

AGM round-up Nedbank Group Limited



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1. Introduction

Date of AGM: 31 May 2024

Chair of the Board: Daniel Mminele

Type of AGM: **Hybrid AGM** (in-person and online attendance permitted), conducted by CorpCam.

Useful links:

- [Notice of AGM](#)
- [Results of 2024 AGM](#)
- [Video recording of AGM](#)

2. Key takeaways

- *From 2022 to 2023, Nedbank’s exposure to upstream oil increased by 13%, and to upstream gas by 11%. Of most concern is the 173% increase to its upstream gas facility limits, which Nedbank states is due to its commitments to gas projects.*
- *Nedbank has published “glidepaths” for reducing its financed emissions from the fossil fuel and power generation sectors. The fossil fuel glidepaths set new interim targets for reducing emissions from coal, oil, and gas financing by 2030, off a 2022 baseline. However, the bank had already met its oil and gas target in 2023, allowing it to increase its financed emissions from these sectors, provided they decline again to current levels by 2030.*
- *Nedbank confirmed its view of the necessity of gas as a transition fuel and would not commit to a date before 2030 at which it will begin to reduce its exposure to gas.*
- *The power generation glidepath sets a cap on Nedbank’s financed emissions from power generation by 2030. This cap is set higher than its current financed emissions from that sector, again allowing for an increase in lending to fossil fuel-based power generation up to 2030.*
- *Nedbank indicated that current gender diversity at board level (at 23%) “is low”, but would not be drawn on setting a board gender parity target.*

3. AGM governance

Nedbank’s hybrid AGM was conducted by CorpCam,¹ and those attending in person did so at the company’s Rivonia Campus offices in Sandton. Chair Mr Daniel Mminele welcomed shareholders and provided a verbal agenda at the beginning of the meeting. Mminele explained how the Q&A session would be conducted, when shareholders would vote on the resolutions, and when questions would be taken.

Given the material public interest in the operations and environmental and social impacts of JSE-listed companies, it is commendable that Nedbank made its AGM accessible to stakeholders other than shareholders, who were able to observe the AGM by accessing a live webcast. This approach

¹ <https://web.corpcam.com>



to stakeholder engagement is encouraged in the King Report on Corporate Governance (King IV),² and demonstrates an awareness of the importance of transparency and accountability.

4. Q&A sessions

During both Q&A sessions,³ shareholders attending electronically were given the opportunity either to submit written questions or to dial in via a teleconference facility to ask their questions verbally. No shareholders opted to use the dial-in facility. The one written question which was submitted was read out clearly and in full. Just Share attended the AGM in person.

5. Opening address

Addressing shareholders for the first time as Nedbank Group chairman since his appointment in June 2023, Mminele's address noted accomplishments and some of the challenges the group had faced over the reporting period. Key points in the address included the following:⁴

- *Nedbank is the first African bank to disclose financed emission glidepaths: for thermal coal financed emissions to decline by 47% by 2030; and for oil and gas financed emissions to decline by 26% by 2030.*
- *The group directors' affairs committee has worked to ensure the continuity of the board by planning for the succession of directors reaching the end of their tenure and retirement. Mminele noted some "significant transitions", including his appointment as chairperson, Jason Quinn as chief executive designate,⁵ and Terence Nombembe as new independent non-executive director.⁶*
- *A new chief risk officer and chief information officer have been appointed following the retirement of their predecessors.*
- *The board expanded the mandate of the climate resilience committee, which has become the group sustainability and climate resilience committee.*

6. CEO's address

Outgoing chief executive officer (CEO) Mike Brown addressed shareholders for the last time in his capacity as CEO. Brown provided shareholders with an extensive business performance update. Key ESG-related points in Brown's presentation included mention of the following:⁷

- *Nedbank's exposure of R145 billion supporting sustainable development finance, aligned with the United Nations Development Goals; and*

² <https://www.iodsa.co.za/page/king-iv>

³ The Q&A session was divided into two parts. The first dealt with questions related directly to the tabled resolutions. The second was an opportunity for general questions and was conducted after voting had taken place.

⁴ A video of the AGM is available on the [Nedbank's website](#) – the chair's welcome address runs from 00:08:50 - 00:16:00

⁵ <https://www.nedbank.co.za/content/nedbank/desktop/gt/en/aboutus/about-nedbank-group/board-of-directors/jason-quinn.html>

⁶ <https://www.nedbank.co.za/content/nedbank/desktop/gt/en/aboutus/about-nedbank-group/board-of-directors/Terence-Mncedisi-Nombembe.html>

⁷ A video of the AGM is available on the [Nedbank's website](#) – the CEO's presentation runs from 00:16:00 - 00:33:00



- *That it sustained its “market leading” position in renewable energy, with a strong pipeline of public and private sector projects ahead.*

7. Just Share’s questions

7.1. Oil and gas “glidepath”

Just Share started by congratulating Nedbank on its publication this year of new interim climate targets, referred to as the fossil fuel and power generation “glidepaths”. Although insufficient to constitute clear, science-aligned transition plans for these two sectors aligned with Nedbank’s “zero fossil fuel exposure by 2045” target, the glidepaths are nevertheless evidence of some progress. The glidepaths establish the following new targets:⁸

- to reduce its thermal coal financed emissions by 47% by 2030, off a 2022 baseline;
- to reduce its upstream oil and gas financed emissions by 26% by 2030, off a 2022 baseline (a target that Nedbank had already met in 2023); and
- to set a cap of 165gCO₂e/kWh on its financed emissions from power generation (a cap significantly higher than its current levels of exposure).

Just Share’s question related to the bank’s oil and gas exposure and targets. This year, Nedbank’s exposure to upstream oil increased by 13%, and to upstream gas by 11%. Just Share commented that the increase of upstream gas limits by 173%, which Nedbank reports is due to commitments to gas projects, is of most concern.

Just Share first asked the bank to clarify what percentage of its oil and gas portfolio is included in the upstream oil and gas glidepath. We also pointed out the fact that Nedbank had already achieved the 2030 oil and gas target in 2023. This means that there is significant leeway for it to increase its upstream oil and gas exposure in the interim – as is happening, provided exposure decreases by 2030. Just Share therefore asked what the bank’s strategy is, and what actions it will take to ensure that its fossil fuel targets are achieved, in circumstances where Nedbank intends to increase its financing of gas for the foreseeable future.

In response, group chief finance officer, Mike Davis, said that the bank had met its 2030 target (a 26% reduction of upstream oil and gas exposure) by December 2023 largely as a result of “moving away from some of our largest carbon-emitting clients”. He would not commit to increasing the bank’s ambition, however, simply saying that the path is “non-linear” and that Nedbank will “continue to reflect on that 26% over time”.

Brian Dames, chair of the group sustainability and climate resilience committee, merely reiterated the bank’s commitment to its target. He said that Nedbank’s strategy, particularly around gas, is that “we certainly see gas playing an important transitional role,” but also that its “commitment to that reduction over that period, although not a straight line, is firm and clear, and that is how we will manage our strategy and our financing for oil and gas.”

⁸ [2024 Climate report](#), p 51.



In reply to this answer, Just Share asked whether, given the bank's clear view of gas as a transition fuel, and its intention to increase its exposure to gas, a date had been determined at which it is expected that the bank's exposure would decrease again before 2030.

Mminele's response was to say that there will be fluctuations as the bank progresses, but that "the direction of travel is very clear towards overall a reduction in those emissions". Dames also responded that it was difficult to come up with a specific date, saying that "how we navigate these glidepaths is informed by how we navigate our customers, transition and support our customers in that regard."

7.2. Scope of fossil fuel policy and targets

Just Share then asked about the application of the bank's fossil fuel targets and policies. We asked for clarification as to whether the glidepaths apply to the bank's on-balance sheet exposure only – in other words, whether they exclude other activities such as underwriting and facilitation of bond deals. Just Share noted that, similarly, the restrictions to oil and gas lending in Nedbank's energy policy all relate to specific projects (exploration and production), but they do not appear to cover general purpose loans to oil and gas companies, nor any other activities apart from lending. We asked if it is correct that the energy policy only covers a portion of the bank's financing and facilitation (or potential financing/facilitation) of fossil fuels, especially for oil and gas.

Dames said that Nedbank "certainly [does] not go and segregate our lending portfolios into different customer classes" and so "that energy policy [is] applied to complete lending facilities in our customer base."

Just Share will follow up with the bank to clarify the scope of the policy; in particular, whether the response provided means that Nedbank's energy policy applies beyond project finance. Mminele offered further, dedicated engagement with Just Share on this issue.

7.3. Board gender diversity target

In Nedbank's 2023 Governance Report, the company indicated that its "gender diversity at board level is low at 23%", and that it would review its targets and board succession planning (its current target for black female representation is 25%).

At the AGM, Just Share (and another shareholder attending virtually) asked about Nedbank's board gender target. We asked whether Nedbank would stretch its board gender diversity target to target gender *parity* at board level.

In response, Mminele stated that a "key focus" for Nedbank is to have a board that "reflects the demographics of South Africa." However, given that women currently comprise 46% of the South African economically active population,⁹ the 23% female representation on Nedbank's board falls far short of representing the country's demographics.

⁹ [Stats SA Quarterly Labour Force Survey, Quarter 1: 2024](#)



The group directors' affairs committee Chairperson, Hubert Brody, added that gender diversity at board level is "high priority", given that some of the company's executive directors are expected to retire in 2025 and 2026, and said "I certainly do believe that we will be exceeding the target by 2026".

Both Mminele and Brody were wary of making any commitments to increase the current board gender target. The bank indicated that targets are a "journey", and that Nedbank will review the target once there are more female board members.

8. Questions asked by other shareholders

Another shareholder asked a question about board diversity targets similar to Just Share's question.

9. Voting results

All resolutions tabled at the 2024 AGM passed with the required support from shareholders.

10. Relevant resources

10.1. Just Share

10.1.1. Climate-related resources

- **Briefing:** [Nedbank Group's 2022 Climate Report](#) (May 2023)
- **Report:** [How cool is your bank?](#) (November 2023)

10.1.2. Inequality-related resources

- **Briefing:** [Women in leadership: Assessing gender equality in the JSE Top 40](#) (September 2023)
- **Briefing:** [Vertical pay gaps at JSE-listed companies](#) (June 2023)

10.1.3. Governance-related resources

- **Round-up:** [2023 AGM Roundup 1](#) which includes a summary of Just Share's attendance at Nedbank's 2023 AGM
- **Guide:** [Best practices for South African virtual annual general meetings](#) (May 2020)

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