How we apply integrated thinking in our business

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#IRCConf26

Integrated thinking is not primarily about producing an integrated report



Nedbank Group Integrated Report 2025 | Integrated reporting | An overview of Nedbank Group | Ensuring value creation through good governance | Sustainable value creation through our strategy | Delivering, measuring and rewarding value creation | Supplementary information | 4

About our 2025 Integrated Report

Our 2025 Integrated Report reflects the outcome of integrated thinking and a reporting process that is governed by the board, led by the Group Executive Committee (Group Exco), assured through our Coordinated Assurance Model, and delivered through groupwide collaboration.

Our purpose

Vision
Fulfilling our purpose
Values

Board, Group Exco, employees

Integrated thinking

Risks and impacts	Short-, medium- and long-term outlook	Board and board committees
Determining our material matters	Developing and evolving our strategy	Overseeing and executing our strategy
Opportunities	Financial and non-financial targets	Group Exco, Exco committees and employees
Board, Group Exco	Board, Group Exco	Board, Group Exco, employees

Integrated reporting process

Integrated Reporting Framework	Coordinated Assurance Model	Exco sign-off
Compiling our report	Validating the integrity of our report	Approving the Integrated Report
Various reporting standards and guidance	Board and Group Exco reviews	Board approval
Board, Group Exco, Integrated Reporting Team	Board, Group Exco, Group Internal Audit, External Auditors	Board, Group Exco

How we think about value

Value creation, preservation and erosion are the consequences of how we apply and leverage our capitals during strategy formulation and execution (pages 49 to 62). This is evident in how we manage these capitals over time, the trade-offs we make (pages 50, 57 and 60), our financial and non-financial performance and the outputs and outcomes, for all our stakeholders (pages 73 to 80).

Integrated thinking allows us to create and preserve value as we fulfil our purpose (page 8).

In our report, we use the icons below to denote value creation, preservation, and erosion:

- Value creation
- Value preservation
- Value erosion

Our materiality determination process

Our identified material matters are those issues that can substantively affect the group's ability to create value over time.

Identifying our material matters is a collective responsibility that involves input from the board and management, our businesses; external and industry reports, an assessment of the impacts, risks and opportunities in our operating environment through a double materiality lens; and feedback from our key stakeholder groupings. Our 6 material matters, as detailed on pages 36 to 44, seek to identify opportunities, risks and impacts and shape our strategic response. They also guide the evolution of our business model and our short- (1 year), medium- (2 to 3 years) and long-term (5 years +) targets.

Our Group Exco and the board continuously discuss these material matters during their meetings throughout the year and approve them as part of a formal strategy engagement in June.

- **Identify** matters that could create, preserve, or erode value for us and our stakeholders.
- **Prioritise** those matters with the greatest relevance.
- **Apply and validate** the material matters to inform our strategy, capitals and targets.
- **Assess** these matters continually to ensure our strategy remains relevant.

Process we followed to complete the 2025 report

Our 2025 Integrated Report was prepared based on Group Exco and board discussions, minutes, decisions and approvals, and business plans, reflecting integrated thinking.

A cross-functional team, led by the Group Chief Financial Officer (CFO) and comprising businesses and subject matter experts across the group, produced the content of the Integrated Report and reporting suite. We made use of artificial intelligence (AI) tools to assist with the collation of information. Group Exco and board members contributed and were involved in the various approval processes, which were supported by the oversight provided by independent assurance providers. The board approved the final report, while the Group Integrated Report Approval Committee, with delegated authority from the board, provided final sign-off for publication.

Reporting frameworks to which we adhere

Our integrated reporting is guided by the principles and requirements of the Integrated Reporting Framework, the International Financial Reporting Standards (IFRS) Accounting Standards and the King IV Report on Corporate Governance for South Africa (King IV). It was prepared with reference to the Global Reporting Initiative (GRI) Standards. As a South African bank and a company listed on the JSE, we align with the JSE Listings Requirements; the South African Companies Act, 71 of 2008; and the Banks Act, 94 of 1990. In 2025 we applied the ISSB's disclosure standards for the first time, using a climate-first implementation approach reflected in our Climate Report, and complemented this by considering the JSE's Sustainability and Climate Disclosure Guidance.

Ensuring the integrity of our report

The board ensures the integrity of the Integrated Report through our integrated reporting process, which includes various approvals by Group Exco and the board. This process relies on our Coordinated Assurance Model, overseen by the Group Audit Committee, which assesses and assures various aspects of our business operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's Enterprisewide Risk Management Framework (ERMF), Group Internal Audit and independent external sources and service providers.

At Nedbank, integrated thinking starts with our **purpose**, informs how we determine **material matters** and **develop strategy**, shapes **capital allocation** and **trade-offs**, and is reinforced through **board oversight**, **performance measures**, **remuneration** and **coordinated assurance**

How has integrated thinking come into Nedbank's purpose and strategy?



- **Vision** – To be the most admired financial services provider in Africa's by our employees, clients, shareholders, regulators & society
- **Purpose** – To use our financial expertise to do good for individuals, families, businesses & society

Purpose is not something we report on. It is one of the lenses through which we allocate capital & make strategic choices

Integrated information: how does a board pack today compare with one from ten years ago?

Then – detailed, functionally based & predominantly financial/historical reporting

Now – more integrated, more strategic & more forward-looking reporting, focused on the most material matters & value creation

- Greater emphasis on **insight & implications**, not simply information
- **Financial & non-financial performance** increasingly considered together
- **Stronger connection** between external environment, strategy, execution, risk, people, clients & financial outcomes
- Greater prominence given to **material matters, strategic priorities** & **long-term value creation**
- Reporting has consequently moved closer to the principle of integrated thinking – **showing the connections that matter**, rather than reporting each subject in isolation.

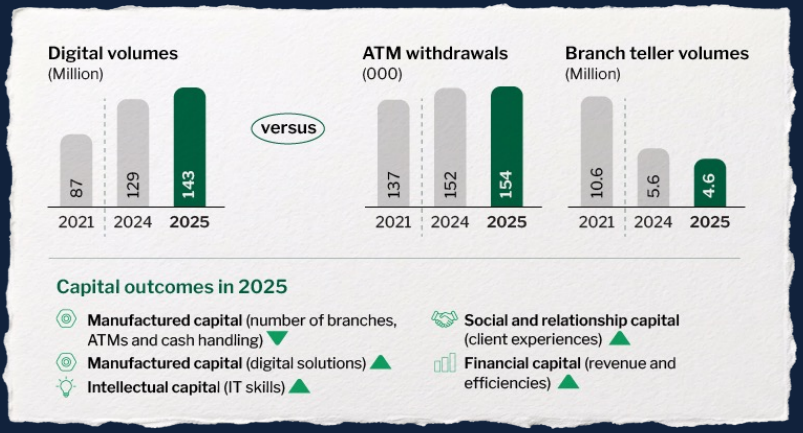
The nature of the information has changed from reporting the parts of the business to explaining the connections between them.

How is Nedbank's integrated thinking evident in your integrated report?

1 Biggest test… line of sight through the report

External environment → Material matters → Risks & opportunities → Strategy & resource allocation → Performance & stakeholder outcomes → Remuneration

2 Explicit about trade-offs



3 Value creation, -preservation & -erosion

- Digital transactions **+15%** | Products sold digitally increased to **75%** | NPS – ranked **#2** SA universal bank
- CET1 capital ratio at **12.9%** | IT systems uptime **99.85%**
- **131** staff retrenchments | Reduction in physical channels | Impaired **R0.7bn** in intangible assets

Our report allows the reader to follow the golden thread from context, to choices, to actions, to outcomes (+ and -)

The main benefits and challenges in embedding integrated thinking?

Benefits

- **Better decision-making** – surfaces interdependencies, consequences & trade offs that improves capital allocation, risk management & resilience
- **Alignment** – finance, strategy, HR…
- **Better reporting** – reflects true value

Challenges

- **Silos** – organisations are naturally built in silos with different functions, different objectives
- **Responsibility** – allowing integrated thinking to become the responsibility of the reporting or sustainability team
- **There are real trade-offs**

The real value of integrated thinking is better choices, better trade-offs & better long-term outcomes

One practical tip to an organisation just starting to embed integrated thinking?

Start with one important business decision

- What **value** are we trying to create?
- What is the operating context, and what **resources and relationships** does this decision depend on?
- Who (eg stakeholders) or what (eg capitals) does it **affect**?
- What are the **trade-offs** over time (short, medium & long-term)?

Start with the decision, not the disclosure