbank Group - continued commitment to the United Nations Global Compact**

As Chief Executive of Nedbank Group, I reaffirm our commitment to the United Nations Global Compact and the 10 principles that underpin it.

In addition, as a Group, we remain a signatory to the Equator Principles and the CEO Water mandate and we continue to actively support the UNEP FI African Task Force. These commitments form an important part of our overall sustainability journey as we aspire to a better future for all.

We consider it a privilege to be a part of such a vital and valuable initiative.

*Yours sincerely*



Mike Brown

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Company Secretary: TSB Jati 05.11.2012

A Member of the  **OLDMUTUAL** Group

## 2 Introduction to Nedbank Group

Nedbank Group is one of SA's four largest banking groups by assets and deposits, with Nedbank Ltd our principal banking subsidiary. We are a JSE Top 40 company with our ordinary shares listed on the JSE since 1969 and on the Namibian Stock Exchange since 2007. Our market capitalisation was R107bn at 31 December 2013. Old Mutual plc is our majority shareholder, owning 52% of Nedbank Group.

The group provides:

- Wholesale and retail banking services
- Insurance
- Asset management
- Wealth management

Business Clusters

- Nedbank Capital
- Nedbank Corporate
- Nedbank Business Banking
- Nedbank Retail
- Nedbank Wealth

Central management functions in support of frontline business  
(Incorporating the Rest of Africa)

Focus:

- A bank for all, based in Southern Africa, with selected expansion into the rest of Africa.
- Top two wholesale bank and strong market position in commercial-property finance, business banking, investment banking, vehicle finance, card-acquiring, deposit-taking and asset and wealth management.
- Pan-African banking alliance with Ecobank Transnational Incorporated, giving our clients access to 37 countries across Africa.
- Leadership in sustainability, transformation and community development.

Location:

- Headquarters in Sandown, Sandton, Johannesburg
- Large operational centres in Durban and Cape Town Regional branch network of more than 1 050 staffed outlets across SA.
- Subsidiary banks in Lesotho, Malawi, Namibia, Swaziland,
- Zimbabwe, Isle of Man, Guernsey and Jersey.
- Representative offices in other Southern Africa countries, including Angola, Kenya, strategic acquisition of an initial stake of 36,4% in Banco Unico in Mozambique and key global financial centres to provide international banking services for our SA-based multinational and high-net-worth clients, including in London, Toronto and Dubai (UAE)

### **3 Overview of Water in South African Context**

South Africa, the world's 30th driest country, is 'water stressed' and its current inability to provide clean water to communities contributes to poverty, inequality and poor health. According to projections by the National Treasury South Africa's water demand will outstrip its supply between 2025 and 2030. SA's rainfall is distributed unevenly in the landscape and tied to seasonal cycles that repeatedly drive the country from feast to famine, between floods and droughts.

Climate change exacerbates South Africa's significant water challenges as does the degradation of water quality (including Acid Mine Drainage) in some parts of the country. According to the WWF 2013 water source report, South Africa must act urgently to protect water resources and ensure that we use what we have in the most efficient and effective way possible.

#### **Government proactively working on water issues**

The Department of Water Affairs has boosted its estimate of the amount of money it needs to spend on water infrastructure over the next decade by almost a quarter to R700 billion. This is for spending on water provision over the next 10 years and includes sanitation, refurbishment of existing infrastructure and irrigation. The country has budgeted for about 45% of the R700 billion needed, leaving a funding gap of R385 billion. They will look to the bond markets, banks and increasing customer revenue to finance it.

On 28 January 2014 the national government committed to supporting municipalities in dealing with the challenges of water shortages, this commitment in-line with their national development imperatives.

These short-term to medium-term interventions include the deployment of technical teams, consisting of engineers, technicians and other artisans to assess systems in the problem areas and attend to these urgently to restore the water supplies. To date, government has announced capital injection in excess of R500m to deal with issues of infrastructure refurbishment, operation and maintenance to ensure that such interruptions in the water supply do not recur.

Another intervention of government is the implementation of the National Water Resource Strategy which aims to ensure that national water resources are managed towards achieving South Africa's growth, development and socio-economic priorities in an equitable and sustainable manner. In its endeavour to work closely with communities, government has, outlined in the National Development Plan a new growth path with a focus on diversification and wide participation by South African citizens.

To this end, Government calls on all communities to use water sparingly, as South Africa is a water scarce country. Communities play an integral part in curbing water pollution and starting the fight against human negligence.

#### 4. Responding to Environmental Risks and Opportunities

Nedbank Group acknowledges the risks posed by climate change and the interrelatedness of water, food and energy security. In line with group's philosophy of effectively managing risk and harnessing the opportunities it presents, climate change is approached from the dual perspective of limiting its impact on stakeholders, while unlocking any potential benefits.

Key risk	Impacts	Responses and opportunities
Energy security	<ul style="list-style-type: none"> <li>• Economic challenges</li> <li>• Political uncertainty</li> <li>• Resource instability</li> <li>• Price increases</li> </ul>	<p>Nedbank has been carbon neutral for 5 years:</p> <ul style="list-style-type: none"> <li>– Our continued achievement with regard to energy efficiency within our operations tangibly contributes to addressing the country's energy challenges. Through 'learning by doing' we are able to offer guidance to our clients and other stakeholders as they strive for more energy efficient operations.</li> <li>– We provide input into regulatory developments to ensure that legislation accommodates all stakeholder interests where possible.</li> <li>– Our renewable-energy investments are the fastest growing of all sectors in the investment bank arena, this is evidence of our commitment to helping transform SA's energy mix.</li> </ul>
Water security	<ul style="list-style-type: none"> <li>• Health risks</li> <li>• Reduced crop yields/food shortages</li> <li>• Economic stagnation and decline</li> <li>• Water restrictions</li> <li>• Price increases</li> </ul>	<p>Our water strategy is 3 pronged, focusing on water quality, quantity and access. Below is evidence of projects that support this strategy:</p> <ul style="list-style-type: none"> <li>– <b>Quantity and Quality:</b> We have invested R9m in the WWF Water Balance Programme, which is aimed at clearing alien vegetation at key water catchment areas around the country. Our investment is over a five-year period and since inception in 2011, has seen 193 ha (2013: 63 ha) of alien vegetation cleared. This has not only ensured the release of over 400 000 kl (2013: 131 000 kl) of water into the country's ecosystem but, given the labour-intensive nature of the clearing work, has also created nearly 8 000 (2013: 3 368) workdays for members of communities in and around the targeted areas.</li> <li>– <b>Quantity and Quality:</b> We advocate for behaviour change in our staff base. One such campaign ran with staff was the 'Flush light' campaign which urged staff to use the light-flush option on our dualflush toilets to help Nedbank save water. In addition we partnered with Unilever SA and distributed 30 000 Skip liquid detergent bottles to all staff. By simply switching from a powder soap to a phosphate-free liquid detergent, staff were able to play their part in promoting water quality.</li> <li>– <b>Quantity and Quality:</b> Nedbank Group's social and environmental policies are linked to, and supported by, our Social and Environmental Management System (SEMS). Our social and environmental assessment tool also provides a screening mechanism to aid finance decisionmaking within high-risk sectors. This evaluation tool has proved invaluable in its ability to provide us and our clients with an independent review of risk and compliance, thereby enabling sustainable lending decisions and even helping clients refine their plans or projects to meet higher sustainability standards. The risk assessment tool includes full evaluation of Environmental issues (air pollution, water pollution, solid and hazardous wastes, noise, site health and safety, chemical hazards and emergency management) and resource utilisation (water, construction material, etc.).</li> <li>– <b>Access:</b> Through the Nedbank Foundation we fund boreholes for needy communities and Hippo water rollers to help communities that don't have access to running water nearby. In addition we fund large water infrastructure through our Nedbank Capital team, however there were no deals in this regard in 2013.</li> </ul>
Food security	<ul style="list-style-type: none"> <li>• Economic decline</li> </ul>	<p>Given the importance of sustainable agriculture for SA's future, we have partnered with the WWF in its Sustainable Agriculture Programme to gain</p>

	<ul style="list-style-type: none"> <li>• Health risks</li> <li>• Food shortages</li> <li>• Price increases</li> <li>• Land use change</li> <li>• Social unrest</li> </ul>	<p>a better understanding of the challenges it faces and to develop workable, sustainable solutions.</p> <p>In 2012 we committed R8,3m, over three years, in support of the WWF-SA Sustainable Agriculture Programme. The programme seeks to promote and enable sustainable agriculture as a means of minimising the adverse impacts of farming on the environment. It also raises awareness of the need for good agricultural stewardship as a key part of addressing food security challenges in SA.</p> <p>In 2013 it achieved a number of significant successes across all the areas of agriculture it targets, including:</p> <ul style="list-style-type: none"> <li>- good advances in awareness and support among all stakeholders within the fruit and wine industries.</li> <li>- the provision of meaningful inputs into the establishment of a national framework to support sustainable agriculture;</li> <li>- the acquisition of funding in support of sustainable sugar farming initiatives; and</li> <li>- the completion of a draft code for better production of beef and dairy in partnership with Conservation South Africa.</li> </ul> <p>The WWF Sustainable Agriculture Team is also working closely with the Nedbank Agriculture Team to integrate sustainable farming practices into our risk modelling and to facilitate sustainable-agriculture training for our evaluators and client-facing staff. As we gain a better understanding of the economic impacts of sustainable farming, we anticipate that we will also develop products to support and encourage such sustainable behaviour.</p> <p>Nedbank Business Banking has a formal agriculture structure that offers financial solutions to agricultural clients. Supported by a team of agricultural specialists, we are able to offer customised solutions that not only cater for clients' specific financial requirements, but also help contribute towards longer-term sustainability.</p> <p>In 1990 Nedbank Group created a partnership with WWF-SA through the WWF Nedbank Green Trust as an innovative and sustainable way to raise funds in support of environmental causes. The WWF Nedbank Green Trust's mission is to bring together environmental and social sustainability. The trust funds projects in climate change, freshwater conservation, marine conservation, the preservation of outstanding places, the conservation of species of special concern and conservation leadership.</p>
<p>In addition to the specific responses and initiatives outlined above, a large percentage of the corporate social investment (CSI) activities undertaken by the Nedbank Foundation are focused on addressing the direct and indirect social and environmental impacts of food, water and energy security. Details of some of these projects are provided in the Supplementary information Sustainable Development Review 2013 available on <a href="http://www.nedbankgroup.co.za">www.nedbankgroup.co.za</a>.</p>		

## 5 Meeting the Commitments to the CEO Water Mandate: Direct Operations

**Strategic Approach:** Following Nedbank Group's achievement of carbon neutrality, the group targeted water as a key focus of its sustainability efforts – with particular emphasis on access, quality and quantity as a three-pronged approach to effective water stewardship and the achievement of water security.

This approach is reflected in the bank's vision which encapsulates the balancing of all stakeholder's interests, including those of the communities within which we operate and the environment. The bank's vision is driven through five deep green aspirations, one of which is to lead as a green and caring bank.

**Operational Targets:** Reduction targets have been set as a way to accurately measure and manage the group's carbon emissions as well as its impact on natural resources. Nedbank measures actual water consumption (in owned and managed buildings) against our water intensity reduction target and progress reports are given to the Environmental Impact Reduction Task Team and, where relevant, to the Group Transformation, Social and Ethics Committee, a sub-committee of the Nedbank Group Board. The water data and supporting information is reported annually in the Nedbank Group Integrated Report. The data is also externally and independently assured as part of the Deloitte and KPMG assurance of the report.

Our set water reduction target is 6% by the end of 2016 based on 2011 levels or consumption of 15,01 kℓ per FTE which is currently at 16,64 kℓ per FTE, increased slightly from the 2012 value of 16,52 kℓ per FTE. .

In 2013 total water consumption across all campus sites increased by 2,5% to 299 694 kℓ (2012: 292 325 kℓ). While overall volume showed an increase, this was primarily due to the year-on-year organic growth of the organisation and some unexpected water leaks. It is useful to put the water use increase into perspective by investigating the normalised increase. Water use increased from 16,52 kℓ per FTE in 2012 to 16,64 kℓ per FTE in 2013. This is an increase of 0,73%.

Water leaks remain one of the main challenges in terms of reducing our water consumption. While we invest significant resources in the monitoring and maintenance of our water infrastructure, the very nature of water leaks means they typically demand reaction at the time they occur, rather than proactive prevention. Often the only way of identifying a water leak is by means of meter readings.

### Water-Saving initiatives

Nedbank advocates behavioural change in our staff base. The following campaigns and activities were used in 2013 to drive staff awareness on the importance of water conservation:

- Flush light campaign

In support of the 'quantity' element of our water strategy, this initiative was run after we discovered that many staffmembers were unaware of the benefits of using a dual-flush toilet, with some even pushing both buttons at all times to be 'safe'. The campaign urged staff to use the light- flush option on our dual-flush toilets to help Nedbank save water. Awareness was driven through the use of email communications and stickers in the bathrooms.

- Promoting water quality

In support of the 'quality' element of our water strategy, we partnered with Unilever SA and distributed 30 000 Skip liquid detergent bottles to all staffmembers. The message was simple - you can make a difference by simply buying from a different shelf. By switching from a powder soap to a phosphate-free liquid detergent, staff are able to play their part in promoting water quality.

- Eco wash car facilities

The Eco Wash car wash systems introduced to many Nedbank campus sites in 2012 continued to grow in popularity in 2013 among 6 200 staffmembers at our 135 Rivonia and Menlyn Maine campus sites. We have also introduced a waterless cleaning system at the Sunninghill, Meadowdale and Killarney campus sites, which impact approximately 2 000 additional Nedbankers. The strategy is to implement a waterless car wash system in all Nedbank campus

facilities. These sustainable, water-wise, onsite car wash facilities form part of our greater focus on water stewardship and allow Nedbank employees to contribute to our water conservation goals simply by having their personal vehicles washed in an eco-friendly way. The Eco Wash facilities consume less than one litre of water per wash and use only biodegradable cleaning products. In 2013 a total of 14 786 vehicles were cleaned by means of the Eco Wash system. A regular car wash uses approximately 270 l of water, so the indicative water savings through the introduction of this facility were 3 992 kℓ for the year.

- Nedbank celebrated the two-year anniversary of the WWF Water Balance Programme

Access to clean drinking water is not only a basic human right, but it is also essential for economic growth. For this reason we have invested R9m in the WWF Water Balance Programme, which is aimed at clearing alien vegetation at key water catchment areas around the country. Our investment is over a five-year period and, since inception in 2011, has seen 193 ha (2013: 63 ha) of alien vegetation cleared. This has not only ensured the release of over 400 000 kl (2013: 131 000 kl) of water into the country's ecosystem but, given the labour-intensive nature of the clearing work, has also created nearly 8 000 (2013: 3 368) workdays for members of communities in and around the targeted areas.

It is an important investment that is key to improving water security in the country as approximately 3,300 million kilolitres of water is trapped by invasive alien species in South Africa – equating to around 7% of the country's water run-off

**Water Risks:** Nedbank is dependent on its clients being able to access banking services with ease. The physical impacts of climate change have the potential, in extreme circumstances, to affect our ability to service our clients. Our climate change strategic plans take account of this potential physical risk and provide for action plans (Business Continuity and Disaster Recovery) for the medium term (3-5 years). Nedbank has already experienced incidences of branch closures due to unstable energy supply/blackouts, water restrictions in certain areas and even extreme weather events such as flooding (in 2012). The Nedbank risk management processes and Business Continuity and Disaster Recovery Plans are designed to identify and address such potential physical impacts of climate change on our business processes and premises. The Nedbank business continuity management policy and programme addresses physical risks on a site specific as well as regional basis.

**Lending:** Nedbank Group continues to place increasing emphasis on consolidating its social and environmental risk policies and management processes, not only to deliver positive environmental and social impacts, but also to protect shareholder value and returns on capital investments by ensuring responsible, fair and honest business practices. Nedbank Group's Social and Environmental Management System (SEMS) is based on ISO 14001 and International Finance Corporation best-practice guidelines, and details the policy, procedures, responsible and accountable staff, and workflow required to identify and assess the environmental (including water) or social impacts of lending activities undertaken by Nedbank Group. Through the SEMS process Nedbank is able to deepen knowledge of and relationships with clients and it is through this relationship that opportunities are identified and can be leveraged.

## **6 Meeting the Commitments to the CEO Water Mandate: Greening the Supply Chain and Watershed Management**

Our procurement practices go beyond compliance with preferential procurement legislation and guidelines, and our various procurement functions work closely with our suppliers to promote and enable greater sustainability across our supply chain. We also intensified our focus on the environmental and ethical performance and governance of new and existing suppliers through the introduction of enhanced declarations on our procurement systems. This information gives Nedbank a better understanding of our suppliers and insight into the level of values alignment.

The tendering and engagement sessions initiated in 2011 continued, with a particular focus on influencing our suppliers to incorporate environmental, social and governance considerations into their operations to a greater degree. At these sessions our representatives share Nedbank Group's experience and learnings in these areas and



encourage similar actions and behaviours among suppliers.

During the year under review we built more robust sustainability considerations into our overall procurement decisionmaking processes. We now require that approved vendors not only demonstrate environmental awareness, but also be actively committed to entrenching environmental considerations and practices into all areas of their businesses.

In 2013 sustainability assessments of the top 300 Nedbank Group suppliers (representing approximately 85% of total group spend) showed that 23% (2012: 15%) now have formal environmental policies in place, while 41% (2012: 31%) are actively recycling.

Specific procurement and supplier initiatives aimed at greening our supply chain during the year under review included:

- Furniture and buildings

All new desks purchased in 2013 were manufactured from Forestry Stewardship Council-accredited wood. The majority of chairs and carpets acquired are made from recyclable materials. Old furniture is donated to CSI projects or, if it cannot be reused, recycled or disposed of responsibly. All tenants in Nedbank Group-owned buildings are required to agree and adhere to our environmental approach in terms of water, electricity and waste management.

- Hotels

We continue to partner with hotels used by staffmembers who need to travel for business. This is part of our efforts to encourage sound environmental practices and policies and, particularly, water usage reduction initiatives. A number of other hotel sustainability initiatives have resulted from these partnerships, including the planting of organic gardens and greater use of local food suppliers by some hotels.

- Car rental

The introduction of a third car rental supplier has proved very successful. Although only 3% of our total car rental requirements were fulfilled by the new supplier at a lower cost of roughly 10%, we were able to drive down costs with the incumbent suppliers by almost 14% through the identification of sustainable cost reduction initiatives. We continue to work with the car rental companies to have more efficient vehicles – including hybrid vehicles – at our disposal. In 2013 we began utilising improved management information to identify those employees who use excessive fuel per kilometre and/or have been issued with traffic fines for speeding. This data has been used to inform vehicle usage strategies, including the possibility of driving courses to encourage less aggressive driving and greater fuel efficiency.

- Air travel

Our booking process includes consideration of information we receive regarding the environmental impact of employee travel.

We continue to engage with the airlines we use in an effort to help them reduce their, and our, carbon footprint. Airlines provide us with regular progress reports on fuel reductions achieved and other improved processes that might deliver carbon reductions. Our booking process includes consideration of information we receive regarding the environmental impact of employee travel.

- Computer consumables

All our suppliers of computer consumables are accredited by the International Organization for Standardization (ISO). The enhanced management information system introduced in 2011 continues to provide improved data on toner and printer usage, enabling effective management and cost savings. We are currently investigating the viability of installing a print management solution on all our printers to optimise paper and ink usage and allow for active monitoring of consumables orders.

- Paper

We carefully monitor the use of paper across our organisation. A decision to insource the shredding of confidential documents at our major campus sites resulted in a partnership with Nampak to recycle this paper into toilet rolls, which are now in use across the group. The decision to outsource print management has yielded significant cost and paper wastage savings and better tracking of paper usage. More details of our achievements against our paper reduction targets in 2013 are available on page 55 of this report.

- Couriers

UTI Mounties and Skynet remain our preferred courier service suppliers thanks to their clear environmental and carbon reduction commitments. Investigations into the use of bicycle couriers revealed a number of reliability and security risks, which resulted in a decision not to follow this route

- Cleaning and hygiene services

We continue to use biodegradable cleaning liquids, ergonomically designed equipment and more efficient processes at all our main campus sites and branches. Furthermore, we have introduced strategic sourcing into the procurement process and involve cleaning and hygiene suppliers early in determining specifications for our buildings so that we are able to identify opportunities for reducing costs.

## 7 Meeting the Commitments to the CEO Water Mandate: Collective Action

Nedbank Group plays an active role in facilitating, and contributing to the policy and regulatory developments by feeding comments and suggestions into a variety of industry bodies or directly to the relevant government departments. There are also a number of policies and regulatory developments that the group monitors and contributes to. Many of these policies have an impact on water consumption.

At Nedbank Group we acknowledge that the best way to maximise our positive sustainability impact is through partnerships with like-minded individuals, groups and organisations. We therefore proactively seek out such partnerships across all our stakeholder groups to contribute towards increased awareness and understanding of the sustainable development imperative.

Such partnerships in 2013 included:

- *The Nedbank Green Living Guide*

Launched at the Green Building Council Conference in October 2013, this detailed sustainability guide is produced in collaboration with the Sustainability Institute and endorsed by the Green Building Council South Africa. The aim of the publication is to encourage all South Africans to adopt a more sustainable lifestyle so that they can enjoy the economic, social and environmental benefits that such an approach can deliver. It is available free to Nedbank staff and clients, as well as to the general public. Since it was launched more than 2 000 copies have been distributed. It can be downloaded from [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

- *Nedbank Sustainability Outlook*

Researched on behalf of Nedbank Group by the University of Cambridge Programme for Sustainability Leadership and distributed to more than 100 000 readers with the aim of encouraging debate around various sustainability issues. In 2013 topics ranged from impact investment, climate change, electromobility and the issues and challenges around nuclear energy and shale gas.

- *110% Green*

An initiative of the Western Cape Government which is aimed at mobilising citizens and businesses in the province to commit to environmental sustainability and take practical action to have a positive impact on the Western Cape's environmental and economic growth. As part of our support of the initiative we committed to giving small and medium businesses in the Western Cape free access to our online Greening Your Business training, in addition we hosted sustainability workshops and erected vegetable tunnels at 10 Western Cape

schools.

– *Thought Leadership sessions*

In 2013 these sessions were hosted quarterly by Nedbank Group, entailing presentations by sustainability thought leaders to which key staff, clients and media representatives are invited. The sessions offer an opportunity to learn about the latest trends and thinking in sustainability and generally result in lively debate and discussion.

– *WWF Earth Hour*

We again participated in the WWF Earth Hour campaign on 31 March 2012 between 20:30 and 21:30. Earth Hour is the world's biggest mass action initiative aimed at addressing climate change. In the spirit of green collaboration, in addition to our own efforts to switch off as many lights as possible in our buildings, we challenged staff and clients to go beyond the hour of darkness by pledging to do more to honour planet Earth.

– *Nedbank BDFM Greening your Business course*

Established in 2010 in collaboration with Business Day, the Greening Your Business Programme continues to grow in popularity among SA businesses of all types and sizes. In 2013 this innovative digital sustainability course was again updated and expanded with the addition of five new modules covering green company policies, facilities and supply chain management, sustainable event management and green living. A 10-part series called Green Living at Home was also added. During the year under review more than 1 350 businesses registered for the course.

Nedbank Group participates in the UNEP FI Natural Capital Declaration Task team.

Nedbank Group is a member of the South African Banking Association's Sustainable Finance Forum which drives the banking industry's engagement with and lobbying of policy-makers.

Nedbank Group is also represented on the National Business Initiative's Climate Change Advisory Committee.

## **8 Meeting the Commitments to the CEO Water Mandate: Community Engagement**

Nedbank's Green Affinity Programme links into a number of water-related projects within the community. The programme includes Fresh Water projects which address the wise use of water to ensure sustainable development in South Africa as well as marine projects that look at the health and welfare of our oceans and the welfare of the communities that derive their welfare from them. Nedbank Green Affinity donations to the WWF-Nedbank Green Trust increased by a 14% to more than R14,8m (2012:12.9m).

Nedbank's Caring for our Communities initiative is a comprehensive community education programme aiming to share the many sustainability lessons learned by Nedbank Group with learners and community members, thereby enabling them to harness the power of sustainable thinking and action for their own benefit.

The programme follows a two-pronged approach, engaging with adult community members and educating grade 6 and 7 learners from the same community about the basics of sustainability by means of an interactive workshop. The knowledge imparted to both groups is brought to life at the end of the programme by involving all attendees in a project build day. Learners, educators and community members, together with Nedbank Group volunteers, work together to construct a vegetable tunnel, solar cooker, and rainwater harvesting tank or indigenous erosion control garden, depending on the identified community need.

Since inception the programme has involved 3 000 Nedbank staff volunteers and touched the lives of over 6 000 learners and 1 600 adults at over 180 schools. In 2013 altogether 40 sustainability workshops were held, and 2 100 learners were reached, 650 Nedbank staffmembers volunteered to implement 56 projects (vegetable tunnels and rainwater harvesting tanks) at schools around the country.

From a water access point of view Nedbank Capital has played a major funding and advisory role in various high-profile water infrastructure projects in southern Africa, including the Komati Water Scheme Augmentation Project. As part of the Nedbank Water Stewardship Programme and through the Nedbank Foundation, we have distributed over 4090 Hippo Water Rollers to rural communities in the Eastern Cape, Northern Cape, Mpumalanga and KwaZulu-Natal. A Hippo water roller is a 90 l drum that assists with the transportation of water to households where it is not available on tap), these large reinforced drums have metal handles to allow them to easily be pulled or pushed over rough terrain. Nedbank staff members take part in handovers of the Hippo Rollers to communities. The total investment to date is over R5m.

## 9 Meeting the Commitments to the CEO Water Mandate: Transparency

Nedbank Group reports on water as per the GRI 3.1 principles and King III Integrated Reporting requirements. Nedbank water usage is independently assured by Deloitte and KPMG as part of their assurance of Nedbank Group's Integrated Report. In addition Nedbank voluntarily disclosed its water use and performance in the CDP Water Disclosure Programme in 2010 and 2011. We did not participate in 2012 or 2013 as we are a relatively small water user and we now have a handle on our water footprint. We don't believe that additional reporting is required and will instead focus on taking action.

### Nedbank Group Sustainability Credentials:

- **Banker Magazine** – South African Banker of the Year Award.
- **Sunday Times Top 100 Companies** – Corporate Social Investment Leadership Award.
- **2014 African Banker Awards** – Socially Responsible Bank of the year award
- **2014 African Banker Awards** – Innovation in Banking Award
- **Black Business Quarterly (BBQ) Awards** – 2013 Transformation Champion of the Year.
- **BANKSETA** – Skills@Work Award, Large Company category.
- **46th Annual Chartered Secretaries Southern Africa (CSSA) and Johannesburg Stock Exchange (JSE) Limited Integrated Reporting Awards** – Overall winner.
- **2013 EY Africa Excellence in Integrated Reporting** – Eighth place.
- **2013 Nkonki Integrated Reporting Awards** – Nedbank was placed second in the Finance Sector and joint third overall.
- **MTN App of the Year Awards 2013** – Nedbank App Suite™, Best Android App, Consumer category.
- **Carbon Neutral** – Africa's first carbon neutral financial organisation.
- **Dow Jones World Sustainability Index membership** – The world's premier performance benchmark for companies in terms of corporate sustainability. We were included for the eighth year (2013: 84%; 2012: 82%). We are one of only 25 banks worldwide and five companies with primary listings in South Africa to be included on the index.
- **JSE SRI Index** – Inclusion since 2004.
- **WWF Water Balance Programme** – Invested R9 million into South Africa's water security.
- **WWF-SA Green Trust** partnership.
- **WWF Sustainable Agriculture Programme** – Official sponsor – invested R8,3 million.
- **Nedbank occupies three Green-star-rated buildings.**
- **Natural Capital Leaders Index** – Natural Capital Decoupling Leader.

### Nedbank is represented on:

- Equator Principles - first African bank to join in 2005.
- Principles for Responsible Investment (through Old Mutual Plc)
- UNEP FI African Task Force
- UNEP FI National Capital Declaration
- UNEP FI Social Working Group
- United Nations Global Compact Advisory Committee
- United Nations Global Compact - 'Caring for Climate' Programme

- United Nations Global Compact CEO Water Mandate
- National Business Initiative Advisory Committee on Climate Change
- National Energy Efficiency Accord
- Energy Efficiency Leadership Network Pledge
- Banking Association of South Africa: Sustainable Finance Committee
- Association of Ethics Officers in Africa
- OECD Financial Sector Mapping Advisory Group
- National Biodiversity Business Network
- Network for Business Sustainability South Africa

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