

# RESPONSIBLE BUSINESS REPORT 2013 INVESTING IN THE FUTURE



INVESTMENT | SAVINGS | INSURANCE | BANKING



OLDMUTUAL

# WELCOME TO OUR RESPONSIBLE BUSINESS REPORT 2013

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## About this report

This report provides an overview of those responsible business issues that have a significant impact on our ability to create value, both economic and social, for our stakeholders. The report outlines our focus areas, highlights our key achievements and lays out our future commitments. For more detail on our financial performance please see our 2013 Annual Report and Accounts [www.oldmutual.com/reports2013](http://www.oldmutual.com/reports2013)

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## Online

The information and reports in the following links will provide you with more information on Old Mutual's business and our approach to Responsible Business. This report is available online and in hard copy.

[Old Mutual's Responsible Business website](http://www.oldmutual.com/rb)  
[www.oldmutual.com/rb](http://www.oldmutual.com/rb)

[Old Mutual's Responsible Business Report and Annual Report and Accounts 2013](http://www.oldmutual.com/reports2013)  
[www.oldmutual.com/reports2013](http://www.oldmutual.com/reports2013)

[Nedbank Group Limited, Integrated Report 2013](http://www.nedbankgroup.co.za)  
[www.nedbankgroup.co.za](http://www.nedbankgroup.co.za)

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## Getting in touch

Please send your comments and questions to us at [responsiblebusiness@omg.co.uk](mailto:responsiblebusiness@omg.co.uk)

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## Cover picture

Left to right: Elmze Norris and Isgak Du Toit

# AN INTRODUCTION FROM **JULIAN ROBERTS AND DON SCHNEIDER**

Old Mutual's ambition is to be recognised as a leader in Responsible Business. We are proud to be a vision-led, values-driven organisation and wherever we operate, we work with local partners to understand the issues our stakeholders face and how we can support them to address those issues.

From 2014 we will be very explicit about our commitment to being a Responsible Business: responsible to our customers and employees; responsible in the way that we invest; responsible to the communities in which we operate; and responsible in our environmental management.

You will see that we have stated this commitment explicitly as one of our Big 5 priorities in the Group Business Strategy Statement. Over the past few years, we've had so much to report in terms of business transformation and growth potential, that we've been much quieter on the subject of being a Responsible Business, but it's important to us and is something that we will communicate more on in the future.

The nature of the services we provide our customers means that we cannot conduct our business without thinking about the impact we have on society. The products and services we provide – long-term savings, protection, banking and investments, are centred on our group vision to become our customers' most trusted partner – passionate about helping them achieve their lifetime financial goals.

Secure, transparent and affordable financial products are at the heart of a strong and thriving society, and that is what we seek to provide to all our customers. Our products and services are a key to a sustainable economy, and often serving the lower income groups of the communities in which we operate. This means that we must carefully manage a broader set of responsibilities that are part of doing business. Whether it's how we treat our employees, addressing our environmental impact or understanding the impact of our investments, our careful management of these broader responsibilities will ensure a greater positive impact on society as a whole.

We can only be successful with the continued support and trust of our customers. Ensuring that we treat them fairly and provide them with the products, returns and service levels they expect from an institution to which they entrust their savings is critical.

We are committed to monitoring, managing and reducing our environmental impact. Over the past few years we have worked with our business units to identify opportunities and challenges within the Responsible Business sphere. From 2014 we have set new performance indicators and targets across our five pillars that will guide us as we move to integrate Responsible Business into everything we do. We will report annually on our progress against these targets.

We recognise there will be challenges along the way, but we have entered 2014 with a renewed sense of purpose.



“To provide fully for our customers, we need to make sure that they understand that they can trust us and this trust is represented by being a responsible business in all aspects of what we do”

**Julian Roberts**  
Group Chief Executive

“We have set new performance indicators and targets that will guide us as we move to integrate Responsible Business into everything we do”

**Don Schneider**  
Group Human Resources Director and  
Chair of the Responsible Business Committee

# RESPONSIBLE BUSINESS

## OUR 5 PILLARS

### Our 5 pillars

### What they mean to us



#### Responsible to our customers

Our customers and prospective customers determine our future success. We are therefore committed to making sure we always treat our customers fairly, are responsible in all of our marketing, provide them with the right products, the best customer service and help them secure a strong financial future. By making sure we have the right products and services for everyone, at all stages of need, we will create the best foundation for our future success.



#### Responsible investment

Our core business of providing risk mitigation, savings, and investment and retirement solutions requires us to have a long-term outlook. We believe that it makes sound business sense to view our investments through a sustainability lens as a basis for better understanding the long-term risk and opportunity – our approach to responsible investment is to incorporate material environmental, social and governance issues into our investment and ownership decisions.



#### Responsible to our employees

Our business relies on the commitment, talent and diversity of our employees. We focus on motivating, developing and leveraging the strengths of our people so we can maintain a high performance culture. By developing our leadership behaviours across the Group, we can develop our talent pipeline for key growth markets whilst promoting diversity and inclusion.



#### Responsible to our communities

We recognise our responsibility to support the local communities in the markets in which we operate. We leverage our corporate knowledge and experience, together with the skills of our employees, to provide financial education, support for small businesses and investment in further education. We invest in our local communities financially, as well as through employee volunteering and giving programmes.



#### Responsible environmental management

Across the business we monitor, manage and aim to reduce our environmental impact. We focus on reducing energy consumption, waste production, water usage, and business travel. Our aim is to become more resource efficient whilst supporting a healthier global environment for people to live and work in. By managing our environmental risk we will make sustainability an engine for growth rather than a brake on it.

All of which are underpinned by:

#### Governance

Good governance is fundamental to operating as a successful and responsible business. We invest time and effort to put in place the right processes, policies and governance structures to ensure we meet internationally recognised responsible business standards.

We have made progress across all our five pillars during 2013, working towards achieving our commitments, and renewing targets to align with our strategic goals.

## Group highlights in 2013

<ul style="list-style-type: none"> <li>■ Rationalised, improved and expanded the product range in our Emerging Markets businesses and improved the customer experience</li> <li>■ Grew distribution capabilities in India, China, Latin America, Kenya and Nigeria</li> <li>■ Our annual Group Customer Conference, this year held in South Africa, was attended by over 90 of our Executives.</li> </ul>	Group
<ul style="list-style-type: none"> <li>■ Launched a publicly available Responsible Investment Standard across the Group</li> <li>■ Undertook focused training on responsible investment and the environmental, social and governance issues at our operations in the US, Namibia, Kenya, Zimbabwe and South Africa</li> <li>■ We were a principal sponsor of 'PRI in Person' – a United Nations-supported Principles for Responsible Investment event, in South Africa. This and the JSE SRI pre-event had speakers from Old Mutual's Executive Committee.</li> </ul>	Emerging Markets
<ul style="list-style-type: none"> <li>■ The annual Group Culture Survey maintained a high response rate and confirmed that people experience many of our espoused values and ACTNOW! Behaviours in their everyday work</li> <li>■ In January 2014, the Old Mutual plc Board announced that it has achieved 33% female membership. Our target was 30% by 2015. Across the Group, 57% of our employees are female</li> <li>■ Old Mutual South Africa and Nedbank maintained their Broad-Based Black Economic Empowerment Level 2 rating.</li> </ul>	Nedbank
<ul style="list-style-type: none"> <li>■ Invested £16.1m in our community programmes, representing 1% of pre-tax annual operating profit</li> <li>■ Continued to align the strategy of our community investment programmes to deliver maximum positive impact</li> <li>■ Launched and enhanced internal initiatives across the Group to promote employee volunteering.</li> </ul>	Property & Casualty
<ul style="list-style-type: none"> <li>■ Improved our position in the CDP Carbon Disclosure Leadership Index for FTSE 350 financial services companies – from eighth to fifth</li> <li>■ Increased our carbon emissions by 9.5%** per m<sup>2</sup> from our 2010 base year in our investment property portfolio</li> <li>■ Increased our carbon emissions by 1.9%** per employee from our 2010 base year in our employee-occupied properties</li> <li>■ Our Group carbon intensity for 2013 was 3.0 tonnes CO<sub>2</sub>e/£m FUM.</li> </ul>	Old Mutual Wealth
<ul style="list-style-type: none"> <li>■ Updated our Group Responsible Business strategy</li> <li>■ Reviewed* the membership of our Responsible Business Committee to reflect our new commitments and strategic priorities.</li> </ul>	US Asset Management

\* Changes come into force 1 January 2014

\*\* Our carbon footprint and intensity indicators have been restated for 2011 and 2012 to account for material changes to the conversion factors provided by DEFRA for company reporting purposes as well as the Responsible Business Committee decision to change our reporting methodology from an equity share to an operational control approach, to better align with financial reporting.

# GROUP AT A GLANCE

We operate under five principal business units, in over 30 countries.

## Group

Old Mutual Group is an international investment, savings, insurance and banking group.

### Highlights

- Improved customer insight and segmentation to better serve customer needs
- Improved and expanded the product range in our Emerging Markets businesses and improved the customer experience
- Expanded distribution capabilities in India, China, Latin America, Kenya and Nigeria
- Improved the platform functionality and product offerings of the UK and International Wealth businesses
- Improved Nedbank customer experience and security through the use of proprietary digital technology.

Financial highlights	2013	Constant currency	Reported
<b>AOP (pre-tax, pre NCI)*</b>	£1,612m	+15%	-
<b>FUM</b>	£293.8bn	+19%	+12%

For more information on the Group see our Annual Report and Accounts

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## Emerging Markets

### We provide

Innovative life assurance-based solutions which address protection, savings and retirement needs.

- Leading asset management business in Africa
- Niche franchises in Latin American wealth management and successful joint ventures in China and India.

### Position

**No1** in total life sales in South Africa

Financial highlights	2013	Constant currency	Reported
<b>AOP</b>	£590m	+12%	-3%
<b>FUM</b>	£48.1bn	+16%	-9%

### Highlights

- Significant developments in the African strategy with acquisitions of Oceanic Life Insurance in Nigeria, Provident Life Assurance in Ghana and a partnership with Faulu Kenya, subject to completion.

For more information on the business see our Annual Report and Accounts

**p52-55**

## Nedbank

### We provide

A wide range of wholesale and retail banking services, wealth management, asset management and insurance solutions.

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

### Position

**South African Bank of the Year** (FT and The Banker magazine 2013)

Financial highlights	2013	Constant currency	Reported
<b>AOP</b>	£797m	+12%	-3%
<b>FUM</b>	£11.7bn	+26%	-1%

### Highlights

- Acquired an initial 36% stake in Banco Único in Mozambique, subject to completion
- Alliance with Ecobank provides Nedbank with access to 37 countries across Africa.

For more information on the business see our Annual Report and Accounts

**p56-60**

## Group by geography



### AOP by geography (pre-tax, pre-NCI)\*



- South Africa **79%**
- UK, Europe & Int **13%**
- United States **7%**
- Africa (excl. South Africa) **6%**
- Other markets **2%**
- Interest and central costs **(7)%**

\* After charging Group interest expense and central costs

## Property & Casualty

### We provide

General insurance solutions in Africa, operating as Mutual & Federal and iWYZE in South Africa.

### Position

**Top 2** in property and casualty insurance in South Africa†

### Financial highlights

	2013	Constant currency	Reported
<b>AOP</b>	£4m	-88%	-89%
<b>FUM</b>	£0.2bn	-	-

### Highlights

- Acquired Oceanic's Nigerian general insurance business from Ecobank
- Acquired Agricola UMA, contributing 13% growth in GWP.

† based on the latest available industry data in respect of gross written premium

For more information on the business see our Annual Report and Accounts

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## Old Mutual Wealth

### We provide

Integrated wealth management products and services, combining asset management as well as saving and investment solutions to 1.4 million affluent clients in the UK, Europe and selected international markets.

### Position

OMGI recorded the second highest UK retail net inflows in 2013††

### Financial highlights

	2013	Reported
<b>AOP</b>	£217m	+11%
<b>FUM</b>	£78.5bn	+13%

### Highlights

- Our asset management brand, OMGI, was launched successfully in the first half of the year
- Good flows of new business, further strengthened by the expansion of the UK equities team.

†† Pridham Report

For more information on the business see our Annual Report and Accounts

**p63-67**

## US Asset Management

### We provide

A diverse range of investment strategies and products, operating as OMAM, and delivered via a multi-boutique model to institutional investors around the world.

### Position

Leading Institutional Asset Manager

### Financial highlights

	2013	Constant currency	Reported
<b>AOP</b>	£111m	+21%	+22%
<b>FUM</b>	£155.3bn	+23%	+21%

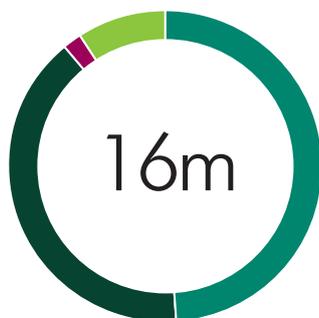
### Highlights

- Generated growth in the portfolio through increased NCCF, investment performance, product and channel initiatives and complementary global distribution
- Non-US clients account for 36% of FUM (2012: 35%).

For more information on the business see our Annual Report and Accounts

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### Customer numbers



- Emerging Markets **49%**
- Nedbank **40%**
- Property & Casualty **2%**
- Old Mutual Wealth **9%**
- US Asset Management\*\*

\*\* Institutional clients

### AOP by business unit (pre-tax, pre-NCI)\*



- Emerging Markets **37%**
- Nedbank **49%**
- Property & Casualty **0%**
- Old Mutual Wealth **14%**
- US Asset Management **7%**
- Interest and central costs **(7)%**

### Employees by business unit



- Emerging Markets **35%**
- Nedbank **52%**
- Property & Casualty **5%**
- Old Mutual Wealth **5%**
- US Asset Management **2%**
- Other **1%**

# OUR BIG 5 PRIORITIES 2014 AND BEYOND – GROWING AND TRANSFORMING OUR BUSINESSES TO LEAD IN A RESPONSIBLE AND SUSTAINABLE WAY

## OUR STRATEGY

1

**In South Africa** – align OMSA, Nedbank and Mutual & Federal to become the leading and most trusted financial services group

2

**In Africa** – build an African financial services champion, while continuing to grow in other emerging markets

3

**Old Mutual Wealth** – transform to build the best retail investment business in the UK

4

**US Asset Management** – continue to improve and grow our multi-boutique asset management business

5

**Responsible business** – in each of our markets become the recognised financial services leader in responsible business

## OUR VALUES

ACCOUNTABILITY, INTEGRITY, RESPECT,  
PUSHING BEYOND BOUNDARIES

# OUR VISION IS TO BECOME OUR CUSTOMERS MOST TRUSTED PARTNER – PASSIONATE ABOUT HELPING THEM ACHIEVE THEIR LIFETIME FINANCIAL GOALS

## Key management actions 2014 – 2016

<ul style="list-style-type: none"> <li>■ In South Africa, drive increased collaboration and alignment among OMSA, Nedbank and Mutual &amp; Federal</li> <li>■ In OMSA, capture growth in the Mass Foundation and Retail Affluent segments and improve profitability in Corporate segment</li> <li>■ Grow Nedbank by: growing transactional banking, client-centred innovation, grow a pan-African banking network and tilt the portfolio to maximise economic profit growth</li> <li>■ Target pre-tax values of synergies of R1.0 billion across OMSA, Nedbank and Mutual &amp; Federal on a run rate basis.</li> </ul>	Group
<ul style="list-style-type: none"> <li>■ Grow existing businesses in SADC, expand into East Africa, in West Africa build on Oceanic acquisition in Nigeria, and leverage Ecobank's pan-African banking footprint</li> <li>■ Increase collaboration among Old Mutual, Nedbank and Mutual &amp; Federal in African markets</li> <li>■ Continue to selectively invest and grow in Latin America and Asia</li> <li>■ By 2015, 15% of Old Mutual's profits from Africa</li> <li>■ 2016 LTIP target: customer growth in Africa (excluding banking) of 15% (excluding South Africa).</li> </ul>	Emerging Markets
<ul style="list-style-type: none"> <li>■ Build the best Retail Investment business in the UK – focus on cost reduction, expanding product proposition, diversifying distribution and increasing share of AUM through building its asset management capability</li> <li>■ Continue to deliver operational efficiency</li> <li>■ Further simplification by disposing of non-core or sub-scale businesses, where appropriate</li> <li>■ Execute the manage-for-value strategy in Continental Europe</li> <li>■ 2015 target: Adjusted Operating profit (pre-tax) of £300 million.</li> </ul>	Nedbank
<ul style="list-style-type: none"> <li>■ Continue to improve USAM performance – develop investment capabilities of core affiliates and complement with centre-led distribution and selective acquisitions</li> <li>■ Continue to deliver operational efficiency</li> <li>■ Annual target: net client cash inflows of 3% to 5% of opening FUM</li> <li>■ Further derisking at Old Mutual Bermuda.</li> </ul>	Property & Casualty
 <p><b>Responsible to our customers</b></p> <ul style="list-style-type: none"> <li>■ Fulfil on the four elements of our customer promise: to be most accessible; to provide best financial education and advice; to offer solutions most certain to deliver on customer promises; and to be most supportive of the communities we serve</li> </ul>	 <p><b>Responsible investment</b></p> <ul style="list-style-type: none"> <li>■ Incorporate material environmental, social and governance criteria into our investment and ownership decision-making process, and develop sustainable and 'future-proof' savings and investment products for our customers</li> </ul>
 <p><b>Responsible to our employees</b></p> <ul style="list-style-type: none"> <li>■ Continue to build a culture of excellence and embed ACT NOW! Leadership behaviours across the Group, to develop our leadership and talent pipeline, particularly in key growth markets, and to promote diversity and inclusion</li> </ul>	 <p><b>Responsible to our communities</b></p> <ul style="list-style-type: none"> <li>■ Continue to focus on financial education and inclusion, and sustainable enterprise and skills development in each of our markets, through business as usual and community investment, as well as through employee volunteering and giving programmes</li> </ul>
 <p><b>Responsible environmental management</b></p> <ul style="list-style-type: none"> <li>■ Continue to reduce our direct and indirect environmental impact across the Group, and help shape environmental management and climate change policy</li> </ul>	<p><b>Old Mutual Wealth</b></p> <p><b>US Asset Management</b></p>

# RESPONSIBLE BUSINESS STRATEGY

To be our customers' most trusted partner we need to be responsible in all our daily decisions and actions.

Trust is fundamental to our future. Our vision – to be our customers' most trusted partner – shapes not only what we do, but also how we do it. We are proud of the progress we have made with our Responsible Business strategy over the last four years, setting out principles and governance structures to ensure that we operate in a responsible and sustainable way. From 2014 we are excited that one of our Group's Big Five Strategic Priorities is to be recognised as a leader in Responsible Business.

Our Responsible Business strategy underpins all our other Big Strategic Priorities for growing and transforming our businesses:

- In South Africa aligning OMSA, Nedbank and Mutual & Federal to become the leading and most trusted financial services group
- In Africa we will build an African financial services champion, while continuing to grow in other emerging markets
- Old Mutual Wealth will transform to build the best retail investment business in the UK
- US Asset Management will continue to improve and grow our multi-boutique asset management business.

By incorporating Responsible Business into our Group strategy, and committing to being a recognised Responsible Business leader, we are better positioned to build trust with our customers and other stakeholders.

This approach explicitly commits us to operating responsibly, whilst examining the impacts of our business as an integral part of our decision-making. Over the past 12 months, with input from our stakeholders, we have refined our Responsible Business strategy to continue to build on our existing five pillars with clear objectives for each. Our five pillars listed below are underpinned by a strong governance process. The pillars are described in detail on pages 2 and 7:



We have a role across society, working not only with the most affluent but also with those newer to the financial services sector. The level of exposure to financial understanding varies across our customer base and this is why we focus our attention on supporting our customers and the local communities in increasing their understanding of the financial sector and what products they may be exposed to.

Our approach to community investment focusing on financial education supports our wider aims. We are working with our investment businesses to increase awareness of the need for responsible investing and the role that we play as an investor in society. By taking into account the challenges faced by our stakeholders our aim remains to be a positive influence on societies in which we operate.

Over the coming years, our Responsible Business strategy will guide us from being a Group with pockets of excellence to being a recognised leader in Responsible Business. From 2014 all our business units will meet minimum requirements in each of our five pillars, whilst excelling in being responsible to our customers.

Since the publication of our first Responsible Business report in 2010 where we announced our initial targets, we have worked with our businesses to identify KPIs and targets across our five pillars.

In addition, our new group-wide performance metrics and targets will allow us to track our progress and be held to account (see pages 10-11 for details).

By pursuing our Responsible Business strategy and embedding it in our other four Big Strategic Priorities, we are confident that Old Mutual will continue to deliver value to all its stakeholders – now and in the future.

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**7**  
Number of targets in place at a Group level relating to Responsible Business

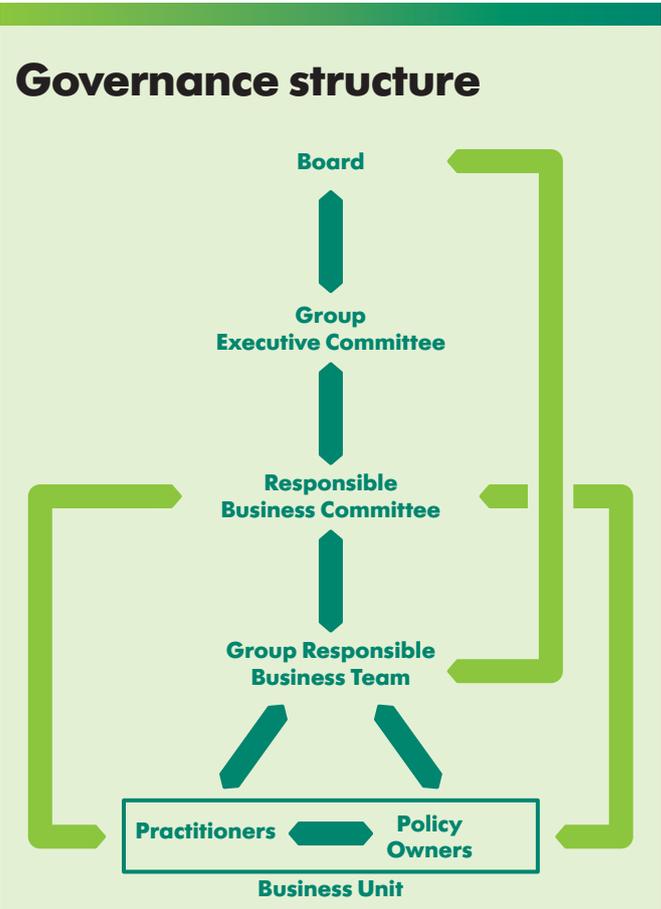
# GOVERNANCE

Underlying our Responsible Business programme is a strong governance structure supporting us in achieving our goals.

Our Group Chairman, Patrick O’Sullivan, holds overall responsibility for Old Mutual operating in a responsible manner. At a Group level it is the role of the Responsible Business Committee to champion and challenge our responsible business approach and to help embed it in all we do. The Chair of the Responsible Business Committee, the Group Human Resources Director, is responsible for reporting to the Group Executive Committee on our Responsible Business plans and achievements, and on working with the rest of the Executive team to support them in leading effectively in this area.

During the last few years, significant new reporting and compliance obligations fell on the Group in a number of areas of responsible business, such as the new regulations for mandatory greenhouse gas reporting that came into force in 2013. As a consequence we have revisited our network of task forces and committees who monitor the delivery of responsible business within each business, and work to ensure compliance with the Responsible Business Policy which has been in force since 2010. The policy is embedded in the Group Operating Model, with the CEO of each business accountable for compliance. In 2013 a Responsible Investment Standard was added as an appendix to the Responsible Business Policy and compliance against this will be tracked for the first time in 2014. Twice a year business unit CEO’s sign off compliance to the policy as part of our governance process.

At the end of 2013 the membership of our Responsible Business Committee, which was established in 2010, was updated and now includes representatives from not only a range of different business functions but also the business units themselves. The committee has pillar leads who support the sharing of best practice and policy owners and practitioners within each business who liaise with the Group Responsible Business Team. Policy owners and practitioners within each business liaise with the Group Responsible Business Team, who report their progress and escalate any concerns to the Responsible Business Committee for action and approval. Once a year, the Old Mutual plc Board receives a detailed report on Responsible Business activities; ad hoc matters can be raised in-between formal reports. This process mirrors the structure for our Group Customer Board.



## Managing our risks and uncertainty

Risk management is integral to the Group’s decision-making and management processes. Risk frameworks and governance are designed and overseen centrally, but implemented by our business units locally. Risks are tracked using risk registers which are updated on a regular basis, with the top risks identified by each business reported to the local Executive Risk Committees.

Regulatory compliance within Old Mutual also forms an integral part of the risk management function and Old Mutual has a structured process for monitoring our adherence to regulatory requirements. Formal Compliance Risk Management and Monitoring plans drafted by the business unit compliance teams require formal sign-off by the respective Board Risk Committees. Our Responsible Business Committee are informed of material risks on a quarterly basis. This structure provides a robust system to discuss, manage and escalate issues the business faces now and may face in the future.

For more information on how we manage our risks, please see page 32 and 82 of the Annual Report and Accounts.

# KEY PERFORMANCE

## INDICATORS (KPIs)

We use KPIs to monitor our progress across each of our five pillars, and set targets to ensure we focus on both long-term and short-term goals.

Focus area	KPI	Description
<b>Responsible to our customers</b>	Customer numbers Net Client Cash Flow (NCCF)	Customers across the Group  NCCF measures our success in attracting new business and retaining existing customers
<b>Responsible investment</b>	Publish a Group Responsible Investment Standard	Agree and sign off our Responsible Investment Standard to be applied across the Group, bearing in mind the varying investment philosophies, approaches and client mandates
<b>Responsible to our employees</b>	Cultural entropy	Cultural entropy measures the amount of negative or limiting values that exist within an organisation which results in unproductive work  (The lower the score the healthier the culture)
<b>Responsible to our communities†</b>	Percentage of pre-tax profit given to community causes	The value of Old Mutual's Community Investment made through our Foundations and other community projects (excludes employee donations through workplace fundraising)
<b>Responsible environmental management*</b>	Tonnes of CO <sub>2</sub> e per employee Tonnes of CO <sub>2</sub> e per m <sup>2</sup> in our Old Mutual investment property	Scope 1 and 2 carbon emissions in employee-occupied locations  Scope 1 and 2 carbon emissions in Old Mutual investment property
<b>Governance</b>	Inclusion in FTSE4Good and JSE SRI Index	

† Our community investment spend has been restated for 2011 and 2012 to include 100% of Nedbank's community investment spend, in line with our financial reporting approach.

\* Our carbon footprint and intensity indicators have been restated for 2011 and 2012 to account for material changes to the conversion factors provided by DEFRA for company reporting purposes as well as the Responsible Business Committee decision to change our reporting methodology from an equity share to an operational control approach, to better align with financial reporting.

Reflecting the importance we place on the management of our Responsible Business strategy, we also have targets in place regarding Governance, which focus on how our progress is viewed externally.

## Target

## 2013 performance

## Future additional KPI(s)

To grow our customer base year on year – Emerging Markets to increase their customer numbers to over nine million by 2015

2012	2013	+/-%
14m	16m	+14%
<small>(millions)</small>		
<b>NCCF</b>		
2013		(%)
2012		1.9

Number of existing and potential customers reached by financial education programmes

Customer persistency

Net promoter score

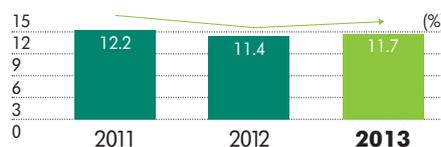
Board Sign Off in 2013

Achieved November 2013

Percentage of our investment capabilities applying our Responsible Investment Guidelines

Percentage of proxy votes cast on our listed equity investments

A healthy working culture in every business by 2020 (defined by cultural entropy score between 9 and 13%)



Percentage of employees who would recommend Old Mutual as a place to work

1% of pre-tax profit

Year	Value (%)
2013	1.0
2012	1.0
2011	0.87

Employees volunteering for charitable organisations during working hours

20% reduction by 2020 from a 2010 base year

Employee	(tonnes CO <sub>2</sub> e)
2013	4.25
2010	4.17

Water usage per employee

20% reduction by 2020 from a 2010 base year

Property	(tonnes CO <sub>2</sub> e)
2013	0.23
2010	0.21

Maintain listing on the FTSE4Good and JSE SRI

Achieved

# FINANCIAL SERVICES: OUR ROLE IN TOMORROW'S ECONOMIES



Financial services can play a transformational role in the economic development of emerging markets. This is because, in these markets, financial services can enable the transition to stable and prosperous growth, which in turn can help improve the quality of life of hundreds of thousands of people.

Until a formal financial sector is established, developing economies struggle. Banking, savings and investment, loans and equity financing, and insurance help people to save money, guard against uncertainty and build for the future. These services enable businesses to start up, expand, increase efficiency and compete in local and international markets. Financial services can reduce vulnerability for individuals and businesses and enable people to manage their assets in ways that generate income and options. In this way they promote confidence, build security and engender trust. They create opportunities – at individual, community, national and international levels.

**Pictured:** Left to right: Nandipha Nqabeni and Rashaad Samuels

There are, of course, challenges along the way. For financial services companies to play their role effectively, they must be able to manage volatility and adapt their products to fit the needs of the market and its people. This means simpler products for low-income consumers with limited levels of financial understanding. It necessitates developing relationships with telecommunications companies to reach the hard-to-reach. It requires investments in technology which will enable us all to reach the unbanked in a low-cost way. This is where an opportunity lies and financial services companies have a responsibility to do all they can to get it right.

We are determined to try, in whatever ways we can, to help make this happen. We want to make sure that the services we offer help to bring everyone in society on the journey of growth – not just the emergent middle classes. This means making sure we build access and education into our product offering from the start. We want to act in a way that engenders trust and goodwill, so that people can rely on us to do the best for them, and use us to help them move forward.

**We recognise that it is our actions that will determine our success.**

# OUR CUSTOMERS

“Our vision is to become our customers’ most trusted partner – passionate about helping them achieve their lifetime financial goals”

Julian Roberts, Group Chief Executive

Without the trust and confidence of our customers we cannot succeed. We look after customers from a variety of backgrounds from the high-net worth to those who are entering the financial services sector for the first time. All of our businesses are expected to excel in one of our five pillars of responsible business, that of being responsible to our customers.

### Financial education

We recognise that as part of our role in the economies of the future we need to support our current and potential customers in understanding the financial services market. There are so many products and services on offer that to the untrained eye the language and process can be daunting. We are committed to being there to explain and help our stakeholders increase their level of understanding so that they can make the most of their money and enter the market with confidence.

### Customer conference

In October 2013 our second annual customer conference was held in South Africa. Gathering 100 of our top executives with customer experience together to share best practice from around the world and discuss the plans for how we can keep pushing ourselves to be the best at looking after our customers, ensuring that we become our customers’ most trusted partner. The conference included input from world-class experts as well as opportunities for executives to walk in the shoes of customers and experience our own and competitors’ offerings from different markets.

### Committees for Customer Affairs

In both our Emerging Markets and Wealth business we have Committees for Customer Affairs or CCAs. In our Emerging Markets business it is at Board and ExCo level ensuring that issues affecting our customers are discussed and decided at the highest level of our organisation. The CCAs are supported by a new committee at Group level the Group Customer Board. Annually this committee will submit a paper to the plc Board updating them on progress and future plans for our customers.

### Maturity model

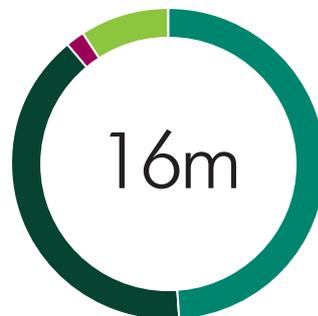
In 2013 the Group introduced our customer maturity model, ranking each of our



Carlton Hood,  
Group Customer Director

businesses on eight key aspects for our delivery to customers. Key elements of the model include monitoring our implementation of the ‘Treating Customers Fairly’ principles of regulation and embedding a customer-centric culture in all our businesses. This is used to track the development plans, as businesses indicate their two year targets on the model.

### Customer numbers



- Emerging Markets **49%**
- Nedbank **40%**
- Property & Casualty **2%**
- Old Mutual Wealth **9%**
- US Asset Management\*\*

\*\* Institutional clients

### Group Customer function

In 2012 the Group appointed a Group Customer Director (pictured) at Executive Committee level and formed the Group customer team. With experts in brand, digital experiences, customer experience and the value proposition and from 2013 responsible business, the team works with colleagues across the Group to ensure that we continue to make progress together towards our aim of being our customers’ most trusted partner.

### Our plans for the future

We know that there is always more for us to do as we work to achieve our vision and for us 2014 holds some real tangible steps forward. Therefore in 2014 we will:

- Set up a CCA in our Property & Casualty business Mutual & Federal
- Hold the first meetings of our Group Customer Board. Chaired by our Chief Operating Officer Paul Hanratty and set up at the end of 2013 it holds its first meeting early in 2014
- Launch a new, better value combined saving product for the mass foundation cluster in our Emerging Markets business
- Continue to grow our I-invest unit trust product in Kenya, which has low levels of minimum investment, and is accessible through basic feature phone technology.

# OUR APPROACH – PARTNERSHIPS WITH KEY STAKEHOLDERS

## Stakeholder engagement and materiality

Defining and communicating our material issues helps us focus our efforts on the areas that deliver the greatest value to our business and are the most important to our stakeholders.

It is essential to our success that we are able to respond quickly to any changes in society's expectations of us as a business, and that we are aware of any developments across the markets in which we operate that affect our Responsible Business strategy.

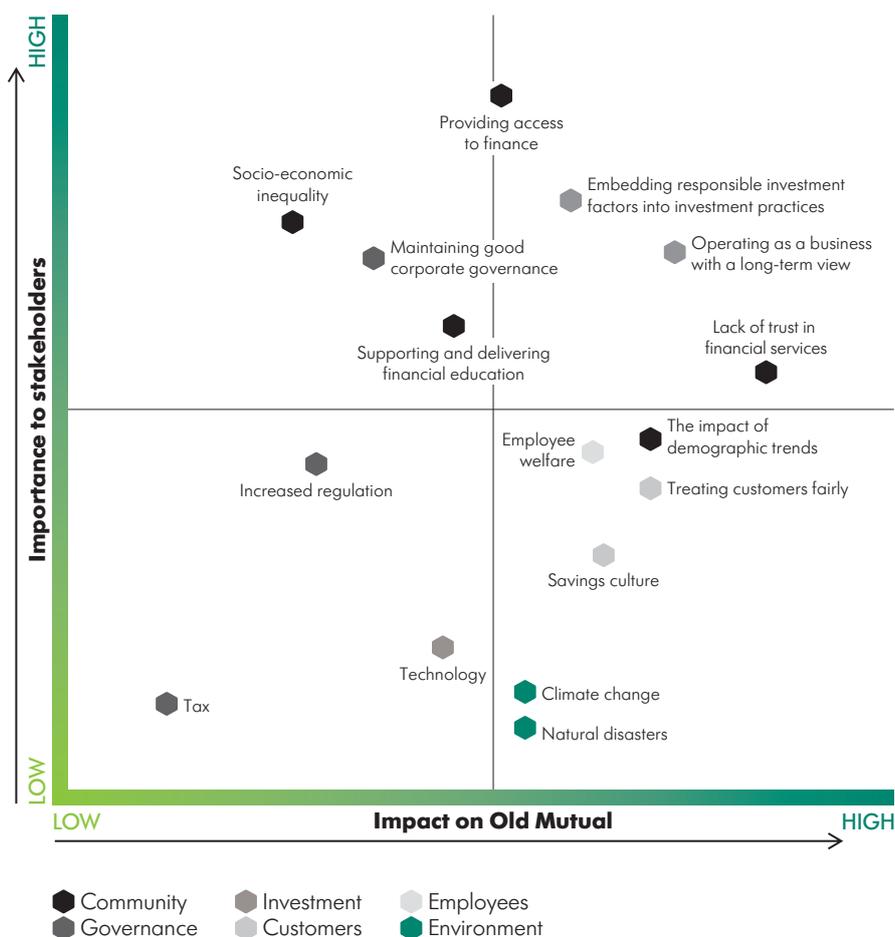
Our stakeholder engagement activity not only helps build trust in our business through our participation in transparent and open dialogue with stakeholders, but it also supports scanning for emerging trends and consumer concerns that may impact our business in the future.

In 2013 we engaged stakeholders through a wide range of channels across the Group and plans are already in place to build on this stakeholder engagement in 2014.

During 2013 we also carried out a review of the material issues that make up the pillars of our Responsible Business strategy. A key component of this involves asking stakeholders from across all stakeholder groups to identify and prioritise the key issues upon which they believe Old Mutual should focus.

In advance of engaging stakeholders, we review and refresh our issues and impacts register through media scanning, peer group benchmarking and stakeholder dialogue. We share the updated list with a cross-section of our stakeholders for prioritisation, and this process helps us identify emerging issues that are starting to, or predicted to, impact our business in the future while also highlighting existing issues that continue to be of importance.

Analysing the responses from our stakeholders and combining these with an understanding of the potential impact of these issues on Old Mutual, has allowed us to develop a new materiality matrix, with issues allocated to our relevant responsible business pillars. The results from our 2013 review of material issues are displayed here.



The 2013 materiality review confirmed that, there has been some movement in the relative importance of previously identified issues, and highlights the emergence of some new issues for consideration. All of these still fit comfortably within our existing focus area framework and confirm that the thematic structure of the Responsible Business strategy, first developed in 2010, is still focused on the right areas.

Notable within the research were the growing importance of issues such as providing access to finance, embedding responsible investment factors into our investment practices, and the lack of trust in financial services. These were identified as issues of high priority for stakeholders, which also have the potential to have a significant impact on our future success.

By providing financial access to those from low-income backgrounds or those who have been marginalised, we have the opportunity to play an active role in building stable economies and supporting tomorrow's customers. By embedding responsible investment practices into our investments we will protect our reputation as a trusted and forward-looking investor and one that is able to deliver results over the long term. By building trust with our stakeholders through operating responsibly, we will be in a stronger position to deliver for our customers and our shareholders in the long-term.

In 2014 we will continue to identify new and innovative ways of addressing the issues that are a priority for our stakeholders and will continue to work with them to remain alert as these issues change in priority and importance.

“We engage with our stakeholders through our business units and from a Group perspective to strengthen our Responsible Business programmes in the countries in which we operate”

Helen Wilson, Head of Responsible Business, Old Mutual plc

This table shows a high level review of our engagements in 2013.

Stakeholder	Engagement in 2013	Plans for 2014
<b>Customers</b>	Across the Group we conducted a large range of engagement activity including interviews, focus groups, workshops and surveys.	<ul style="list-style-type: none"> <li>Continue to engage our customers through customer service feedback sessions as well as through financial education and sponsorship activities</li> </ul>
<b>Employees</b>	<p>We are committed to developing a two-way dialogue with our employees to understand how we can improve what we do and how we do it. In 2013 we did this in a variety of ways including:</p> <ul style="list-style-type: none"> <li>Events: café conversations, Old Mutual South Africa Responsible Business showcase, Mutual Understandings</li> <li>Surveys: culture survey and responsible business survey</li> <li>Senior Leadership: Open Executive Committee sessions for all employees, employee web chat and Q&amp;A with our Emerging Markets CEO</li> </ul>	<ul style="list-style-type: none"> <li>Host more café conversations and awareness days in both our Wealth business and our Emerging Markets business</li> <li>Roll out Responsible Business Mutual Understandings across the Group</li> </ul>
<b>Shareholders and investors</b>	<p>We engaged with our shareholders primarily through our Annual General Meeting and other shareholder events. We met our largest investors quarterly and arranged calls and further contact on an ad hoc basis. During 2013 we were involved in a number of events at a Group level including UNPRI and our African Showcase.</p> <p>We attended a range of events including Davos 2013 and held 273 investor meetings, of which 208 were with Old Mutual executives.</p>	<ul style="list-style-type: none"> <li>Participate in, and contribute to, UN supported PRI in Person in Montreal</li> <li>We aim to maintain the same level of standard on communication, engagement and contacts with Shareholders and Investors</li> </ul>
<b>NGOs and community groups</b>	<p>We have long-term and ongoing relationships with a number of Non-Governmental Organisations and charities with whom we work in partnership and meet regularly. During 2013 we hosted or ran events with UN Global Compact and Young Enterprise. We also hosted an Africa stakeholder event at our Head Office with over 150 key stakeholders involved in the continent’s development.</p>	<ul style="list-style-type: none"> <li>In partnership with CDP host a Sector Leadership Roundtable on carbon management and reporting</li> <li>Scale up our involvement with Young Enterprise and launch a new partnership programme</li> </ul>
<b>Suppliers and contractors</b>	<p>Across the Group we have a number of third party supplier relationships of varying degrees of materiality and complexity. In 2013 we focused on:</p> <ul style="list-style-type: none"> <li>Enhancing our understanding of key suppliers and building sustainable relationships</li> <li>Highlighting supplier and market synergies and promoting key relationships internally</li> <li>Embedding Responsible Business considerations into our processes and tools</li> </ul>	<ul style="list-style-type: none"> <li>We aim to improve our understanding of mitigation, key supplier related risks</li> <li>We will leverage economies of scale and ensure that interactions with suppliers are transparent and represent good value</li> </ul>
<b>Government and regulators</b>	<p>Across the Group we worked to maintain a strong relationship with government and regulators through regular dialogue, involvement in cross-sector working groups and contribution to consultations.</p>	<ul style="list-style-type: none"> <li>We aim to maintain the same level of standard on communication, engagement and contacts with Government and regulators</li> </ul>

# THE GROUP IN NUMBERS

We track a number of metrics across the Group linked to our five pillars.

Tracking our metrics both geographically and in terms of business unit helps us to see where progress is being made and highlights areas of opportunity. Our Emerging Markets carbon footprint comprises both one of our largest areas of employees coupled with our investment property portfolio. Our portfolio is an area where we have been making significant efficiency changes to buildings which we expect to lead to long-term savings and emission reductions.

Our Group carbon footprint is 879,900 tonnes CO<sub>2</sub>e. This is split into region and business unit below.

### Carbon footprint by region (tonnes CO<sub>2</sub>e)

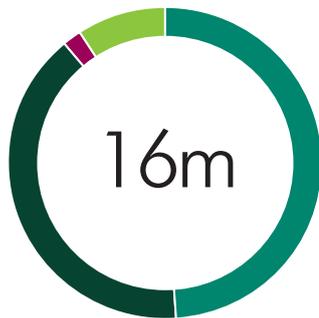
Africa **862,601**  
 Europe **11,240**  
 Latin America **468**  
 US **4,442**  
 Other\* **1,149**

\* The International segment of Old Mutual Wealth

### Carbon footprint by business unit

Emerging Markets **80%**  
 Nedbank **17%**  
 Property & Casualty **1%**  
 Old Mutual Wealth **1.5%**  
 US Asset Management **0.5%**  
 Other (Bermuda) **0.01%**

### Customer numbers by business unit



Emerging Markets **49%**  
 Nedbank **40%**  
 Property & Casualty **2%**  
 Old Mutual Wealth **9%**  
 US Asset Management\*

\* Institutional clients

### Employees by business unit



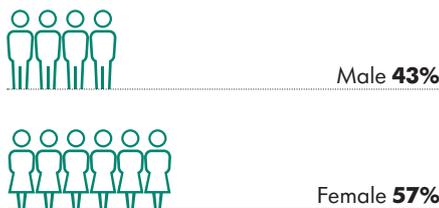
Emerging Markets **35%**  
 Nedbank **52%**  
 Property & Casualty **5%**  
 Old Mutual Wealth **5%**  
 US Asset Management **2%**  
 Other **1%**

### Community investment spend by business unit (£)

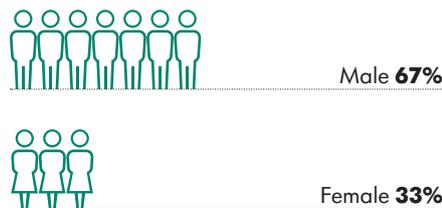


Emerging Markets **42%**  
 Nedbank **46%**  
 Property & Casualty **6%**  
 Old Mutual Wealth **1%**  
 US Asset Management **5%**

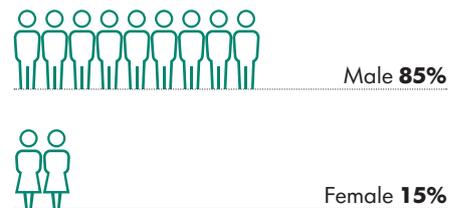
### Gender breakdown – Total staff



### Gender breakdown – Board



### Gender breakdown – Key Roles\*



\* Key Roles are approximately the top 120 executive positions around the Group

# BUSINESS UNITS OVERVIEW

We operate under five principal business units, in over 30 countries.

## Emerging Markets

Old Mutual Emerging Markets has operations across Africa, Asia and Latin America. It seeks to provide the Old Mutual Group with a sustainable growth platform through its investments in high growth emerging markets. By leveraging the strength of our people and capabilities in South Africa and around the world, we strive to become our customers' and communities' most trusted partner, helping them achieve their lifetime financial goals through our long-term savings, protection and investment solutions.

p18-23

## Old Mutual Wealth

Old Mutual Wealth provides advice-driven investment solutions to people in the UK, continental Europe and a number of international markets via its offshore business. We want to enable our customers to take control of their finances and manage their wealth by giving them access to the best fund managers in the world.

p30-33

## Nedbank

Old Mutual's banking business is conducted principally by Nedbank Group, in which the company has a 52% controlling interest. Nedbank is one of the four largest banks listed on the JSE Securities Exchange South Africa. Its activities include corporate and retail banking, wealth management, asset management and insurance, property finance, investment banking, foreign exchange and securities trading.

p24-27

## US Asset Management

Old Mutual Asset Management is a multi-boutique investment organisation with a diverse portfolio of asset managers that serve institutional investors around the world through their affiliated investment firms. They provide genuinely strategic capabilities to their Affiliates, helping them to become their clients' most trusted partner through the delivery of superior investment performance, innovative offerings, and focused service.

p34-35

## Property & Casualty

Mutual & Federal is one of the leading insurance companies in southern Africa and provides tailored short-term insurance services to the personal, commercial, corporate, marine and agriculture markets in South Africa, Namibia, Botswana and Zimbabwe. Mutual & Federal operates in the marketplace through professional and highly experienced brokers who offer customers personal service and advice when purchasing policies. The brokers also provide practical assistance in the event of a claim.

p28-29

# EMERGING MARKETS

Our core business purpose is to enable positive futures for our customers through the provision of risk mitigation, savings, and investment and retirement solutions.

We are in a business with a naturally longer horizon than most industries, which requires us to provide for long-term and systemic risks, so we can keep our promises to customers and to shareholders.

By clearly understanding the key global societal and environmental pressures facing humanity, our core business purpose and strongest competencies, Old Mutual can focus its energy on the challenges where we can make the most difference.

Old Mutual is not only about enabling positive futures for our customers, but about 'enabling a positive future for all' – we are literally creating the kind of world we, our customers and our children would like to retire into.

This vision will engage our employees – bringing a greater sense of purpose and meaning and with it the power and impact of increased engagement and correlated increases in long-term profitability and resilience.

We are not doing this for the purpose of brand reputation (although it may be beneficial), nor are we doing it from a spirit of philanthropy (although caring about our communities and the environment is core to our DNA), we are doing it to ensure stable future markets, to build a more resilient business and to ensure that we are successful in the long-term for the sake of our customers, staff, shareholders and communities. Through our offerings, Old Mutual collects a significant amount of assets – our asset management capability is currently the largest in South Africa with assets under management of over R650 billion.

Through our asset management capability, Old Mutual is in a unique position to play a leading role in Africa, to deploy the nation's savings in a manner which enhances the quality of our collective future.

From an emerging markets perspective, the South Africa National Development Plan (NDP) provides a clear steer in terms of the critical development areas. While the document is born out of South Africa, it is applicable across all emerging markets territories. The primary focus areas of the NDP are:

- Creating jobs and livelihoods
- Expanding infrastructure
- Transitioning to a low carbon economy.

There are a number of other regulations that businesses need to adhere to and companies in the South African market are required to use Codes of Good Practice as a measure for BEE (Black Economic Empowerment) compliance. Old Mutual, a competitor in the Financial Sector, has to comply with the Financial Sector Code (FS Code).

Increased entrants into the markets will be key driver of the long-term sustainability of both our business and the countries we operate in.

Old Mutual South Africa (OMSA) has completed its first ever FS Code BEE verification and the result presented OMSA as the first long-term assurance company with a Level 2 BEE Status in the Financial Sector. This result put OMSA ahead of its competitors in the BEE agenda of South Africa.

Another code that our South African business follows is the KING Code of Corporate Governance. The philosophy of the code consists of the three key elements of leadership, sustainability and good corporate citizenship. KING believes that leaders should direct the company to achieve sustainable economic, social and environmental performance. A separate statement on the OMSA response to KING can be found on our report website.

Old Mutual Emerging Markets takes into account the urgent environmental and societal challenges faced by humanity on a global, and emerging market level as we form our strategy and in 2014 we will be revisiting our own Responsible Business strategy to ensure it is delivering to our stakeholders.



“It is the ongoing commitment of our employees that enables us to set and achieve our ambitious goals”

Ralph Mupita, CEO Old Mutual Emerging Markets

“It’s not complicated – treating customers fairly is about putting yourself in the position of the customer and acting decently, fairly and honestly at all times”



Rose Keanly – Managing Director, Old Mutual Emerging Markets, Customer Service & Technology

## Responsible to our customers

Within Old Mutual Emerging Markets (OMEM), we strive to put customers first in everything we do. Our brand promise to our customers is that we will:

- Make ourselves as accessible as possible, whether face to face or digitally
- Strive to provide the best financial education and advice
- Provide solutions that are most certain to deliver
- Support the communities in which we operate.

We continue to develop appropriate customer value propositions and improve customer experience, working towards increased customer satisfaction through the implementation of new products and processes.

### Key achievements in 2013

- Voted the most reputable name in the life assurance category in the 2013 Top Companies Reputation Index run by the Mail & Guardian in South Africa
- Ranked number one in long-term insurance – Business to Consumer category of the 2013 Sunday Times Top Brand Awards
- Created a Centre of Excellence for product solutions, ensuring best practice in product development and management, and the right products for our customers
- Established a joint initiative with the South African Savings Institute to roll out financial literacy and education workshops to rural and peri-urban communities
- Reduced customer complaints by 40% since 2012 through the introduction of a new model of service for pension customers in Latin America
- Best SA Employee Benefits administrator
- We paid 97% of over 110,000 funeral claims within 24 hours.

% of Group customers that are with our Emerging Markets businesses

49

### Highlights

To put our customers first, it is imperative we obtain their feedback. Customer metrics are in place that look at whether our customers would recommend Old Mutual to their family and friends; how easy third parties who sell Old Mutual products on our behalf find doing business with us; customer retention and customer numbers. The results are incorporated into OMEM business plans and reviewed through the year.

Our Net Promoter Score across OMEM is ahead of target. We have worked hard on improving our cycle times, especially the payment of claims in African countries. In South Africa the focus has been on using NPS feedback from customers to identify and implement priority actions. This is resulting in monthly improvements in NPS. In our Latin America business, we implemented a new

system to automatically alert clients who have not certified their contributions, reducing waiting time for customers.

We support customers through a variety of financial education initiatives. Our ‘On the Money’ programme has taught more than 250,000 people over the past six years on how to better manage their finances.

### Future commitment

We will deliver increased digital capability to facilitate advice and self-service for customers. Driving and embedding our Treating Customers Fairly principles and culture will enhance our customer value proposition.



### CASE STUDY

## Technology libraries

Old Mutual Zimbabwe, in pursuit of promoting holistic and sustainable development in society, is currently rolling out technology libraries in cities across the country to expedite the digital revolution sweeping across the country.

Despite the rapid penetration of technology, accessibility is still a challenge due to high tariffs and the cost of smart phones. Recognising the potential of information technology to propel Zimbabwe into a

vibrant economy that can restore the country to its position as one of the major players in Africa and the developing world, Old Mutual has set up technology libraries (pictured) in the cities of Mutare, Bulawayo and Harare.

Old Mutual’s investment covers the purchase of computers, heavy-duty printers, air conditioning and Wi-Fi connection at Technology Centres in the three cities. The facilities that are situated at municipal libraries in low-income residential areas are benefiting thousands of school children and adults who would otherwise find it hard to access the internet.

# EMERGING MARKETS

“We believe incorporating Responsible investment into the investment process aligns with our pursuit of long-term returns and the broader interests of society”

Roger Birt, Head, Mandate Management, Old Mutual South Africa



## Responsible investment

Across Old Mutual Emerging Markets (OMEM), our approach to responsible investment practices can largely be categorised into those activities undertaken by our Asset Owners capabilities and our Asset Manager capabilities. Across both areas of activity, we have formalised our approach to Responsible investment (RI) through our commitment to the United Nations-supported Principles for Responsible Investment (UN PRI) and the Code for Responsible Investing in South Africa (CRISA) and have summarised this in our publicly available RI Guideline document (see our website for details). Our approach is to systematically incorporate material environmental, social and governance (ESG) issues in our investment and ownership decision-making processes across all assets classes. Alongside our commitment to responsible investment practices, we are active in driving sustainable long-term economic growth in emerging markets through our investments in infrastructure, affordable housing, renewable energy and agriculture.

Our RI activities across OMEM are driven by specific RI leads in each of the core business units – Old Mutual Africa, Latin America, Old Mutual Life Assurance Company and the Old Mutual Investment Group.

### Key achievements in 2013

- Old Mutual Investment Group updated their proxy voting policy and implemented a web based proxy platform to ensure all proxies are voted and the result made public
- Old Mutual Investment Group formulated an approach to internal cross-capability engagement with listed companies on 259 practices and undertook a series of company engagements on governance related issues

- Old Mutual Africa formally constituted a Responsible Investment Committee with a focused action plan for Namibia, Kenya and Zimbabwe
- Old Mutual Life Assurance Company published a publicly available Responsible Investment Policy

### Highlights

During 2013 Old Mutual Investment Group employed two additional full time resources to support the delivery of the Investment Group RI programme. Additionally the Investment Group continued to make progress with investment in the Green Economic Growth in South Africa – notably in areas of school, agriculture, renewables and infrastructure.

The Old Mutual Life Assurance Company has initiated the second phase of their RI journey which includes the consideration of the most appropriate mechanism to integrate responsible investment requirements into their investment mandates.

As part of our commitment to drive RI practices across OMEM, the Investment Group RI team undertook specialised ESG training sessions with the asset management teams in Zimbabwe, Kenya and Namibia. The focus of these sessions was to showcase the use of ESG data in listed equity and private equity practices. These sessions set the platform for the creation of the Old Mutual Africa Responsible Investment Committee and the formulation of a strategic action plan for the 2014 period.

### Future commitment

We are working towards having 100% of our listed equity holdings across Old Mutual Emerging Markets voted by 2016.



### CASE STUDY

## Corporate engagement on responsible Investing

Electus, one of our Old Mutual Investment Group investment boutiques in South Africa, has been at the forefront of conversations concerning responsible investing with a number of high profile corporates throughout 2013. On-going dialogue with senior management and chairmen of companies in which Electus' clients are invested, or will potentially invest in, are key to ensuring the best value-add to our customers. Discussions on topics such as strategy and its execution, business model risk, capital allocation and share issues are supplemented by research undertaken by the boutique to ensure a comprehensive approach to meaningful conversations.

“We look to invest in companies that enforce high environmental, social and governance standards”

Juan Daniel Frias, Senior Portfolio Manager, Asset Management, Skandia Colombia

The number of listed company meetings Old Mutual Investment Group voted at in 2013

289

“We have a people strategy for a changing world, focusing on ensuring a culture of collaboration, disciplined execution and transformation”

Anisha Archary, Old Mutual Emerging Markets, Human Resources Director



## Responsible to our employees

Old Mutual Emerging Markets (OMEM) growth strategy includes expansion into Africa, Latin America and Asia. This opens up opportunities for our employees and our customers, and has led to a sharpened focus on talent identification, development and retention. With growth comes the demand for talented people to execute our strategies and for leaders who will contribute to transformation of our business and communities. We have also invested in building the capability of Human Resources to ensure that the business is well supported.

### Key achievements in 2013

- Drove talent development, mapping and deployment for segmented talent pools and built capability to reduce gaps across OMEM
- Integrated talent and reward practices to enhance mobility and retention
- Old Mutual South Africa retained B-BBEE Level 2 status on the new South African Financial Sector Codes
- No 1 Performing Large Company in South Africa in the Deloitte Best Company to Work For Survey
- Voted top Employer of Choice by the South African Graduate Association
- Developed a programme with ADEN Business School to enhance the leadership skills of our senior teams in Colombia.

### Highlights

This year, we launched an OMEM-wide programme, Catalyst, aimed at middle and senior management to enhance engagement on strategy leadership and culture. We also trained 900 of our senior leaders on our new talent strategy. Our focus has remained on job creation across our emerging markets by developing talent through various programmes which target graduates, and both junior and senior professionals to build a pipeline for the future.

% of female employees are with our Emerging Markets businesses

53

In South Africa, the launch of our Old Mutual Women’s Network in August was attended by Archbishop Emeritus Desmond Tutu. The Network provides a forum for those interested in the challenges and opportunities facing women in the working world and from next year will be available to employees in Africa, Colombia and Mexico.

In Colombia, we worked with Javeriana University to enhance the skills of our employees, and have plans for future collaborations with this academic institution. Our internal training scheme, Old Mutual

University, continued to deliver skills-based development opportunities for employees in Colombia and Mexico.

### Future commitments

We will drive change and develop the new leadership capabilities required to support growth across Africa by means of talent acquisition, reward and mobility programmes. We will ensure alignment across OMEM of business plans, scorecards and cross-functional leadership. We will further enhance our Old Mutual Women’s Network to improve access across OMEM.



### CASE STUDY

## Old Mutual creates a networking opportunity for its employees

In August 2013, the Old Mutual Women’s Network (OWN) was launched, to be strongly aligned with Old Mutual’s brand promise of enabling positive futures. This interactive platform allows people to share, connect and create meaningful relationships with one another as they grow and continue to do great things. Old Mutual is a global company, and has recently been certified as the Best Company to Work For by Deloitte in South Africa.

At the OWN launch event (pictured), the Archbishop Emeritus Desmond Tutu and Anisha Archary (OMEM HR Director) emphasised the nature of the ever-evolving

and significant role played by women in the workplace and in the home. This event was followed by lunchtime chats hosted by women in leadership positions. A subsequent session took place in September; and focused on financial education where members shared personal experiences on financial planning.

OWN is strongly anchored on Old Mutual’s Employee Value Proposition (EVP), which allows individuals to conduct conversations on various topics such as career development, financial independence, leadership and culture; amongst others.

Discussions are currently ongoing via the interactive OWN portal on the intranet. Currently this network is mainly accessible to South African members, but plans are underway to make it available to all Old Mutual employees in Africa, Colombia and Mexico.

# EMERGING MARKETS

“We are aware of the need to create economically viable communities and help people find livelihoods and dignity”

Dr Clarence Tshireke,  
Head of the Old Mutual South Africa Foundation



## Responsible to our communities

Across Old Mutual Emerging Markets (OMEM) we understand our role in supporting the communities in which we operate, and we provide investment tailored to local needs. This approach is reflected in our day-to-day operations and in the way we invest our funds. In South Africa and in a number of our African operations, we have Foundations that we set up to strengthen our interface with communities in which we operate. There are also a number of trusts and funds that have been established in South Africa to supply additional funding to community programmes. In our other business units, where a Foundation does not exist, there is a requirement that budget is allocated to support community partnerships. Our work not only supplies direct funding but also giving in kind, and OMEM is especially proud of the support our employees give through volunteering programmes.

### Key achievements in 2013

- Across OMEM, over 12,700 hours of volunteering were completed by our employees
- Our South African Employee Payroll Giving Programme passed a milestone – since 2002, over R10 million has been donated by employees: and this has been matched by the Old Mutual Foundation

- We invested £6.8million in the communities in which we operate across our emerging markets
- Skandia Mexico employees donated supplies to disaster-hit regions of the country following two hurricanes in September

### Highlights

Green Hands Trust, the Community Social Investment arm of Old Mutual Investment Group supported 33 projects throughout the year of which 25 were directly funded by the Trust. This year also saw the continuation of their partnership with Ibbabathane's Primary School Art Programme.

Old Mutual Financial Education contributes towards economic transformation by offering free financial education, and in November invested R1.8 million towards a radio campaign teaching listeners about the importance of wise and responsible festive spending.

The Masisizane Fund is an initiative of Old Mutual established in 2007 following the closure of the Unclaimed Share Schemes Trust and in consultation with the National Treasury of South Africa. Masisizane contributes to employment creation, reduction of inequality, economic growth and attraction of investment to Small, Medium and Micro Enterprise development and promotion of entrepreneurship. In 2013 the Fund invested R28.9m in loans disbursed supporting 124 small businesses.



### CASE STUDY

## Mandela Day

Across OMEM, employees celebrated Mandela Day by volunteering their time to a variety of community projects. In Colombia, our Cultural Centre located in our Bogotá offices hosted an event for families. Over 2,000 children attended and each child was provided with a kit for learning about saving money while growing up.

In South Africa, more than 1,000 employees and members of the OMEM ExCo in Cape Town and Johannesburg celebrated Mandela's Birthday by each donating time to packing over 2,200 comfort packs for charitable organisations. Employees in Swaziland visited a children's hospital to donate toys and food gifts, whilst 250 employees in South Africa signed up to become Payroll Giving Champions.

### Future commitments

In 2014, the Old Mutual South Africa Foundation aims to increase investment in community projects from R85 million to R105 million.

The Foundation also intends to increase the number of employee volunteers – representing at least 35% of Old Mutual South Africa employees.

Across our African businesses, we will continue to support education, and specifically financial education programmes, skills development and environmental projects.

### CASE STUDY

## Long-term education investment

In 2013, the Old Mutual South Africa Foundation launched a flagship education project with an investment of at least R350 million over seven years to 2019. The project seeks to improve the performance of South African secondary schools with a focus on maths, science and English. By June 2013, almost 1,800 teachers, principals and school governing body members had benefited from the initial phase of the project in the Eastern Cape and Free State.



# 365

Olive trees planted by Old Mutual South Africa on Goedgedacht Farm to celebrate their employees' birthdays in 2013. The trees produce olive oil, the sale of which helps support rural African children

“Environmental sustainability is an underlying principle in our decision-making across all aspects of our business”

Chris Davey, National Technical Manager, Old Mutual Property Ltd



## Responsible environmental management

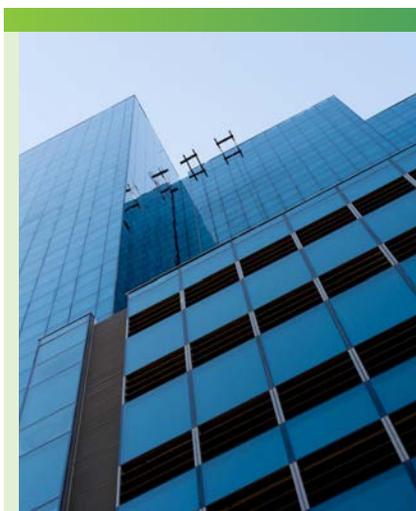
We work hard to reduce our environmental impact by tracking our carbon footprint in our investment properties, as well as our branch office network. Structures for environmental data collection are being rolled out to other parts of the business to improve data collection and reporting.

### Key achievements in 2013

- Maintained our carbon emissions as level with 2012 figures in our employee-occupied properties
- Improved our data collection processes and added an additional requirement of Financial Director approval for non-financial data
- Ran employee awareness campaigns across Africa and Latin America highlighting the changes employees can make at work and home to save resources.

Starlights on the ground floor of Cavendish Square in Cape Town that will be replaced with energy efficient LEDs

1,341



### Highlights

We have continued to improve the efficiency of properties we own whilst educating our employees and customers on the importance of environmental awareness. Our flagship building in South Africa, Mutualpark, has undergone a radical efficiency overhaul and now includes a number of upgraded systems, such as irrigation, air conditioning and lighting. The ongoing retrofitting of office areas with motion sensing and daylight harvesting lighting aims to halve our electricity usage in this area, with plans to install LED alternatives in the future. At Mutualpark, employees are encouraged to bring their domestic waste to the office depot for recycling. In Colombia, Skandia has recently developed their own Ecological Point for improved recycling, which also supports local community projects through using recycled material as payment for medical treatment. Facilities for bicycles used by employees in Colombia have been developed this year with a view to increasing the number of employees who cycle to work, reducing commuting emissions and promoting employee wellbeing.

### Future commitments

Continue to install meters across our branch network to ensure accurate data collection.

Improve internal processes with regards to data collection.

Develop the environmental efficiency of the properties our employees work in, as well as our investments.



### CASE STUDY

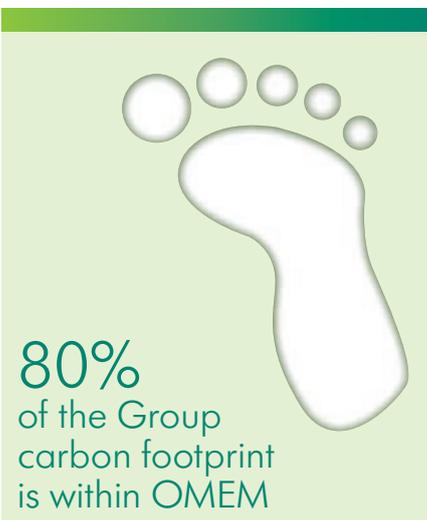
## Organic waste

Following the success of our recycling initiatives across Old Mutual Emerging Markets, we are now focusing on how we process our organic waste. Our primary office in Mexico uses a food crushing technique in their canteen which processes 5 kg of organic waste per day. In September, we installed a worm farm at Mutualpark (pictured) after positive feedback regarding the worm farm installed at one of our investment properties, Cavendish Square. Output from the worm farm at Cavendish Square is used by a local organisation, St Monica's, at the vegetable farm they run to raise funds for their work – as a shelter for indigent older people. Compared to sending waste to landfill, the worm farm at Mutualpark emits almost 92% less carbon per tonne, and at full capacity can process 3,500 kg of waste per month.

### CASE STUDY

## Portside

Old Mutual Property and Eris Property Group are joint development managers for Portside, a development on the Cape Town Foreshore. A key consideration throughout the entire build, design and construction process, has been to ensure that the project successfully incorporates green building principles. Portside (pictured) has been awarded a 5 star GSSA rating for Office Design V1, reflecting the range of initiatives within the construction used to enhance energy efficiency and minimise greenhouse gas emissions.



# NEDBANK

At the heart of Nedbank's strategy is our focus on being great at listening, understanding our client's needs and delivering.



We believe integrated sustainability means bringing together every aspect of who we are, what we do, and how we do it, to deliver lasting benefits for all our stakeholders. Our commitment to sustainability is realised through our passion for being a world-class financial organisation and shows what can be achieved with sustainability at the heart of a business.

We believe organisations can unlock significant long-term mutual benefits by investing innovative thinking, passion and resources into realising their strategic sustainability objectives. For Nedbank Group, we have been refining our ability to adapt and respond to the changing business environment in South Africa for some time. This has culminated in our current integrated sustainability approach and is our way of contributing towards a better future for all people, and the planet on which we live.

As a responsible corporate citizen that recognises the risks our country faces, and the urgency with which we all need to address them, Nedbank Group has accepted and embraced its responsibility to do whatever it can to make a positive impact on the future and make every effort to encourage and enable others within our sphere of influence to do the same.

Our approach is based on:

- Enable sustainability through our products and services
- Leading through collaboration and partnership
- Manage our own impact

## Responsible to our customers

In addition to offering our clients the means and opportunities to achieve their personal or business financial goals, Nedbank Group's banking, lending and investment solutions and services are built on the foundation of responsible financial services. From the incorporation of sustainability considerations into credit assessments, to supporting clients via a balanced and carefully considered approach to their financial needs, we place a priority on ensuring that what we offer helps create a better future for all.

### Key achievements in 2013

- Total Group customer numbers increased by 10% to 6.7m in 2013 (2012: 6.1m)
- Significantly invested in our distribution footprint to be a bank for all, with five net new outlets and 334 ATMs in 2013
- Systems uptime in multiyear highs
- Increased loan payouts to R195bn and assets under management by 26.5% to R190bn.

### Highlights

The launch of our flagship 'Branch of the Future' at Fox Street in Johannesburg's Central Business District in October 2013 represented the pinnacle of our commitment to truly innovative, customer-centred banking that delivers distinctive experiences and a choice of banking channels. The branch offers state-of-the-art technology designed to deliver a unique client experience. Equipped with a variety of experience-focused areas ranging from a self-service zone to a kidzone, an eduzone for client presentations and workshops, the Branch of the Future is fully designed with client needs in mind. Visitors to the branch have access to Wi-Fi internet stations and iPads as well as a unique video banking facility – the first of its kind in South Africa – which allows for a face-to-face engagement with a client service agent.

Our Treating Customers Fairly programme remained a prominent focus for Nedbank during 2013, aligning with our current client-centric ethos and code of conduct. In 2013 we identified opportunities to improve our customer processes to ensure that the fair treatment of customers is top of mind for all employees who deal with our customers on a daily basis.

Nedbank Retail grew its total customers by 529,000, its number of primary customers by more than 9%, and improved the quality of revenue per customer.

### Future commitments

Over the next five years, we will invest R2.1bn to enable 75% of our customers to experience our new Branch of the Future design by 2018.

We will continue our journey of simplified, transparent pricing with zero price increases and structural changes in 2014.



### CASE STUDY

## Making business more mobile with PocketPOS™

In February 2013 Nedbank enhanced its reputation as an innovator in business banking with the launch of PocketPOS™ (pictured).

This is South Africa's first live EMV certified mobile point-of-sale (POS) solution, enabling clients to process debit and credit card transactions anywhere and anytime, using a smartphone connected to a secure card reader. For small businesses and contractors it eliminates the risk of carrying cash, avoids cash deposit fees and, most importantly, improves cashflow by increasing payment success.

By the end of 2013, business clients across South Africa had bought more than 1,200 Nedbank PocketPOS™ units.

“We are committed to the holistic wellbeing of our employees and their continuous personal development – as they grow, so will their contribution to the success of the organisation”

Abe Thebyane, Group Executive Human Resources



## Responsible lending Responsible to our employees

In addition to carefully applied financial and economic considerations, we prioritise social and environmental risk management as a central component of the way we manage our business and work with clients.

In 2013 we made the content of our social and environmental risk policies and management processes freely available to all our stakeholders. To help clients (particularly borrowers) develop their own sustainability policies, we offered them environmental policy frameworks and support from our environmental law specialists. In this way we're not only managing our own risk better, but also actively enhancing our clients' compliance and risk management processes. It is a practical way of protecting business value – for them and us – and maximising our client value proposition.

### Key achievements in 2013

- We financed 15 Equator Principle deals in 2013 to the value of \$965 million
- Between 2009 and 2013 we invested a total of R18bn into targeted investments that include transformational infrastructure financing, Black agriculture finance, Black small and medium enterprise (SME) financing, and affordable housing.

### Highlights

The Nedbank Green Savings Bond is a fixed-term investment offering flexible investment terms ranging from 18 months to five years, a competitive rate and guaranteed returns. More importantly, it allows regular investors to make a tangible contribution to environmental sustainability: invested funds are used to support renewable energy projects in South Africa. In 2013 R2.7billion has been invested in the bond.

We make it possible for our clients to support environmental causes by choosing to use Nedbank Green Affinity banking, investment or insurance products. As they do so, we donate money to the WWF Nedbank Green trust on their behalf at no cost to them. In 2013 Nedbank Green Affinity donations to the WWF Nedbank Green Trust increased by 14% to nearly R14.8m.

Since its inception the Nedbank Green Affinity Programme has raised more than R150m in support of nearly 200 environmental projects across SA. For more information on the WWF Nedbank Green Trust go to [nedbankgreen.co.za](http://nedbankgreen.co.za)

Nedbank takes pride in having a stable employment environment. We recognise South Africa's unstable labour environment and the impact unhappy employees can have on the productivity and sustainability levels of any organisation. For this reason we aim to nurture strong and positive relationships with all our employees. By understanding their daily working experiences and challenges, engaging with them and ensuring a positive and empowering Nedbank culture, we strive to build our organisation into a South African employer of choice and a truly great place to work.

### Key achievements in 2013

- Our Leading for Deep Green Programme, giving managers an opportunity to understand how their leadership behaviours impact their teams, engaged 1,521 managers during 2013
- Employees received an average of 55 hours of training
- Our overall Employee Wellbeing engagement rate was 42%
- Approximately 400 employees attended the Planning for Retirement workshops aimed at preparing them for retirement
- We won BankSETA's Skills@Work Award in the Large Company category.

### Highlights

In 2013 we piloted our Nedbank Leader Manager Academy, which was offered to more than 100 managers. This initiative aims to get leaders and managers thinking differently about their roles so that they, and those they lead, perform better in their current roles while preparing for future roles.

### Future commitments

Maintain our target of 9.2 on the Financial Sector Charter skills targets.

Over 170 Leading for Deep Green workshops are planned with the aim of reaching around 2,500 employees.



### CASE STUDY

## Renewable energy delivery

The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) aims to significantly increase the proportion of South Africa's energy needs that is met from independent, renewable-energy sources. It is a key part of the South African Government's Integrated Resource Plan 2010, as a broader energy supply is crucial to encourage economic growth. Our investment bank has been highly involved in this forward-thinking programme from the start, and has delivered many innovative finance solutions to organisations bidding to become independent power suppliers. In fact, Nedbank has effectively funded and supported projects that will deliver 1,478MW or 38% of the total renewable-energy capacity allocated by REIPPPP since its inception – making Nedbank a key enabler of the country's green future.

# NEDBANK

“We believe wholeheartedly in caring for the communities in which we operate, and expressing that care through action”

Kone Gugushe, Head Nedbank Foundation



## Responsible to our communities

We direct our socio-economic development (SED) into eight interlinked areas, which also help to build our future customer base. These are: education (the knowledge economy), skills development and job creation, health (building healthy communities), community development (mobilising communities), environment (green), sport and arts and culture development, and child welfare and protection.

### Key achievements in 2013

- Corporate Social Investment Leadership Award: Sunday Times Top 100 Companies
- Socially Responsible Bank Award: African Banker Awards
- 2013 Transformation Champion of the Year: Black Business Quarterly Awards.

### Highlights

In 2013 we invested R89 million in socio-economic activities. This supported 585 development projects and initiatives with more than 270,000 beneficiaries.

We engage our clients in our Community Social Investment (CSI) activities through our successful Nedbank Affinity Programme. Through the Affinities we donated to causes and organisations on behalf of clients, and

at no cost to them. In 2013 R28 million was donated across the four affinities (green, children, sport and arts).

Our Caring for Communities programme involves educating learners, teachers and communities on all aspects of sustainable living. Since inception it has involved 3,000 Nedbank staff volunteers, touching the lives of over 6,000 learners and 1,600 adults at over 180 schools. In 2013 some 650 Nedbank volunteers worked on 56 projects including vegetable tunnels and rainwater harvesting tanks at schools around the country.

Nedbank partnered with the Department of Health and Education in North West Province to provide free optometry, dental and basic health services for primary school learners from disadvantaged areas through the Nedbank Mobile Clinic. Made possible by a R3 million CSI investment, the clinic has already brought essential healthcare services to 700 children. In 2014 it will offer similar services in another province.

### Future commitment

We will keep improving our understanding of the impact of our SED and CSI spend, so that we use it effectively to generate a meaningful return on investment for both the bank and the communities it serves.

### CASE STUDY

## Cycling to school project

A total of 400 learners in the Free State recently received bicycles as part of the Nedbank and Transport and Education Authority Cycling to School project in partnership with the Department of Education. Supported by a R500,000 investment from Nedbank, the project enables learners to get to their schools on time. It is a potential solution to the huge amount of travelling time spent by the estimated nine million learners who have to walk to school every day across the country.

Thanks to the bicycle he received, Mthunzi Ntija Ntija, a grade eight learner from Nkarabeng Secondary outside Harrismith, no longer has to wake up at 4.00am to walk 26km to a scholar transport point so that he can get to school every day. With more sleep, he will be able to concentrate better on his studies.



### CASE STUDY

## Nedbank TV show creates soccer stars

The Nedbank Ke Yona soccer team (pictured) have raced from humble beginnings to a national football showcase in South Africa – thanks to a TV reality show

backed by Nedbank. The 23 astonishing football players who made the final cut, hand-picked by a panel of South African soccer legends, challenged 2013 Nedbank Cup champions the Kaizer Chiefs in an exhibition game staged in February 2014. The programme, involving months of training, ran alongside the Nedbank Cup – known as South Africa’s FA Cup. In 2013 the sixth tournament featured 32 Premier League teams alongside teams from lower leagues playing matches spread over three months. In partnership with the Sports Trust, Nedbank pledged R8,000 per goal scored during the tournament, raising R776,000 towards a multi-purpose sports court for Sinamvuva Primary school in KwaZulu Natal. A further R1 million went to provide soccer kits and training to over 120 schools across South Africa.

“By limiting our negative impacts while maximising the positive, we not only play our part in creating a sustainable future but also position ourselves to help others do the same”

Brigitte Burnett, Head Nedbank Group Sustainability



## Responsible environmental management

We have a well established reputation for environmental awareness, investment and action. But while our green credentials evidence our commitment to the environment, we believe that a truly effective approach to environmental sustainability should drive positive social and economic change for South Africa and its people. So we address environmental sustainability collaboratively, ensuring that we remain a competent enabler of green financial and investment opportunities.

### Key achievements in 2013

- Membership of Dow Jones World Sustainability Index, the world’s premier benchmark for corporate sustainability performance. Included for the eighth year (2013: 84%)

- 100% Disclosure Score: South African Carbon Disclosure Project Index – 2013
- Natural Capital Decoupling Leader on the Natural Capital Leaders Index 2013
- In 2013, sustainability assessments of the top 300 Nedbank Group suppliers (representing approximately 85% of total Group spend) showed that 23% now have formal environmental policies in place, while 41% are actively recycling.

### Highlights

Nedbank Group achieved carbon neutral status in 2010 – the first financial services organisation in Africa to do so. Our overall reported greenhouse gas emissions decreased by 2.18% year-on-year in 2013. Carbon emissions per full time employee (FTE) fell by 3.46% to 7.61 tonnes CO<sub>2</sub>e and emissions per m<sup>2</sup> of office space decreased by 2.28% to 0.33 tonnes CO<sub>2</sub>e.



### CASE STUDY

## WWF Water Balance Programme

Access to clean drinking water is not only a basic human right but also essential for economic growth. That’s why Nedbank has invested in the WWF Water Balance Programme (pictured), aimed at clearing alien vegetation from key water catchment areas around South Africa. Since it began in 2011 our R9 million, five-year investment has helped clear 193 hectares of alien vegetation. This has not only released over 400 million litres of water into the country’s ecosystem: but the labour-intensive clearing work has also created nearly 8,000 days’ employment for members of surrounding communities.

### Future commitments

#### Energy

12% reduction by end of 2015, based on 2005 level

#### Water

6% reduction by end of 2016, based on 2011 consumption level

#### Paper

15% reduction based on end of 2013 levels by end of 2020.

#### Waste

10% reduction on end of 2013 levels by the end of 2020

#### Recycling

6% increase in recycling by the end of 2016 based on 2011 levels

#### Carbon emissions (including business travel)

7% reduction based on end of 2013 levels by end of 2020



### CASE STUDY

## Africa’s first 100% renewable energy powered bank branch, Lansdowne Western Cape South Africa

In October 2013 we unveiled Africa’s first banking branch to fully offset its energy use through renewable energy sources (solar and wind, pictured). Its hybrid grid-tied system is capable of supplying the branch’s full annual electricity demand of 70,000 kWh – equivalent to approximately six middle-income South African households. The renewable energy solution will also reduce South Africa’s total carbon emissions by some 71 tonnes of CO<sub>2</sub>e a year.

# PROPERTY & CASUALTY

“As one of the oldest companies in South Africa, we acknowledge our history and celebrate our future”

Basetsana Magano, Executive: Human Resources, Mutual & Federal



Mutual & Federal takes its role as a Responsible Business seriously. We aim to continuously enhance our offerings to customers, promote appropriate and responsible investment opportunities, and develop the talent of our employees.

Alongside this, we support the communities in which we operate and encourage environmental efficiency across our business. We realise we are on a pathway to becoming a truly responsible business, and our aim is to specialise in providing exceptional customer service across all aspects of our business. We see being a responsible business as a strategic differentiator and welcome the positive impact these drivers will have on our business as a whole.

## Responsible to our customers

We strive to create and deliver a positive insurance experience for our customers at every touch point. Our customer philosophy is to ‘own’ the experience that we provide by putting our customers’ needs first, engaging with them and listening to them.

### Key achievements in 2013

- Initiated a Weather Alert service to warn customers by text message of any adverse weather conditions before they happen to help protect what’s most important to them
- Won the Readers Digest Trusted Brands in the short-term insurance industry category
- The expansion of our broker sales platform – mfonline – enabled our customers to be serviced more efficiently.

### Highlight

Shortly after the inaugural Reader’s Digest Most Trusted Brands survey, Mutual & Federal was further recognised in the 2013 South African Customer Satisfaction Index (SAcsi). Our customers rated us 79.8 (out of 100) in this year’s SAcsi – placing us 2.3% ahead of the industry average and number two for overall customer satisfaction in the short-term insurance industry.

### Future commitments

We will continue to build relevant customer segmentation models and articulate our customer value propositions.

We are embedding the Treating Customers Fairly principles and implementing Protection of Personal Information legislation in our business.

## Responsible investment

Recent weather patterns have highlighted the impact that climate change can have on systemic risk in the short-term insurance world. So we are working to gain a greater understanding of these long-term risks and how they should be priced for future sustainability. Gaining a deeper insight will also inform the future design and development of products.

### Key achievements in 2013

- Dedicated people allocated to participate in the Group Responsible investment programme
- Contributed to sustainability in community livestock farming.

### Future commitment

We will continue to incorporate environmental, social and governance risks into our business execution and explore opportunities to include responsible investment expectation into our mandates with Old Mutual Investment Group.



### CASE STUDY

## Weather alerts for customers

South Africa has experienced severe hailstorms in recent times which have resulted in an increase in the number of claims related to hail damage. In order to minimise the potential impact of future hailstorms and adverse weather conditions, we partnered with a weather service provider to introduce

a weather alerts service to our clients. This service, launched in August 2013, not only helps customers protect their assets, but it also reduces the number of weather-related claims we face. When we inform customers of any forecast adverse weather conditions, for example hail, they are able to take preventative action by, for example, parking their vehicles in a safe and secure environment.

“At Mutual & Federal, we are transforming our customers’ experiences by activating and embedding the customer voice into everything that we do”

Nangula Kauluma, Executive: Brand, Customer and Transformation, Mutual & Federal



## Responsible to our employees

We recognise the need to have programmes that attract, retain, develop and engage our employees. This year, we have continued to enhance our training offerings, with the launch of new Learnerships.

### Key achievements in 2013

- Achieved ‘Best Employer to Work For’ in the Credit Research Foundation Survey, for the third year in a row
- Launched a Sales Learnership for Women
- Initiated 20 Learnerships for employees with disabilities.

### Highlights

In our continuous drive to provide an enabling environment, we have focused on specific programmes that will benefit our employees. During 2013, an electronic learning platform was developed to ensure that high quality and easily accessible training is available to all employees. A Broker Academy has also been launched to provide all our Brokers with access to hosted training solutions tailored to their requirements.

### Future commitment

We will be driving a comprehensive transformation strategy and plan for 2014 with the focus being on exceeding all regulatory requirements in the next five years.

## Responsible to our communities

Mutual & Federal aims to make a sustainable difference by forming meaningful partnerships in the fields of education and agricultural socio-economic development through the Mutual & Federal Corporate Social Investment Fund. These initiatives complement our business operations, while simultaneously aligning with our own transformation objectives.

Employees are encouraged to participate in community development activities throughout the year – both in terms of hands-on involvement and identifying desirable projects within their own communities.

### Key achievements in 2013

- Supported the building of a number of livestock dipping tanks in rural communities
- Provided financial support to 41 community initiatives
- Launched the Nakelela Employee Volunteering programme resulting in increased uptake for volunteering opportunities.

### Future commitments

We aim to increase the number of employees participating in our employee volunteering programme by 10% in 2014. We will also develop our processes to better measure the positive impact of our programmes within the communities in which we operate.

## Responsible environmental management

With greater understanding and awareness of environmental changes, we will identify ways in which to adapt to current and changing situations. Key initiatives will be implemented to support our environmental objectives and mitigate the impact of climate change by evaluation and monitoring of natural resources.

### Key achievements in 2013

- Completed energy efficiency audits of a number of our larger buildings
- Continued with renovations to our Head Office to reduce the carbon footprint.

### Highlights

This year, we have worked on improving our methodology for collecting environmental data, enabling us to more effectively monitor our carbon footprint and highlight areas for further focus. We have introduced a shuttle service for employees between our Head Office and local train station to encourage the use of public transport. This initiative supports our ongoing efficiency work at Mutual & Federal Head Office. Resource efficiency and cleaner production assessments of three branches were conducted to determine exactly how much water and electricity is being consumed and waste produced. Advice was given as to how these branches could make reductions.

### Future commitments

We will continue to improve management of data and build awareness among our employees and encourage behaviour change. Next year we will roll out resource efficiency and cleaner production training and branch audits.

### CASE STUDY

## Nakelela Employee Volunteering

In July 2013, we launched a structured employee volunteering campaign, Nakelela, to coincide with Mandela Day activities across the company. This saw employees around South Africa, Namibia and Botswana participating in outreach activities in their own communities. The aim of the project is to increase employee volunteering, and provide opportunities to participate with organisations close to employees’ hearts. An annual Corporate Social Investment week supports and drives this engagement. This programme will help us to reach our goal of increasing the number of employee volunteers by 10% during 2014.

### CASE STUDY

## Resource efficiency in Head Office

Mutual & Federal Head Office has been under renovation since 2012 and the significant changes have resulted in the reduction of energy consumption in the building. Energy efficient air conditioning and lighting were installed in parallel with the introduction of an open plan office layout, maximising the use of natural light. The installation of video conferencing has minimised the need for travel between Head Office and our main sales offices.

# OLD MUTUAL WEALTH

“Being a business that truly puts our customers first is our top priority”

Anthony Scammell, Head of Customer Experience, Old Mutual Wealth



Old Mutual Wealth views Responsible Business as part of our strategic growth plan for the future. We understand that being a Responsible Business goes beyond the regulatory requirements and expectations, and we strive to be recognised for pushing beyond these boundaries.

Our aim is to become known as a Responsible Business across all countries in which we operate, focusing in particular on Responsible investment whilst continuing to excel in treating our customers fairly. We are proud that this is a long-term view and aim to establish appropriate targets to support our plans.

## Responsible to our customers

Our vision is to become our customers' most trusted partner. This is only possible if we truly put customers at the heart of everything we do. The 'C' in our ACT NOW! Behaviour framework stands for Customer First – they are the reason we are here. This is about knowing who the customer is, understanding customer needs, seeking feedback from customers, delivering on our promises, having a future-focus where we anticipate customer needs and ultimately connecting everything we do to our customers.

### Key achievements in 2013

- Old Mutual Wealth's UK Contact Centre named in top 25% in Europe according to The Bright Index
- Shortlisted in the 'Customer Satisfaction Innovation of the Year' category in the UK Customer Satisfaction Awards by the Institute of Customer Service.

### Highlights

This year, Old Mutual Wealth introduced critical illness cover back into the Old Mutual Wealth Protect product. This new product provides cover for 56 conditions, 44 of which are for the full sum assured and 12 where Old Mutual Wealth will make partial payments for less severe conditions. The child cover – included as standard (and optional extras such as 'after-claim' cover) are considered market leading. The new Wealth Select proposition has evolved throughout 2013 as we have tested the proposed features, functionality and literature with customers and advisers. The launch in 2014 will deliver a range of funds and solutions that meets the needs of our target market. Post-launch we will continue to conduct market research, and make subsequent changes if necessary, to ensure the proposition is suitable now and in the future.

### Future commitments

To improve our reputation we need to continue to improve the service we deliver for our customers. To achieve this we have committed to make the following changes:

- Extend opening hours of the Customer Contact Centre from 8am to 9pm, Monday to Friday
- Opening at weekends from Autumn 2014
- Average speed of answer reduced to below 20 seconds per telephone call
- 90% of e-mails into the Customer Contact Centre will be responded to within three and a half hours
- Refresh customer correspondence to ensure the language used is more understandable
- Research will be conducted on our communications to ensure we deliver messages to our customers in a style that meets their needs.



### CASE STUDY

## Innovative customer solutions

This year, the annual Group Customer Conference focused on senior Customer Champions, with each business unit discussing their approaches to customer service. Short sessions on progress and challenges were shared across the Group, with Anthony Scammell, Head of Customer Experience for Old Mutual Wealth, discussing 'Customer CaSanoVas'. This project, launched in 2012, utilises employee champions to deliver a response and resolution time of 24 hours to deal with customer issues. In its first year, the approach had an 83% success rate, and in 2013 was shortlisted under the 'Customer Satisfaction Innovation of the Year' category in the UK Customer Satisfaction Awards by the Institute of Customer Service. The initiative empowers employees who act as CaSanoVas to develop their own approach to dealing with issues.

**Pictured:** Old Mutual Wealth Customer call centre

“We’ve come a long way on our Wealth journey and a critical part of this has been about creating the right culture for delivery”

Tracey Hahn, Human Resources Director, Old Mutual Wealth



## Responsible investment

Old Mutual Wealth acts as a responsible steward of assets on behalf of our policyholders, clients and shareholders. Our listed equity capabilities will maintain publicly available proxy voting policies, vote all proxies in a manner consistent with client guidelines and instructions and local regulatory requirements, and make available our proxy voting records to clients on request. Across the Old Mutual Group we will seek opportunities to work collectively on material environmental, social and governance (ESG) issues where appropriate.

We are mindful of our role within the broader investment community and will seek opportunities to play a leadership role regarding responsible investment (RI) in situations where that is appropriate. For example, this may include working with regulators and industry bodies on RI issues and supporting academic work in the field of RI.

### Key achievements in 2013

- Our new WealthSelect fund range brings together 12 of the highest quality fund groups in the asset management industry all of which are signed up to the UN — supported Principles of Responsible Investment or equivalent
- For WealthSelect we have used a well tested and robust research process to ensure we are selecting funds and managers on merit
- Established the Skandia Investment Oversight Council to provide strong governance of our investment portfolios and WealthSelect fund range.

### Highlights

The delivery of our WealthSelect proposition has been a success. The fund range is a hand-picked collection of the industry’s leading funds, covering a wide range of investors’ needs. It is an elite list of actively managed funds carefully chosen and fully researched by our team. It brings together some of the best known asset management brands across all the major asset classes.

### Future commitments

We plan to build Responsible investment into our brand proposition and ensure a consistent approach to proxy voting. We are also focusing on working towards ESG data availability, and investigating how to build RI into the ‘new funds processes’ for our open architecture platform.

## Responsible to our employees

Employee engagement has been a key priority for the business this year and a fundamental part of its journey. In order to ensure we deliver on our priorities, talent management, development and culture has taken centre stage. ACT NOW! framework has been a constant theme underpinning all activities throughout the year and sends a strong message that the ‘how’ is just as important as the ‘what’ in all we do.

Through our ACT NOW! Behaviours, we will continue to work towards a culture where everyone feels empowered and accountable to make a difference to our business and our results. Whilst our cultural development is ongoing, the business and its employees understand our common goals and are working in partnership to ensure these are delivered for the benefit of all stakeholders.



### CASE STUDY

## Future leaders

### Key achievements in 2013

- Launched the ‘Old Mutual Wealth Manifesto’ internally, clearly articulating our vision and strategy for employees
- Launched the ExCo Express – an employee publication with the latest news and progress, direct from members of the Old Mutual Wealth Executive Committee
- Provided access to on-site health and wellbeing events, promoting healthy lifestyles for employees.

### Highlights

This year, we delivered a programme of employee engagement events led by the Old Mutual Wealth Executive Committee, to help explain our vision and customer strategy, business progress mid-year and ACT NOW! Behaviours. We continued to embed our ACT NOW! Behaviours for employees across the organisation, aided by our ACT NOW! for charity video competition and ACT NOW! events.

### Future commitment

We will continue to run regular events for employees where we utilise individuals from the Leadership team to showcase the alignment between our Executive Committee and Leadership Team.

In 2013, Old Mutual Wealth established a Leadership Programme, in collaboration with Cass Business School. The year-long course consists of four modules, focusing on Strategic Implementation and Culture, Living the Strategy and the Customer Proposition, Authentic Leadership, and Managing Culture and Understanding Change. The programme has been developed with the input of the Old Mutual Wealth executive team including CEO Paul Feeney (pictured), and aims to inspire and develop the new generation of leaders to take the business forward in a sustainable manner. The course focuses on personal as well as professional development, and reflects Old Mutual Wealth’s desire to further develop their existing talent.

# OLD MUTUAL WEALTH

“Forming meaningful community partnerships is only possible with the passion, enthusiasm and support of our people”

Phil Hine, Chair of Old Mutual Wealth UK,  
Community Investment Working Group



## Responsible to our communities

Operating responsibly within the communities we serve goes beyond charitable partnerships and volunteering. We look to develop strategic collaborations with long-term, sustainable benefits, reflecting both the nature of our business and the interests of our people. In the UK, through the Old Mutual UK Foundation, we support our permanent employees with their individual fundraising for charitable organisations by matching up to £3,000 per year and up to £20 per month through Give As You Earn (GAYE). Each UK employee is entitled to one full day per year volunteering, with a number of options available to develop their skills and give back to the communities in which they work or live.

### Highlights

We took part in ‘Go Rhino!’ – a community-based public art event supporting local charities. The 10-week long event, raising awareness of the plight of rhinos, saw 37 individually-decorated rhinos placed around the city of Southampton, including one stationed outside Skandia House.

For the eighth consecutive year we partnered with Southampton Solent University, mentoring final year students in employability skills. Students benefit from having regular sessions with their mentors throughout the academic year. Reflecting the current economic climate, these mentoring opportunities are now proving more popular than ever and mirror Old Mutual Wealth’s interest in investing in local talent.

Over 47% of our employees in the Isle of Man volunteered during 2013, supporting a number of organisations close to their hearts.

Total employee fundraising enabled by Old Mutual Wealth in 2013 (£)

28,373

### Key achievements in 2013

- Transformed Skandia Point into a call centre to receive donations for Comic Relief for the fifth year in a row, taking pledges for over £65,000
- Expanded our partnership with Young Enterprise to cover both Southampton and London offices
- Continued to grow our partnership with SOS Kinderdorf in Germany, which has been established for five years
- Skandia Poland was the primary sponsor of the 70th Tour de Pologne cycle race.

### Future commitments

We will continue to strengthen our existing partnerships focusing on entrepreneurship and respond to the interests of our employees.

We will improve our range of volunteering opportunities for our employees and double the number of employees taking up volunteering during work hours in the UK by 2020.



### CASE STUDY

## Mentoring enterprising students

“This year I volunteered as a Business Adviser as part of the Young Enterprise Company Programme – an organisation that Old Mutual has partnered with for the past five years in the UK. The scheme gives groups of students’ practical experience of the joys and pitfalls of setting up and running a real firm for a year. I felt this opportunity would be the perfect chance for me to impart some of the business knowledge that I have gained over a number of years whilst fulfilling my desire to work within the student development environment.

Supported by Old Mutual through our volunteering programme, I watched them

develop over the course of a year from a group of individuals of varying skills and experiences into a tight-knit team who had trust in each other, and performed beyond even their own expectations. Being a Business Advisor for Young Enterprise has been one of the most rewarding experiences of my life. Interacting with the students, guiding and advising them has helped me to improve my negotiation, team building and project management skills in a practical environment which has been both fulfilling and enjoyable at a personal level.”

**Panch, GHO Employee**

**Pictured:** Panch and his 2013 Young Enterprise Company Programme Team, One Race.

“Old Mutual Wealth continues to be committed to reducing our carbon footprint and actively seeks new initiatives to support this”

Tom Hawkins, Strategy & Research Manager,  
Old Mutual Wealth



## Responsible environmental management

Across Old Mutual Wealth, we continue to introduce new ideas and activities which improve our approach to environmental management. This has included closer relationships with Southampton City Council and their environmental team, smarter travel ideas for our people in conjunction with Sustrans, improved lighting facilities in our buildings and car parking areas and enhanced recycling awareness. Everything we achieve has our working environment and the health of our people in mind, as well as improving our energy efficiency.

### Highlights

Old Mutual Wealth’s relationship with the Southampton City Council’s (SCC) sustainability team has grown over the past two years. At the beginning of 2013, we bought three bikes (one of which is an electric bike), sponsored by the SCC team. These bikes have helped colleagues in Southampton with journeys to and from work as well as travel between our two buildings.

This initiative was followed by the SCC ‘My Journey to Work’ team supporting the production of a ‘Smarter travel’ leaflet, in which we were able to share information and advice with our employees on subjects such as: smarter driving techniques, links to public transport information, the health benefits of active travel by cycle or through walking, use of video conferencing over business travel, and walks, and highlighting our cycling facilities.

In 2013, we also ran responsible business awareness sessions, distributing water-saving devices to our employees for them to use at home.

### Key achievements in 2013

- We reduced total carbon emissions in our Southampton offices by 7% during 2013
- We have introduced LED lighting in a number of areas in our UK offices
- After discussions with our IT team, our stand alone video conferencing system (VPod), situated in the central Atrium area of Skandia House, has the air conditioning turned off for over 12 hours a day, when the pod is not being used for conference calls
- A ‘Smarter travel’ leaflet (supported by Southampton City Council) was produced in August, and was shared with all Southampton employees.

### Future commitments

For our Southampton-based employees, we will be introducing a car sharing scheme, following feedback from responsible business awareness sessions and employee suggestions.

In our German office, 2014 will see the beginning of a new initiative involving employees in recycling, by offering used coffee grounds for gardening.

Old Mutual Wealth is taking the lead in rejuvenating the Southampton City Council’s Biodiversity Working Group.



### CASE STUDY

## Collaborating to achieve ISO14001

During 2012, Old Mutual Wealth’s Facilities Management Team created a partnership with the University of Southampton. The Facilities Management Team hosted over 20 students for site visits and provided them with information about the Southampton offices’ environmental performance as a case study for a pioneering Environmental Management Systems (EMS) module.

Old Mutual Wealth invited the teams to present their work to senior managers in Southampton. Following excellent feedback from Old Mutual Wealth and academics, two students formed their own environmental consultancy – Novus Consulting.

Building on the module, Novus were invited to develop a complete EMS for Old Mutual Wealth in Southampton in 2013. Working with the Southampton Environmental Action Team, Novus is implementing the EMS, improving Old Mutual Wealth’s environmental performance, and raising environmental awareness amongst employees and contractors. Old Mutual Wealth UK, through the Environmental Action Team and Novus, are aiming for ISO14001 certification in 2014.

**Pictured:** Left to right: Matthew Flook, George Crone from Novus Consulting, with Antony Hoyle from Old Mutual Wealth.

# US ASSET MANAGEMENT

“We will continue to refine and advance our approach to Responsible Business as part of our overall business strategy”

Chris Hadley, Executive Vice President – Chief Talent Officer,  
US Asset Management



At US Asset Management (USAM), we focus on, and incorporate, Responsible Business practices in executing each element of our business strategy. We are constantly looking to identify and leverage best industry standards for supporting key areas of our business and generating long-term growth.

We have already integrated responsibility principles into many areas of our work and interactions, with Affiliates, clients, employees, and our communities. We have engaged with our Affiliates on responsible investment, and leveraged our expanding distribution capabilities to identify opportunities to increase commercial interest in environmental, social and governance friendly mandates among institutional investors around the world.

We are committed members of our local and global communities, and seek to broaden our responsibilities to stewardship in these areas. We have also designed and implemented a number of internal practices to promote responsible business and help reduce our carbon footprint.

USAM participated in the 2013 Massachusetts Conference for Women

## Responsible to our customers

Our Affiliates are industry leaders in their respective investment disciplines, and together they offer products across a wide range of investment styles and asset classes. We seek to expand our Affiliates' clientele through our complementary global distribution platform, which focuses on serving clients in channels and jurisdictions that can benefit from scale resources.

### Key achievement in 2013

The majority of USAM Affiliate managed assets outperformed their respective benchmarks on a three- and five-year basis.

### Highlights

In addition to providing excellent client service and positive investment performance, each of our Affiliates has a demonstrated commitment to ensuring that client and regulatory guidelines are met. We supplement our Affiliates' risk and compliance functions with a Centre-led Enterprise Risk Management program that seeks to align company strategy, people, processes and information in order to evaluate opportunities, threats and uncertainties that the enterprise faces as it seeks to create value. We view risk management as a continuous system that is part of the management process, and have created a consistent, holistic programme to identify, assess, communicate and monitor risk throughout our organisation.

### Future commitment

We will continue to support our Affiliates in their efforts to provide superior investment performance in a framework of the highest quality fiduciary standards.

## Responsible investment

We work closely with Affiliates to ensure that client assets are managed in a manner that is consistent with both the terms of the client's contract as well as our Affiliates' advisory duties. We seek to deliver our services in an unbiased way and in a manner that puts the best interests of the client first. Our success is measured through the lens of our clients.

### Key achievement in 2013

We have established protocols for reporting on assets under management based on Responsible investment-driven criteria.

### Highlights

Each of our Affiliates has processes in place to comply with client requests regarding environmental, social and governance friendly investment strategies.



### CASE STUDY

## Responsible investment workshops

During 2013, US Asset Management conducted a number of training and education sessions with our Affiliates on Responsible investment initiatives, led by Jon Duncan from Old Mutual Investment Group (pictured). These sessions included a workshop with a particular focus on the United Nations supported Principles for Responsible Investing, linking to Old Mutual Group activities, who were the main sponsor for this event in 2013. The workshops were attended by a range of individuals from across the US and beyond and reflect the growing interest in the topic from clients and competitors alike.

“Our engagement with communities benefits those in need and brings our employees together to work in support of common causes”

Marin Knight, Chair of US Asset Management’s Charitable Foundation



## Responsible to our employees

We are focused on providing our employees with a holistic approach to wellness programmes and resources. Our employees are our greatest asset and we will continue to evaluate the alignment of our employees’ personal values with our current culture.

### Key achievement in 2013

Invested in our employees through leadership and professional training, with a 78% participation rate.

### Highlight

In addition to programmes at our Head Office, we collaborated with Affiliates to share activities and consult on alternatives that may better fit their respective cultures.

### Future commitment

In 2014, we will continue to develop our wellbeing programme for employees, reflecting their interests and needs.



### CASE STUDY

## Enhanced employee wellbeing scheme

This year, we redeveloped our employee wellness programme, reflecting employee suggestions to cover new topics including nutrition and retirement savings. We have initiated the provision of a telephone wellness coach and next year will introduce medical premium subsidies for employees who participate in pre-defined wellness initiatives. We have also introduced treadmill desks in our Head Office (pictured) that allow employees to exercise whilst working. These treadmill desks can be booked for meetings as well as individual working.

## Responsible to our communities

The mission of US Asset Management’s Charitable Foundation is to support those in need within the communities in which we operate, through both monetary donations and volunteer services.

### Key achievements in 2013

- Hosted three students at our Boston office for summer internships in collaboration with The Posse Foundation
- Supported five charitable organisations through employee volunteering.

### Highlight

During May, 20 employees joined more than 200 leaders in business to take part in the annual spring fundraiser for the Boston-based charity, Rosie’s Place, which raised over \$400,000.

### Future commitment

Our charitable foundation benefits from longstanding partnerships with local non-profit organisations. We continue to build our financial and volunteer opportunities with these organisations and respond to employee feedback and suggestions.

## Responsible environmental management

Last year, we established a ‘Carbon Reduction Task Force’, made up of a cross-functional team with representatives from across our business. The Task Force has now developed a programme for promoting sustainability, and also identified ways for employees to reduce their carbon footprint, both at work and at home.

### Key achievements in 2013

- Facilitated a 20% reduction in physical printers
- Developed partnerships with environmentally friendly suppliers for our office goods
- Reduced our carbon emissions by 12% in our Head office.

### Highlight

In April, the Task Force hosted a Carbon Reduction Week, coinciding with Earth Day. The event raised employee awareness and provided strategies for employees to make a difference in reducing their carbon footprint.

### Future commitment

We will continue to develop our Carbon Reduction Task Force to work towards reducing our carbon footprint.

“Through a balanced approach, we have increased our commitment to sustainability while generating operational efficiency”

Tom McLain, Chief Information Officer



### CASE STUDY

## Supplies for schools

During August, over 30 Old Mutual employees donated their time to the Ready for School programme, run by charity Cradles to Crayons. The programme provides students with a backpack full of new supplies for the coming academic year. The Backpack Drive, comprising over 600 people from local organisations, filled 30,000 backpacks for children aged 8 to 12. Employees personally had the opportunity to deliver the backpacks to students at local schools to see first-hand their positive impact.

# ACCOUNTING PRINCIPLES AND RECOGNITION

## Scope of report

The performance data and examples in this report are from all of Old Mutual's businesses excluding the joint ventures Old Mutual-Guodian and Katak Mahindra Old Mutual where we do not have operational control. Performance data is calculated on an operational control approach. The reporting period for this data is from 1 January 2013 to 31 December 2013.

## Global Reporting Initiative

Old Mutual Group uses the Global Reporting Initiative (GRI) guidelines and framework to inform the way on which it measures and reports its environmental, social and economic performance.

Old Mutual Group has reviewed its 2013 report against the GRI's G4 Reporting Guidelines and has self-declared as an Application Level C. This signifies that Old Mutual has reported in the prescribed areas and on at least 10 performance indicators, including at least one from each of Social, Environmental and Economic. A GRI index (available online) provides an overview of Old Mutual's reporting and provides the location within the report for all G4 disclosures.

## King Report on Corporate Governance

Introduced in South Africa in September 2009 and in force from March 2010, King III has been written in accordance to the comply or explain principle based approach of governance.

To find out how Old Mutual complies with King III please see our reporting website.

## Acknowledgements

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# AFFILIATIONS

The following external guidelines and assessment criteria all closely influence the way in which we conduct our business in a responsible way.



## United Nations Global Compact

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Old Mutual plc joined the UNGC in August 2008 and became a member of the UNGC UK network in March 2009. In 2010 we reported our first Communication on Progress (COP).

Signatory of:



## United Nations-supported Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment (UN PRI) initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Old Mutual plc became a signatory to UN PRI as an asset owner in June 2012; in the same year we completed a group-wide review of our Responsible Investment practices using the UN PRI reporting framework.



## Institute of Directors in Southern Africa

The Institute of Directors in Southern Africa (IoDSA) is a non-profit organisation that is unique in that it represents directors, professionals, business leaders and those charged with governance duties in their individual capacities in southern Africa. IoDSA provides a unique opportunity for networking and business development in all sectors. IoDSA also oversees compliance for the KING III Code and the CRISA Guidelines.



## Code for Responsible Investing in South Africa

The Code for Responsible Investing in South Africa suggests that “where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of this Code and other codes and standards applicable to institutional investors”. This correlates with the UN-supported Principles for Responsible Investment. These principles encourage collaborative engagement to better incorporate environmental, social and governance issues in decision-making and ownership practices.



## FTSE4Good

Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.



## JSE Socially Responsible Investment Index

The JSE's Socially Responsible Investment Index measures participant companies' commitment and performance against a triple bottom line of sustainability in terms of environmental, economic and social impacts. It offers an aspirational sustainability benchmark, recognising those listed companies incorporating sustainability principles into their everyday business practices, and to serve as a tool for investors to assess companies on a broader base.



## CDP

CDP is an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. Old Mutual plc and Nedbank submitted an annual disclosure concerning their carbon emissions and how they are managed.

Old Mutual plc

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