

# BUILDING TRUST

RESPONSIBLE  
BUSINESS REPORT  
2010



**OLD MUTUAL**

INSURANCE • INVESTMENT • SAVINGS • BANKING

## OVERVIEW

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## WHAT'S ONLINE

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**Corporate site:**

[www.oldmutual.com](http://www.oldmutual.com)

**Annual Report:**

[www.oldmutual.com/ar2010.oldmutual.com](http://www.oldmutual.com/ar2010.oldmutual.com)



## CONTACT US

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To give any feedback or if you have any questions please contact Helen Wilson at [responsiblebusiness@omg.co.uk](mailto:responsiblebusiness@omg.co.uk)



**In my 10 years at Old Mutual I have always been proud of the Group's responsible approach to business; operating responsibly is core to our business strategy.**

In early 2010 we launched our Group Corporate Vision which sets out our intention to become our customers' most trusted partner. This means working with our customers and wider stakeholder base to fully understand how we can support them in reaching their aims.

We remain committed to managing our direct social and environmental impacts, from the way we market our products and treat our employees, to the way we interact with local communities and manage the carbon emissions from our offices. As an international financial services company we also have significant indirect impacts for example, the impact of the investments that we make through our long-term savings business. By understanding and evaluating the impacts of our investment decisions we

can build a responsible investment portfolio that delivers long-term value for both our shareholders and our other stakeholders.

This first report is a milestone for us. However, we recognise we still have a way to go to deliver a more sustainable business that supports employees, society and shareholders. As part of this journey forward we need continuing stakeholder engagement and feedback. If you would like to share any views with the team we would value your input. Contact details are at the front of this report.

I hope you find our first Responsible Business Report useful in understanding our approach, the progress we have made so far and our plans for the future.

**Julian Roberts**  
Group Chief Executive

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**0.92%**

**of our pre-tax profit was invested in communities in 2010 (£13.6 million)**

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# OUR BUSINESS AT A GLANCE

Below is a high-level summary of the Group and our four principal business units

## GROUP

Old Mutual is an international long-term savings, protection and investment Group.

### Adjusted operating profit (AOP) 2010

£1,481m

2009: £1,133m

### Number of employees

55,730<sup>1</sup>

2009: 53,706



### Primary locations

- Long-Term Savings – southern Africa, Europe, Colombia, Mexico, India and China
- US Asset Management – US
- Banking – southern Africa
- Short-term insurance – southern Africa

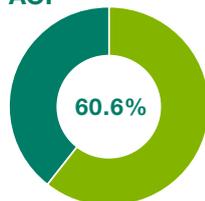
### Responsible business highlights

- First full year of operation of the Responsible Business Committee which oversaw:
  - Responsible Business Policy rolled out across the Group
  - Responsible Investment taskforce set up
- Conducted stakeholder research into responsible business issues
- £13.6 million, 0.92% of pre-tax profit, invested in our local communities focusing on financial education, enterprise development and sustainable community development. For example:
  - £4.6m through the Masisizane Fund including micro-finance
  - £2.7m spent through the five Old Mutual Foundations.

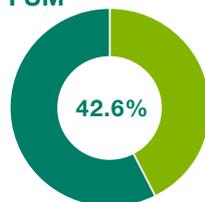
## LONG-TERM SAVINGS (LTS)

We provide investment management and innovative life assurance-based solutions which address both protection and retirement savings needs.

### Contribution to Group AOP\*



### FUM\*\*



### Adjusted operating profit (AOP) 2010

£897m

2009: £636m

### Number of employees

24,044

2009: 22,269



### Some of our brands

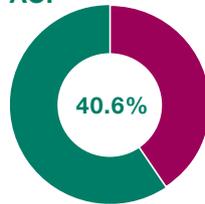


<sup>1</sup> This includes: US Life, Bermuda and Group Head Office  
\*Pre-tax AOP of core operating segments less finance and other corporate costs  
\*\*Funds under management (FUM) of core operating segments

## BANKING

We have a majority shareholding in Nedbank, one of South Africa's leading banks, which also has banking interests in other countries in southern Africa.

### Contribution to Group AOP\*



### FUM\*\*



### Adjusted operating profit (AOP) 2010

£601m

2009: £470m

### Number of employees

27,525

2009: 27,047



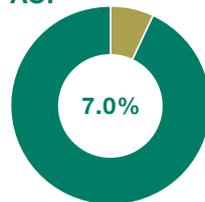
### Some of our brands



## SHORT-TERM INSURANCE

We provide short-term insurance solutions in southern Africa through Mutual & Federal.

### Contribution to Group AOP\*



### FUM\*\*



### Adjusted operating profit (AOP) 2010

£103m

2009: £70m

### Number of employees

2,222

2009: 2,115



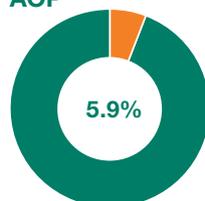
### Some of our brands



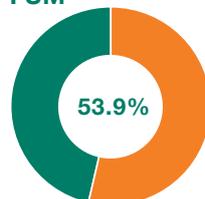
## US ASSET MANAGEMENT

Old Mutual Asset Management, a multi-boutique investment organisation consisting of 18 distinct asset managers, serves individual and institutional investors around the world.

### Contribution to Group AOP\*



### FUM\*\*



### Adjusted operating profit (AOP) 2010

£87m

2009: £83m

### Number of employees

1,537

2009: 1,544



### Selected affiliates



BARROW, HANLEY, MEWHINNEY & STRAUSS, INC.

# A FOREWORD FROM DON SCHNEIDER



**Building trust – and achieving our corporate vision of becoming our customers' most trusted partner – is based on behaving responsibly. In 2010 we made further progress in becoming a more responsible business.**

For many in the financial services sector, the turmoil of recent years has demonstrated that long-term commercial success cannot be built in isolation. It is built on developing much closer connections with all our stakeholders. What needs to happen, for our stakeholders to really trust us? They must believe that we are listening to what they tell us, taking our responsibilities as a business seriously, and actively managing the most important issues we face from a social, environmental and ethical perspective. The work we did last year in listening to our stakeholders was a core part of developing our Group approach to responsible business, and ensuring a sustainable future both as a company and as an investor in other businesses.

In 2010, we completed the foundations for the future of responsible business at Old Mutual. We conducted research to identify which issues our stakeholders felt were most important for us to address. We have used this research to develop a Group approach to responsible business – discussed in more detail in the following pages. We will roll this out in 2011 to ensure we are addressing our priority issues in a systematic, structured and strategic way.

We recognise that this approach to responsible business will require us to ensure that the right people are involved and committed. The strength of our business lies in our employees. They are on the front line in building trust with our customers, and we depend on them to live and breathe the values of the Group. So we want them to feel proud of the work they do and the company they work for, even in the difficult economic climate we have experienced in recent times. We have continued to strive to meet their needs, and ensure the future success of our Group, by enhancing training and development, health and wellness programmes, and diversity initiatives.

Embedding a common culture and set of values across our business units will be crucial to our success as a Group. This year we are introducing a new employee culture measurement tool which explores the gap between our current culture and our desired culture. This will help us identify ways to close any gap and create a shared Group culture.

We have made solid progress in the way we manage our social and environmental impacts. At Group level, 2010 was the year we consolidated our approach to the governance of responsible business. Our Group Responsible Business Committee completed its first full year in operation, we rolled out our Responsible Business Policy, and we launched our Group Operating Manual – a vital tool in embedding all our Group policies.

To understand how we are performing, we need sound metrics and reporting. At business unit level we have made significant progress in this area. Nedbank has completed its first integrated report and Old Mutual Emerging Markets has completed its second sustainability report, both of which complement and enlarge on the topics covered in this report. We are proud of these achievements, and will continue to share best practice on reporting across the Group. In addition, over the past year we have worked to develop a series of metrics against which we can measure future progress.

In the following pages we set out in more detail our approach to responsible business and the progress we have made in 2010 on each of the issues identified in our stakeholder research. We also set out our plans for the future. A year from now, we will report back on what we have achieved. Over time, these reports will add up to a much bigger story about us as a business, and our progress toward building people's trust in us as we help them achieve their lifetime financial goals.

#### **Don Schneider**

Group Human Resources Director and Chair of the Responsible Business Committee

# OUR GROUP VISION AND STRATEGY

Our vision is to be our customers' most trusted partner – passionate about helping them achieve their lifetime financial goals.

**Our strategy is to build a long-term savings, protection and investment group by leveraging the strength of our people and capabilities in South Africa and the world. We will focus, drive and optimise our businesses to enhance value for our customers and shareholders. Our five strategic priorities are:**

#### **1. Develop the customer proposition and experience**

We are passionate about developing the best proposition for our customers, by building on our history of innovation and resolute customer focus. This includes expanding our product range, developing our advice capability which is a fundamental part of the value we provide to our customers and endeavour to treat customers fairly everywhere.

#### **2. Deliver high performance in all business units**

To ensure that we provide value to shareholders and customers, we need to drive high performance in our businesses by delivering profitable growth, operational efficiency, and by optimising risk and return.

#### **3. Shares skills and experience across the Group**

We will utilise our capabilities in South Africa and around the world to drive revenue and cost improvements across the Group, by leveraging policy administration capabilities in South Africa, driving global IT and procurement synergies and sharing product development ideas.

#### **4. Build a culture of excellence**

A key to our success is that we demand and reward excellence in leadership, teamwork and delivery of results – for all our people. This includes defining and embedding a high-performance leadership model, against which we can assess, develop and remunerate our leaders.

#### **5. Simplify our structure to unlock value**

To deliver the full value of the Group to shareholders we need to optimise our structure. This means that we will exit non-core and sub-scale businesses, reduce exposure to businesses that fall outside our Group risk appetite, run-off non-disposable assets for value and optimise our structure for strategic, regulatory, capital and governance purposes.

## OUR VALUES:

INTEGRITY

RESPECT

ACCOUNTABILITY

PUSHING BEYOND  
BOUNDARIES

# OUR APPROACH TO RESPONSIBLE BUSINESS

Our approach to responsible business enables us to deliver our strategy and realise our corporate vision of becoming our customers' most trusted partner

## MATERIAL ISSUES AND IMPACT AREAS



The diagram above summarises our evolved approach to responsible business and shows the nine material issue areas identified in our stakeholder research.

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**“In my 10 years at Old Mutual I have always been proud of the Group’s responsible approach to business; operating responsibly is core to our business strategy.”**

**Julian Roberts**

Group Chief Executive

We want to be sure that we focus on the areas that matter most to all of the different groups who are important to us. So in 2010 we conducted a series of research interviews with our stakeholders, who included:

- customers
- shareholders
- employees
- industry experts
- non-governmental organisations
- corporate responsibility experts
- the media.

We asked for their views of the financial services industry, current and future issues facing the industry and their relative importance, and the role and remit of financial services companies in addressing these issues. We also asked them to rank a list of responsible business issues in order of importance; these issues are discussed in the following sections, in the overall order our respondents chose. The results also confirmed that there are some regional variations – for example, supporting our communities has a higher weighting in South Africa than in our other markets.

The research confirmed our belief that responsible business is about core business issues. Real social value comes from being a well-run company. The issues identified all go to the heart of what we do as an organisation and can only be addressed through delivering our core services in a sustainable and responsible way. The research also showed that stakeholders’ confidence in financial services companies has been shaken by recent events. We take this absolutely to heart. Rebuilding trust will be a central objective as we address these issues moving forward.

For the future, we plan to demonstrate that we are actively addressing each of these areas. This means embedding systems and standards for them, setting targets and regularly measuring the progress we are making. During 2011 we will be developing a series of metrics to monitor our progress and to allow us to set concrete targets for 2012 and beyond. But there is more to success than just meeting targets. We also need to prove we are addressing all these issues through our behaviour and our actions.

Success will come when people trust us to act in a way that is consistent with our values. This means we need all our employees to integrate responsibility into their day-to-day decisions. We must communicate with our customers, making sure that we understand what they need and that they understand what we are doing and why.

Over the next year we will continue to embed our approach to responsible business across the Group and track our progress on the material issue areas we have identified.

While focusing on these areas, we do not see them as issues that will remain the same over time or as the only ones that matter. They are part of a development path towards a more robust responsible business approach that will be continually shaped by interaction with our stakeholders.

# GOVERNANCE AND RISK

**“Good governance and risk systems help us understand and manage our impacts in a clear and consistent way. This means being able not only to minimise potential threats effectively, but also to grab the opportunities when they arise.”**

**Andrew Birrell**

Group Risk and Actuarial Director

## Overview

Risk management is central to the way we control our capital – and therefore to the way we do business. Understanding the nature and implications of the risks we take is critical to building trust among our customers – and, ultimately, to making our business successful. So we analyse our risks rigorously and regularly. We incorporate social and environmental risks and opportunities into this analysis, and build stakeholder perspectives into our business strategy: this is fundamental to understanding our risk profile and building a sustainable and successful business.

## Our approach

Risk management means having the right management structures in place, and the right policies to guide our managers when they make decisions. The Risk and Capital Management section on pages 88 to 117 of our Annual Report sets out in much more detail our approach to managing financial risks. In this section we explain how we manage social and environmental risks.

Our Responsible Business Committee (RBC), established in 2009, co-ordinates our management approach and manages the flow of information between Group Head Office and our business units. It includes representatives from Human Resources, Risk, Investor Relations, Brand and Marketing, Public Affairs, Financial Crime and Prevention and the Company Secretariat. It meets quarterly and its chairman reports directly into the Group Executive Committee. Each business unit has a designated corporate responsibility representative who provides feedback to the RBC. Updates on key issues from the RBC are given at least twice a year to the Group Executive Committee and twice a year to the Board.

The RBC's work is underpinned by our Group Responsible Business Policy, which sets out responsible business compliance requirements for each business unit. This is complemented by our Group Code of Conduct, which sets out what we expect of every Old Mutual employee.

Tracking appropriate metrics will help us understand the progress we are making in managing these issues. From 2011 we will be reporting on a series of group-wide social and environmental metrics.

## Highlights from 2010

- We completed the first full year with the Responsible Business Committee co-ordinating our management approach to social and environmental issues
- We rolled out our Responsible Business Policy across the Group
- We worked on the group-wide social and environmental metrics that we will report against in 2011
- We conducted our own stakeholder research on our responsible business approach
- We participated in the Carbon Disclosure Project and remained a member of the JSE SRI and FTSE4Good Index
- We received widespread external recognition for our progress. The full list on our website includes these examples:
  - Old Mutual South Africa was commended in the Life Insurance category of the Top 500 Survey for South Africa's Best Managed Companies
  - We were commended by the UK Financial Services Authority for our risk and governance reporting in our 2009 Annual Report

– We were highly commended in PricewaterhouseCooper's Building Public Trust Awards for our executive remuneration reporting in our Annual Report

– Nedbank Group won the Corporate Governance category at the African Business Awards.

## What's next

We plan to roll out our Group Responsible Business metrics and to continue building on our established governance and risk systems to manage our social and environmental impacts.

CASE STUDY

## EMBEDDING VALUES THROUGH EXPEDITION SKANDIA

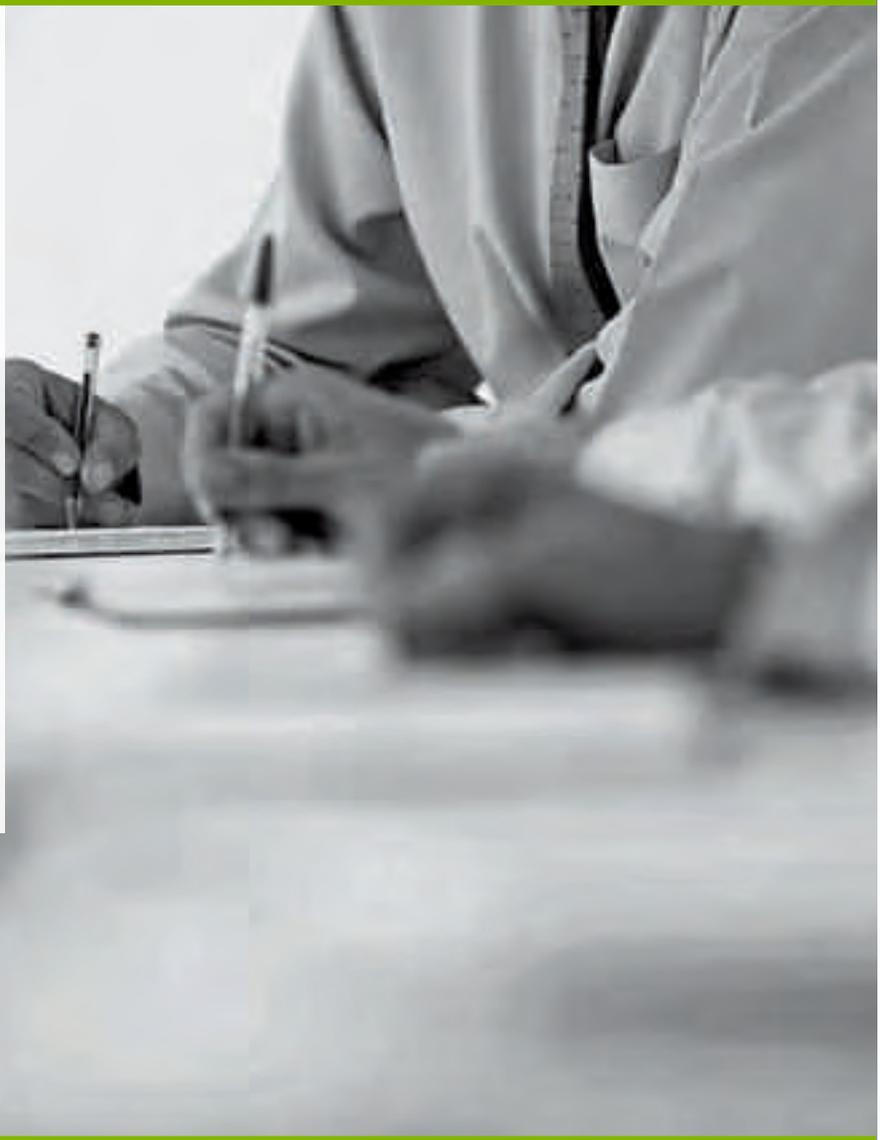
**“We’re a values-driven organisation and I believe this benefits our customers and they appreciate it. In Expedition Skandia, we all embarked on a journey aiming to understand our brand promise and how that connects to our DNA and core values.”**

**Hermann Schrögenauer, Market Manager, Skandia Germany**

### Participation in Skandia Expedition

**81%**

Expedition Skandia was an innovative employee engagement project to build a solid understanding of and commitment to Skandia Nordic’s brand promises and company values. The project was structured as a journey through five stages exploring the business, history and goals of the company, using team tasks such as storytelling, dilemma games and knowledge tests. It was a huge success, inspiring an 81% participation rate, extremely positive feedback and improved team spirit.



**“Responsible marketing and selling is about getting the right products to the right people. It is about understanding our customers, anticipating their needs and offering them products and services that are simple to understand, and quick and easy to use.”**

**Crispin Sonn**

Managing Director, Mass Foundation Cluster,  
Old Mutual Emerging Markets

## Overview

The turmoil of the past few years has highlighted the importance of marketing and selling financial products and services in a responsible manner. It is essential that we give customers clear and transparent information on our products and services which is easy for them to understand; and that we do all we can to ensure they can access, and choose, the product or service that best fits their financial situation and their needs. This is the best path to customer satisfaction and one of the most important ways to build customer trust.

## Our approach

Making sure we sell the right products and services to people and that they understand what they are buying is one of our most important responsibilities as a business. Our stakeholder research in 2010 found it to be the second most important issue we face. In addressing this issue we focus on four key areas:

- Communicating our products and services clearly and transparently
- Assessing our customers' needs
- Matching customers to the right products and services
- Increasing access to our financial services and products.

## Communicating our products and services clearly

Long-term relationships are built on clear, open and honest communications. Getting this right is therefore key to our business success. To help us communicate effectively, we use this set of guiding principles framework:

- Our Group Code of Conduct sets out the standards we apply when dealing with others, including the highest standards of integrity (one of the Group's values) and ethical behaviour
- All marketing material must go through an internal approval process that includes legal, actuarial and marketing screening
- Employees regularly undergo sales training to ensure responsible selling.

## Highlights from 2010

- Old Mutual South Africa has focused on changing the way it assesses financial advisers to focus on customer relationships rather than only on the number and value of policies sold
- Skandia UK launched an online video which helps explain our fund platforms and how to manage investments
- Skandia Germany and Skandia Poland offered comprehensive support for distributors including information packs, video podcasts, an extranet for brokers, and workshops about products and services.

## Assessing our customers' needs

Understanding our customers' needs is vital if we are to provide them with the right products and services. So we spend time gathering information on our customers – both directly through one-to-one meetings and consultations, and indirectly through research into issues such as saving patterns – to understand better how we can help them.

## Highlights from 2010

- In South Africa, *My Money Plan* continued to provide advice and help with debt consolidation, and planning for payment instalments and unforeseen expenses. It includes a 45-minute consultation with each customer
- We completed the first full year of our Savings Monitor research programme in South Africa. This is helping to inform our understanding of people's relationship to money and savings; which in turn enables us to improve the tools and services we provide to increase their financial security
- Old Mutual South Africa continued to use its in-depth segmentation study, Project Lwazi (Project Knowledge), to help it understand different customers. For each segment it provides information on areas such as product needs, adviser needs and financial behaviours
- The marketing team at Skandia UK carried out detailed customer research to help shape the structure, navigation and functionality on its new website.

### Matching them to the right products and services

Building financial understanding is one of the most effective ways in which we can help ensure customers receive the right products and services for their needs. We take our responsibilities in this area seriously in all markets, but particularly in our Emerging Market businesses, where limited access to education can result in relatively low financial understanding. Being financially secure is an important issue, and is closely related to financial understanding, which serves to make personal financial management particularly vital in markets such as South Africa.

#### Highlights from 2010

- We formed a partnership between Old Mutual South Africa and the South Africa Savings Institute to deliver a range of financial literacy campaigns to students and children
- Skandia's Colombian and Mexican businesses developed an e-learning programme for the distribution sales force, employees and customers, focused on areas such as changes in regulation
- Skandia UK is engaging internal stakeholders at all levels to help meet its commitment to Treating Customers Fairly, a principles-based initiative designed to introduce a step-change in the way that firms operating in UK financial markets treat their customers
- Skandia's Colombian and Mexican businesses began a financial educational programme in companies and universities to help promote a savings culture.

### Increasing access to financial products and services

Responsible marketing and selling also means improving access to our products and services. We want to give our customer base the opportunity to manage their money effectively and save for the future. We also want to make sure that people can access our services when they need them most, wherever they happen to be. Although we work hard to increase access in all our markets, much of our work in this area focuses on South Africa and other emerging markets, where very large numbers of people lack access to financial services.

#### Highlights from 2010

- In South Africa, Nedbank and Vodacom introduced *M-Pesa*, a money transfer service using mobile phones
- Across South Africa we continued to expand access to low income individuals and community groups by using supermarkets and post offices as distribution points
- Nedbank and Ecobank formed an alliance enabling customers to access their money in over 1,000 branches in 33 countries in Africa – a banking partnership that was recognised as the Most Innovative Bank in Africa at the African Banker Awards.

### What's next?

Building trust lies at the heart of our Group vision – and responsible marketing and selling is one of the most important ways in which we can do this. It will continue to be an area of focus for all our business units throughout 2011 and beyond.

## CASE STUDY SHARING OUR CUSTOMERS' INTERESTS

**“Customers can have peace of mind knowing that Old Mutual Investment Group’s fund managers invest their own money in the funds they manage, alongside that of their clients. This ensures that every investment decision is made with a view to achieving longer-term outperformance.”**

**Diane Radley, CEO, OMIGSA**

**Percentage of all deferred (bonus) pay of our investment professionals was invested in OMIGSA's funds in 2010**

**84%**

We're committed to acting in the best interests of our customers, while operating a sustainable and profitable business. That's why we have clear safeguards in place to avoid conflicts of interest. For example, most boutique investment managers and senior executives at OMIGSA have a significant proportion of their variable pay invested into the funds that they manage for clients. This co-investment establishes a client-agent shared interest in the performance of the fund, providing an additional layer of security below our Code of Ethics.



# CUSTOMER SERVICE

**“Good customer service is about doing what we said we would do, or more. And doing it when we said we would, or sooner. And at the price we set, or better.”**

## Rose Keanly

Managing Director, Old Mutual Services, Technology and Administration and Head of LEAN, Old Mutual Long-Term Savings

## Overview

We will only be our customers' most trusted partner if they believe we are committed to giving them good service in all their dealings with us. Good service stems from understanding their needs and giving them good advice and suitable products. It means being transparent and accountable in our discussions with them, and always delivering what we say we will.

## Our approach

If we want to continue providing our customers with savings, investment and protection solutions and building their trust in us we must try to provide the best service, every day, to all of them. So what do we focus on to deliver this level of service?

## Employee training and recognition

Our customers' experience is determined by their interactions with our employees. An unsatisfactory encounter will taint their view of us and their preference for our products, and damage our relationship with them. That is why we need to make sure we are supporting our employees and training them to deliver the highest possible standards of customer service. They must all adhere to our Group Code of Conduct, which sets out the way we expect them to treat customers. All employees who deal with customers are trained by their business unit to deliver excellent service and we have initiatives in place to recognise and reward those that stand out in the service they provide.

## Highlights from 2010

- Old Mutual South Africa continued its established Workplace Heroes competition, recognising outstanding examples of customer service
- Skandia France delivered a programme on meeting customers' expectations, which includes seminars and workshops on technical and behavioural training.

## Tracking progress and sharing best practice

All our business units monitor and track the complaints and feedback they receive – and report in line with any regulatory requirements in their markets. For example, in the UK our approach is guided by the FSA's Treating Customers Fairly initiative, while in South Africa we structure our approach with reference to the Financial Advisory and Intermediary Services Act. We also work with regulators and industry bodies to review our performance and to learn from our peers, particularly in areas such as complaints handling. In Old Mutual South Africa, for example, we engage regularly with the International Network of Financial Services Ombudsman Schemes to share best practice.

## Highlights from 2010

- In Old Mutual South Africa's customer survey, 58% of customers rated us 9 or 10 out of 10 for satisfaction – up from 55% in 2009
- Nedbank has developed a Client Complaints Tracker system that improves its approach to resolving customer complaints about its retail network
- We received a series of awards for customer service:
  - Skandiabanken Norway and Skandia Sweden won the Norsk Kundbarometer 2010 award for 'most satisfied customers' for the ninth year in a row
  - Skandia UK won five-star awards for both the Investment and Life and Pension categories in the FTAdvisor.com Online Service Awards
  - Old Mutual South Africa topped the annual Ask Afrika Orange Index for Service Excellence in the long-term insurance category.

## Improving customer communication

An ongoing focus is to improve the way we communicate with our customers. We want to be seen to be listening and responding to what they tell us. This has been particularly important since the financial crisis, as we have needed to keep customers informed of the rapid changes taking place in the financial markets.

## Highlights from 2010

- Skandiabanken and Retail Europe began using online social media channels to gather customers' opinions and reach new customers
- Skandia UK launched a new customer website to improve communication with customers and independent financial advisers, and developed a new centralised email queries system to improve service consistency and provide a single email address for all customers to use
- Skandia Poland launched Summary of the Month, a monthly newsletter giving customers information on markets and products.

## What's next?

To track our progress and help us to maintain customer service improvement in the future, we plan to adopt a further group-wide customer advocacy measure.

CASE STUDY

## GOING THE EXTRA MILE

**“After the 2010 floods, many of our customers needed to make a claim at the same time. Processing this increased volume of claims quickly and getting people back into their homes was key to delivering the service they expect.”**

**Sedick Isaacs, Executive  
General Manager for Claims,  
Mutual & Federal**

Claims processed in December 2010

over 1,000

At the end of 2010, heavy rains and floods across South Africa caused a significant rise in claims from our customers. Our challenge at Mutual & Federal was to process these claims quickly and efficiently, regardless of the increased volume. So we extended our operating hours, put additional assessors on standby, increased our communication with our brokers, put our call centres on alert to help customers register their claims and put our builders on standby to assist once the claims were processed. In short: we went the extra mile to make sure we were there when our customers needed us most.



# OUR EMPLOYEES

**“Employees are key to excellent delivery and we work hard to provide the conditions under which they can excel and deliver on our promises to our customers.”**

**Basetsana Magano**

Human Resources Director, Mutual & Federal

## Overview

Treating our employees well is one of our most important priorities. We rely on over 55,700 employees in 33 countries to deliver our vision of becoming our customers' most trusted partner. Leveraging their strengths and making the most of their capabilities is fundamental to our future. It is essential that we work with them to get the best out of them and allow them to achieve their potential as individuals and as a group.

## Our approach

The way we treat our employees is one of our primary considerations. It forms the basis for building trust, internally and externally, and is one of the main ways through which we deliver our Group strategy. If our customers are to believe in us, they must have confidence in our employees. This confidence will come from us showing that Old Mutual is a good place to work and somewhere that people want to give their best.

## Bringing our values to life

We want all our employees to understand what we stand for, what we will deliver for our customers, and how we will do it. We also want them to understand their roles and responsibilities in the Group and how their contribution affects the whole organisation. In 2010 we focused on communicating a clear vision and strategy – the building blocks of a solid Group. To help embed a common Group culture, we are introducing a culture assessment tool in 2011 which explores the culture our employees want to work in and where they think we are today. This will help us to map the journey to a desired common culture.

## Highlights from 2010

- We launched our Act Now! Leadership Actions, translating values into actions and behaviours
- We made our Group vision and strategy visible and tangible to employees via a special reference guide and workbook format edition of our employee magazine intouch, translated into five languages and issued to all employees
- We communicated Group performance and achievements through quarterly financial updates, bi-monthly updates to senior leaders, weekly news syndicated on local business unit intranets, and two series of employee roadshows
- In a World Cup year, we showcased our South African heritage and united our employees through our Old Mutual Group Football Tournament.

## Developing and retaining the best

Developing and retaining the best talent is critical to the satisfaction levels of individual employees and to building a culture of excellence. We assess our senior leadership team and potential successors to determine individual training and development plans. In addition we have numerous training, development and wellbeing programmes across the business, such as our Old Mutual Business School in South Africa, in-house training, and the wellness at work initiatives across the Group. We also take time to recognise excellence and promote a skills-sharing and problem-solving culture aimed at developing and retaining the best from across the Group.

## Highlights from 2010

- We introduced new development initiatives including leadership assessments and redesigned our leadership development programmes to focus on our Act Now! Leadership Actions
- Old Mutual South Africa provided a comprehensive employee wellbeing offering which includes a counselling service 365 days a year
- Nedbank launched an online programme to help employees achieve work/life balance and personal wellbeing
- Skandia Colombia delivered a week-long wellness at work programme providing health, sports and recreational activities for employees and their families.

## Promoting fairness

Part of ensuring we get the best from our current employees and recruit the best for the future is to promote diversity in all our businesses. In our Code of Ethics and our Responsible Business Policy we spell out our expectations on diversity and human rights. Our South African heritage and operations give diversity special meaning for us, and our work on transformation is at the forefront of all our activity there.

CASE STUDY

## TRAINING FOR A CULTURE OF EXCELLENCE

**“Building a culture of excellence is one of Old Mutual’s strategic priorities.”**

**Othón de la Garza, Mexico  
CEO at Leadership Workshop  
25 August 2010**

**People participated in our online training in Mexico and Colombia in 2010**

**2,519**

We provide high quality training to attract, engage and develop the best people across the Group. In Colombia and Mexico we give our Skandia employees regular training online, to keep them up-to-date with current developments in the business, regulation and the Old Mutual Group. This is an important commitment to the development of our employees and enables us to offer better and more accurate ways to serve our customers and grow our business.



### Highlights from 2010

- We renewed our commitment to the United Nations Global Compact, which is focused on promoting diversity, human rights and labour rights
- We appointed our first female Board member at plc level
- Women now hold 13% of senior management positions around the Group
- The Chief Financial Officers of all our business units in South Africa are women
- Mutual & Federal completed its first year of the Disabled Learnership programme, welcoming 10 candidates with disabilities to the company
- We set up a new employee works council to promote worker rights at Skandia Austria
- Nedbank rolled out its in-house Diversity Management Programme (Botho Pele) to 1,400 employees.

### Our awards

External recognition for our employee relations included:

- Old Mutual South Africa achieved, and Nedbank maintained, level 2 status and Mutual & Federal level 3 status as Broad-Based Black Economic Empowerment contributors
- Skandia UK achieved the Gold Investor in People standard
- Nedbank won ‘Best Training Programme’ at the Achiever Awards in South Africa and the ‘Investing in People and Diversity’ category at the African Access National Business Awards
- Fairbairn Private Bank was voted one of the Sunday Times 100 Best Companies to Work For 2010.

### What’s next?

We will integrate our Act Now! Leadership Actions into our employee frameworks, and further develop a healthy, high-performing culture that reflects our values. We will also encourage knowledge transfer around the Group by developing our mobility practices and broaden our talent management initiatives to build our talent pipeline. All this will help develop our standing as an employer of choice.

# INDIRECT INVESTMENT IMPACT

**“Our customers expect us to deliver excellent service and value – in a responsible way. Working to deliver better risk-adjusted returns is just one approach we take to deliver that.”**

**Patrick Bowes**

Director Group External Communications and member of the Responsible Business Committee

## Overview

Our investment decisions have significant impacts on the environment and society, and on the communities where the investments are based. We encourage our fund managers to think about these impacts – and how they may influence financial returns – when they make these decisions, subject to client mandates. We also recognise that many of our customers want environmental, social and governance (ESG) factors to be incorporated explicitly into the investment-making process. We aim to offer customers a choice of products that include an ethical perspective or can be tailored to include one.

## Our approach

### Integrating ESG issues into investments

We offer our clients a range of long-term savings, protection and investment products. Our approach to managing investments is to provide products that are right for our customers' circumstances, match their mandates and deliver the best returns possible. All our funds are managed in a transparent way and clients receive regular information about how they are invested.

We work with our fund managers and through our investment platforms to allow ESG factors to be incorporated, either implicitly or explicitly, into investment decisions so that we can tailor our product and service offerings to meet each customer's requirements. We aim to offer customers of our life assurance and asset management businesses the option of products that include an ethical perspective, or can be tailored to include one.

Our Group Investment Statement sets out the principles that underpin our investment decisions, which we plan to review and update regularly. To support this work in 2010, we established the Responsible Investment Taskforce – with representatives from Group Head Office and business units including Old Mutual Investment Group South Africa (OMIGSA), Old Mutual Asset Management US (USAM) and Skandia Investment Group – to explore how we can embed responsible investment principles across the business. We are now working to understand the best way to create a framework for responsible investment guidelines that all our business units agree are in the best interests of our customers. We expect this work to continue during 2011.

## Highlights from 2010

- Futuregrowth, part of OMIGSA (over £7 billion funds under management), and Acadian Asset Management, part of USAM (over £31.6 billion funds under management), remained signatories to the United Nations Principles for Responsible Investment
- Skandia Denmark and Skandia Investment Group drew up plans to put expanded agreements in place with external fund managers that include social and environmental criteria for 2011
- Nedbank Group continued to chair the United Nations Environment Programme Finance Initiative African Task Force during 2010, with a work programme focused on climate change and the water issues facing the continent
- Skandia Germany ran two panel discussions for customers in collaboration with government and academia on ESG issues
- Skandia Sweden – co-founder of Sustainable Value Creation, an initiative with 15 large institutional investors reviewing corporate performance on ESG issues – ran a seminar on sustainability issues for some of the largest companies on the Stockholm Stock Exchange
- Old Mutual played an active role in drafting the Code for Responsible Investing by Institutional Investors in South Africa
- Nedbank Group remained a signatory to the Equator Principles and began enhancing its Social and Environmental Risk Management tools to extend the philosophy of the Principles beyond project finance.

### Socially responsible and transformation-related investment

In South Africa we have a particular focus on investments that are central to transforming the nation's economy. These include funding public infrastructure projects, agricultural investments, and transaction financing for small businesses and Black Economic Empowerment enterprises.

#### Highlights from 2010

- We had over £2.8 billion funds under management in specifically social, environmental and transformation related investments – including OMIGSA's *Futuregrowth* fund, the *African Infrastructure Investment Managers* fund, and Skandia's *Ideas For Life* fund
- Skandia Germany offered 17 funds classified as sustainable by the European Sustainable and Responsible Investment Forum and rating agency Oekom
- OMIGSA launched an *African Infrastructure* fund, and Futuregrowth launched two agricultural funds
- Futuregrowth was joint winner of the Mail and Guardian's Investing in the Future Award, and won an Africa Investor Infrastructure Award
- OMIGSA created South Africa's first *Housing Impact* fund, providing over £7.1m (R8 billion) to help redress the country's huge shortfall in affordable housing.

### What's next?

During 2011 the Responsible Investment Taskforce will continue working on group-wide policies and frameworks for responsible investment, as well as helping individual business units to refine their approach and increase the range of responsible investment products we offer.

#### CASE STUDY

### MANAGING INVESTMENTS RESPONSIBLY

**“From an investment perspective, environmental, social and governance issues are becoming increasingly relevant to the bottom line, as we experience diminishing global resources, increasing consumer interest in socially aware products, and significant political support for energy security and related issues.”**

**Churchill Franklin, Executive Vice President and COO, Acadian**

**Funds under management, Acadian incorporates responsible investment criteria throughout the investment process**

**£31.6 billion**

Acadian Asset Management – one of the boutiques in Old Mutual US Asset Management portfolio – is a quantitative asset management firm specialising in active global and international equity strategies. It integrates responsible investment criteria throughout its investment processes, including the alpha generation, portfolio construction and portfolio management stages. Acadian was one of the first quantitative managers to sign the United Nations Principles for Responsible Investment in 2009, demonstrating its commitment to supporting global dialogue and the mainstreaming of responsible investment practices. At the end of 2010, Acadian had £31.6bn (\$49.0bn) under management.



# FINANCIAL CRIME

**“Protecting our customers’ money is a fundamental part of everything we do. By combining the right systems and controls with the right people-training, we always aim to reduce our exposure to crime.”**

**Steve Lock**

Head of Group Business Protection

## Overview

Maintaining our customers’ trust by delivering both strong financial returns and high levels of service requires effective management of financial crime risks – including fraud, money laundering, bribery and ongoing threats to customer data security. We also recognise the broader societal impact of financial crime through the illegal activities it often supports, such as drugs, people-trafficking and terrorism. In managing these risks, we aim to balance customer protection with the need to ensure that customers can access our services easily and quickly. Our approach includes giving employees effective control frameworks and training so that they can make the right decisions for our customers in different jurisdictions.

## Our approach

### Creating the right framework and processes

The Business Protection team at Group Head Office oversees the implementation of our financial crime prevention policies across the Group. This team reports back to senior management through the Group Executive, Board Risk and Group Audit Committees. Major issues are dealt with as they arise, while less serious issues are reported and analysed quarterly – all underpinned by regular contact with the business units. In addition, the Group runs an annual financial crime conference for business unit experts to share knowledge and experiences.

Different business units face different challenges. We need to make sure our approach is flexible enough to reflect these variations and the different jurisdictions in which the business units operate. We also have to take account of regulatory issues that reach across the Group, such as the new UK Bribery Act or international financial sanctions compliance.

In tackling financial crime, it is important to promote the right organisational culture and ensure that our employees understand our expectations and processes. Our Group Code of Conduct is a key element in doing this. It was reviewed in late 2010 and will be re-launched in 2011. The Code helps our employees clearly understand the ethical standards we apply when dealing with customers and other stakeholders, and we hope that this will in turn increase our customers’ confidence in us.

## Highlights from 2010

- We began a group-wide anti-bribery risk and control assessment in relation to the corporate requirements of the new UK Bribery Act, in readiness for the Act becoming law in mid-2011
- We reviewed our Group Code of Conduct, which will form part of our approach to Bribery Act compliance when it is issued to business units in 2011
- Old Mutual South Africa produced a DVD to build employee awareness of the consequences of fraud, supported by a communication campaign using newsletters
- Skandia Nordic gave its anti-fraud officers additional security training to raise their awareness of IT-related fraud
- Nedbank improved its card fraud processes, including updating the system rules for monitoring fraud and making anti-phishing software available to all customers
- Nedbank also enhanced its anti-phishing controls and saved its customers over £340,000 from fraud losses as part of its 24/7 service
- Old Mutual-Guodian created an anti-money laundering reporting system to submit large cash transactions and suspicious transactions to the China Anti-Money Laundering Monitoring and Analysis Centre.

CASE STUDY

## PROTECTING CONSUMERS IN SOUTH AFRICA AGAINST FRAUD

**“It was a groundbreaking campaign and an extremely important step towards creating a more informed public. We’re very pleased to see this Old Mutual initiative being supported by other major life insurers, which demonstrates the industry’s commitment to educating consumers.”**

**Kurt Magnet, Senior Forensic Services Manager, Old Mutual South Africa**

This year we initiated an anti-fraud campaign that was taken up by the South African life insurance industry. The campaign aimed to educate consumers about how to protect themselves against fictitious insurance policies. It included adverts in daily newspapers providing detailed explanations of what a fictitious policy is, where they originate from, why customers might be targeted and practical tips on preventing fraud.



### Sharing best practice and increasing awareness

We recognise the importance of being a good corporate citizen by working closely with regulators, law enforcement agencies and trade associations to share good practice both inside and outside the Group. We recognise that we have a part to play in promoting better education and awareness of issues connected with financial crime that affect not only our customers but society more broadly. This broader role is vital in building a more accountable society that is able to combat other anti-social activities that are often supported by gains from financial crime.

### Highlights from 2010

- Skandia Nordic’s Financial Crime Prevention Team shared knowledge and experience with the Swedish Finance Police on both anti-money laundering and fraud prevention measures
- Group Head Office’s support for City of London Police initiatives included working with the National Fraud Authority on the relationship between fraud and money laundering in the UK
- Nedbank continued to work closely with Department of Home Affairs and the South African Banking Risk Centre to use biometric data to help reduce identity theft
- Old Mutual South Africa initiated a campaign with other organisations in the life insurance industry and the Association for Savings & Investment South Africa to promote anti-fraud education.

### What’s next?

We intend to continue our work to ensure that appropriate financial crime controls – such as completion of our anti-bribery risk and control assessment and our new Group Code of Conduct – are embedded in employee behaviour.

**“We recognise the enormous role we can play in encouraging and helping our suppliers to engage in environmentally sustainable practices. Many are already well on their way and it’s very much a two-way street: we support one another, share green initiatives and strengthen the relationships.”**

**Howard Stephens**

Chief Procurement Officer, Nedbank

## Overview

We procure goods and services from a broad range of suppliers. Engaging them in our vision and approach to responsible business will put us in a better position to meet our objectives. Through our procurement policies, we also have the opportunity to play a vital role in helping build local economies in the markets where we operate. Our choice of suppliers reflects our values and has a direct impact on the places where we operate.

## Our approach

### Creating the right frameworks

Business units have signed up to our Responsible Business Policy. This includes commitments to factor into procurement decisions, wherever practical, the environmental and social impacts of our suppliers and to work with suppliers to create awareness and progress understanding of their social and environmental impacts. Across the Group our business units have developed their own systems and policies to achieve this at local level.

### Highlights from 2010

- Business units signed up to our new Responsible Business Policy
- Nedbank developed a nine-point procurement scorecard as a requirement for prospective suppliers
- Skandia UK now includes a requirement in all Requests for Proposals that suppliers have a corporate responsibility policy that matches, or exceeds, the Group policy.

## Greening the supply chain

Individual business units make their own procurement decisions at a local level. However, many of them are proactively putting the Responsible Business Policy into practice by increasing the environmental commitments expected of suppliers. Skandia Nordic, Old Mutual South Africa and Nedbank have led the way in this.

### Highlights from 2010

- Skandia Nordic continued its involvement in Sweden’s Svanen eco-label network – procuring from suppliers with the eco-label whenever possible
- Nedbank hosted two supplier training and awareness sessions on sustainability, with over 150 key suppliers in the Retail and Group Technology areas
- Skandia Nordic now only sources environmentally friendly new office furniture, textiles, flooring and office-cleaning services for its offices

## Proactive procurement

In all our business relationships in South Africa, we are committed to helping in the transformation agenda. As part of this, we use preferential procurement to help drive economic empowerment. We act within the spirit of the Broad-Based Black Economic Empowerment (BBBEE) strategy, as well as in the letter of law. As part of our commitment, each South African business unit has subscribed to the Financial Sector Charter Council Procurement Committee’s Procurement and Enterprise Development guidelines 2005.

This work is underpinned by internal governance bodies, such as Nedbank’s Procurement Council, that promote and facilitate BBBEE objectives. We also provide ongoing training of employees to ensure all people responsible for procurement are aware of the relevant requirements. We intend to continue our work to ensure that appropriate financial crime controls – such as completion of our anti-bribery risk and control assessment and our new Group Code of Conduct – are embedded in employee behaviour.

### Highlights from 2010

- Old Mutual Property ran a series of roadshows in which we explained our policy and helped smaller suppliers to get accredited to the BBBEE strategy
- Nedbank Group improved its performance against all procurement targets and raised its overall BBBEE spend by 3.16% to 86.63%.

### What's next?

We plan to share best practice on green procurement across the Group, and in our South African business units we will continue to practice preferential procurement in line with BBBEE requirements.

#### CASE STUDY

### BLACK ECONOMIC EMPOWERMENT THROUGH OUR SUPPLY CHAIN

**“The professional team for Mutual Place is made up of 26 different firms. It is a very large and diverse team who are tasked with delivering a flagship investment for Old Mutual. The power of the team lies in its diversity.”**

Brent Wiltshire, Property Development Executive, Old Mutual Property

**BBBEE procurement from all suppliers (R201,104,296)**

**£17.8m**

We are committed to promoting Broad-Based Black Economic Empowerment (BBBEE) through all avenues, including our supply chain. This year, Old Mutual Property ran a series of roadshows to explain our procurement policy to smaller suppliers, and to help them achieve BBBEE accreditation. We also continued to train employees and engage larger suppliers on the issues. We're already seeing the results: for example, Mutual Place in Johannesburg is using professional suppliers from uniquely diverse backgrounds.



**“We accept that what we can achieve on our own will not have the scale to effect nationwide change. So we would like to work with other industry players to assist collectively in the country’s economic transformation.”**

**Kuseni Dlamini**

CEO, Old Mutual South Africa and Emerging Markets

## Overview

Our support for communities is not just about giving money to good causes, but about making real and sustainable positive impacts. It is in our interest to build a stronger society by supporting communities effectively, especially in the emerging markets where we operate. That is why ‘responsible to all stakeholders’ is one of the three building blocks of our Group strategy.

## Our approach

Our biggest contributions to the communities in which we operate are our direct economic impacts – both as a major employer and purchaser of goods and services, and also through the financial services we offer to our customers. However, we recognise that we have a broader responsibility to strengthen the society of which we are part. Our long-term success is closely connected to being part of, and being trusted by, flourishing and sustainable local communities. This holds particularly true in southern Africa, where we are one of the largest financial services providers.

At Group level we have policies that encourage engagement with our communities and employee volunteering. At local level there is flexibility to focus on the issues that are most appropriate to that business unit. We support and invest in a range of areas, but the three focus areas that are common across the Group are financial education, enterprise and skills development, and community development.

During 2010 we invested £13.6 million, 0.92% of our pre-tax profit, in local communities including:

- £4.6 million through our Masisizane Fund in South Africa, including in microfinance initiatives
- £2.7 million through the five Old Mutual Foundations.

## Financial education

As a financial services provider, we use our skills, knowledge and experience to increase financial literacy in the markets where we operate. This not only helps individuals to make informed decisions about their finances and lifestyles, but also creates more financially literate consumers who we hope will become our customers in the future.

### Highlights from 2010

- Group Head Office continued to support financial education in London through the Young Enterprise Scheme, reaching over 2,100 young people
- Skandia’s Colombian and Mexican business conducted financial education lessons and seminars in schools and companies to help promote a savings culture
- Skandia Nordic ran training sessions in six Swedish municipalities on socio-economic modelling
- Mutual & Federal worked with the South African Insurance Association and the Financial Sector Charter on programmes such as the Managing Your Money initiative to help improve the low levels of mathematical literacy in South African schools
- Old Mutual South Africa established its Learners’ Scholarship Programme to give promising students from previously disadvantaged groups the opportunity to finish their schooling at top mathematics schools.

## Enterprise and skills development

We operate in a number of emerging markets, the biggest of which is South Africa. Our focus on enterprise and skills development is part of our commitment to help develop the economic infrastructure in these markets.

### Highlights from 2010

- Old Mutual South Africa continued to deliver skills and enterprise training through its financial wellbeing programme, Financial Sector Charter programme and Masisizane Fund
- In Namibia we supported Women’s Action for Development, helping develop basic vocational and business skills for marginalised women
- Skandia’s Colombian and Mexican businesses continued an employee mentoring programme to help orphaned children develop life skills
- The Old Mutual Foundation in South Africa continued to support the Umdoni Communal Gardens, helping create sustainable rural agri-businesses and contributing to job creation, poverty alleviation, and skills and entrepreneurship development in rural communities.

CASE STUDY

## MASISIZANE: FINANCING DEVELOPMENT IN SOUTH AFRICA

**“After the drought I was devastated – I didn’t know what my animals would eat or drink. But with the loan, I was able to revive old boreholes, buy machinery and expand and feed the herd. Now my business is booming.”**  
**Mrs Nduzulwana, who received training and a loan of £61,895 (R700,000) from Masisizane**

**Figure invested through Masisizane Fund in 2010 (R16,926,422)**

**£1,496,659**

Masisizane is a non-profit organisation set up by Old Mutual which provides financial support to community development initiatives in South Africa. Funding has been granted to diverse development projects – from community financial education and skills programmes to micro-finance grants for rural women, youth and people with disabilities. It has also helped promote direct foreign investment in Africa for social and economic good. So far over 1,000 people, including Mrs Nduzulwana, pictured here, have benefited from Masisizane.



### Community development

At a community level we help in broader ways through investing in initiatives that lead to real social change. Our work with local communities is delivered through our business units, our five Old Mutual Foundations, the Nedbank Foundation and trusts, and our *Ideas for Life* Fund.

#### Highlights from 2010

- Nedbank Group’s Caring for our Communities and Saving our World programme reached 23 schools
- Skandia Nordic donated over £400,000 to fund 627 different social development projects for children and young people in the Nordic region through its *Ideas for Life* Fund

- Old Mutual Foundation in South Africa grew its Legends Programme, supporting the growth and sustainability of small black-owned businesses and community projects, from 10 sites in 2007 to 30 sites in 2010
- Skandia Poland continued as the title sponsor of the Tour De Pologne, the most prestigious sporting event in Poland, helping promote Poland on the international stage
- Skandia UK is helping over 25,000 young people and adults in the Southampton area through its sponsorship of Southampton Football Club’s charitable arm, the Saints Foundation.

More information on these initiatives and many more can be found on the individual business unit websites.

### What’s next?

We will continue to focus on financial education, enterprise development and community development. We will share best practice and extend the policies for employee volunteering across the Group.

# DIRECT ENVIRONMENTAL IMPACT

**“As the challenges posed by climate change become more evident, it is clear that no business can ignore the environmental impacts of its own operations.”**

**Helen Wilson**

Head of Group Corporate Responsibility

## Overview

Like other businesses, we have a duty to do what we can to minimise the risks created by the direct environmental impacts of our operations. Our focus on putting the right systems in place and building a coherent approach across the Group means we are now better positioned than in the past to manage these impacts appropriately.

## Our approach

### Creating the right framework

As part of improving the way we manage our direct environmental impacts we have developed a Group Climate Change Strategy. This aims to improve the completeness and accuracy of our emissions data, set a Group target for carbon reductions, and create initiatives to engage all our stakeholders. It is supported by our individual business units' approaches, which will be co-ordinated by taskforces operating in each business unit.

### Highlights from 2010

- We developed our first Group Climate Change Strategy
- We continued to support international climate change forums, including the Cancun Communiqué (through Old Mutual Group) and the Prince's Rainforest Project (through Nedbank).

## Measuring progress

Understanding our current environmental impacts is fundamental to measuring our progress as we move forward. So we must have robust processes and tools for managing and improving our approach to reporting. In the past these processes and tools have been developed at local level; but we are now working to implement a group reporting system that will improve the quality, quantity and timeliness of the data we report.

### Highlights from 2010

- We increased the proportion of business units accurately reporting energy consumption to just over 80% and are working with the rest to estimate consumption
- We decreased our Scope 1 and 2 emissions<sup>1</sup> intensity to 2.32 tonnes of CO<sub>2</sub>e per employee (2009: 2.33)<sup>2</sup> but recorded an increase in emissions intensity in our African property portfolio to 0.17 tonnes CO<sub>2</sub>e/m<sup>2</sup> (2009: 0.16)<sup>2</sup>
- We completed our fourth public submission to the Carbon Disclosure Project (CDP) and maintained our place in the CDP leadership index for both the FTSE350 and JSE100 categories.

## Reducing our buildings' environmental footprint

Our biggest direct environmental impact is through the buildings that we own or lease. We therefore work hard across the Group to improve their environmental performance by refitting existing units and building or leasing more environmentally friendly new ones.

### Highlights from 2010

- Skandia Nordic relocated four of its largest workplaces including its head office to new, highly energy-efficient office buildings
- Skandia UK installed a new energy-efficient lighting system across two floors of its offices and installed sub-metering to improve visibility of energy consumption across its Southampton buildings
- The new Nedbank Phase II building in Sandton, completed in 2010, is the first building in South Africa to be awarded a four-star Green Star rating by the Green Building Council of South Africa.

<sup>1</sup>Categorised by GHG Protocol Corporate Standard methodology

<sup>2</sup>2009 figures restated in light of improved data collection in 2010

### Engaging our employees

To achieve the progress we would like to make in reducing our environmental impact we must work to engage all our employees. Across the Group we work with our employees at local level to reduce our environmental impact through workshops, training sessions, communication campaigns, incentive programmes and environmental champions.

#### Highlights from 2010

- Old Mutual Swaziland ran a workshop to help employees reduce their carbon footprints
- Skandia Colombia and Mexico ran an employee communication campaign on Skandia Green Year
- Kotak Mahindra Old Mutual Life Insurance launched its 'One World. Handle With Care.' environment programme, providing education and tools for employees
- Nedbank Group ran its annual Deep Green Day: employees joined in a range of initiatives from tree planting to submitting ideas on how business can contribute more to environmental preservation and climate change mitigation.

### What's next?

We will develop tools and frameworks to help our business units deliver our Group climate change strategy through our taskforces. We will develop an overall carbon metric for use across the Group to track our progress in 2011 and beyond. Across our business units we will expand our data collection processes.

#### CASE STUDY

## SKANDIA NORDIC GREEN BUILDINGS



**“With the biggest impact on our direct carbon footprint coming from our buildings, switching to renewable energy for our offices is a really important and symbolic step in cutting our carbon emissions.”**  
**Karin Dahlin Thomas, Environment Manager, Skandia Nordic**

**40 of our offices in Sweden buy 100% of their energy from hydroelectric power sources**

40

During 2010, Skandia relocated four of its largest workplaces to new modern, green offices in Sweden, Norway and Denmark. The new offices are highly energy-efficient. In Denmark, for example, the indoor lighting is partly controlled by the level of natural light, while in Stockholm our new office is classified as an EU GreenBuilding. We have also cut our costs and impact through numerous onsite initiatives – including significantly increased use of videoconferencing and sustainable sourcing of office furniture, textiles, flooring and office services such as cleaning.

## Old Mutual plc

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