

# Positive Futures Plan 2015

## PARTNERING WITH YOU **TO DO** **GREAT THINGS**



INVESTMENT | SAVINGS | INSURANCE | BANKING



## CONTENTS

01	Our business overview
02	A responsible approach
03	Our Positive Futures Plan
04	The world in which we operate
09	External frameworks
11	The business case for our Positive Futures Plan
13	How we added value across Africa in 2015
14	The positive impact we are making
15	– Financial wellbeing
18	– Responsible investment

# 02



### Q&A with Gail Klintworth

# 17



### Raising the standard

Pupil at Richard Varha Secondary School, South Africa

For definitions of terms used in this report, visit our Glossary



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

## WELCOME TO OUR POSITIVE FUTURES PLAN 2015

**Our purpose is to help our customers thrive by enabling them to achieve their lifetime financial goals, while investing their funds in ways which will create a positive future for them, their families, their communities and the world at large.**

### Our strategy

To execute a managed separation of the Group into four strong standalone entities.

A managed separation of the Group will free the constituent parts into four independent businesses, each having a capital structure and dividend policy suitable for its own strategy that will allow it to access its natural shareholder base.

Following the managed separation, the lead regulator for each business will then be the same as the local regulator.

We will manage the separation of the Group in a manner that aims to enhance value to shareholders over time.

### Our strategic priorities

- Working with our businesses in delivering enhanced performance relative to their peer groups.
- Stewardship of the managed separation process, balancing value, cost, time and risk.
- Fulfilling the Group's ongoing regulatory obligations; and managing the Group's debt obligations, central cost reductions and distributions to shareholders.

### Our values

We are committed to being a responsible business with a view to the long term and will focus on areas where our businesses can make a material impact and create meaningful change. Our businesses will continue to be guided by our strong values: respect, integrity, accountability and pushing beyond boundaries.

# “

**We have made excellent progress on the responsible business agenda. It is now time to boldly move this agenda forward through our Positive Futures Plan**

# ”

**Bruce Hemphill**  
Group Chief Executive



## OUR BUSINESS OVERVIEW

## OUR BUSINESS OVERVIEW

Over 170 years on from our first mutual life insurance company in Cape Town, South Africa, we continue to build on our heritage of trust and accountability; offering financial security in uncertain times and meeting the diverse financial services needs of our customers throughout their lives.



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



**18.9m**  
Customers



**£1,663m**  
Adjusted operating profit  
(pre-tax and NCI)

**Over 170**  
years old

## Our services

- Life assurance
- General insurance
- Protection
- Investments and savings
- Lending
- Asset management
- Health insurance

## Our markets

- South Africa
- UK and Europe
- United States
- Africa (excluding South Africa)
- Asia and Latin America

## OUR FOUR STRONG BUSINESSES

## Old Mutual Emerging Markets

We provide financial solutions to retail and corporate customers across a number of market segments and geographies.

**£43.4bn**  
Funds under management

## Nedbank

We provide a wide range of wholesale and retail banking services and a growing insurance, asset management and wealth offering to individuals and businesses.

**£11.9bn**  
Funds under management

## Old Mutual Wealth (UK)

We provide advice-driven wealth solutions to customers in the UK and a number of cross-border markets.

**£104.4bn**  
Funds under management

## Institutional Asset Management

We provide a diverse range of investment strategies and products, delivered via a multi-boutique model to institutional investors.

**£168.2bn**  
Funds under management

## A RESPONSIBLE APPROACH



**Gail Klintworth**  
Group Customer Director and  
Responsible Business Lead

Read more about  
our approach at:



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

# Q&A with Gail Klintworth

**Q – What does it mean to be a responsible business?**

**A –** It's about working to add value for all of our stakeholders. Banks, insurance companies and investment houses were founded on the power of doing things together: pooling people's money to manage risks and returns better than they could do as individuals. But trust in financial services companies has dwindled as they are perceived to focus on increasing rewards for shareholders and executives at the expense of customers. At Old Mutual we want to live up to our true purpose – helping customers to achieve their financial goals, while investing their funds in ways that create a positive future for them, their families, the community, and the wider world. This in turn will ensure sustainable returns for shareholders too.

**Q – Why focus on financial wellbeing and responsible investment?**

**A –** We want to be a leader in responsible business and we believe financial wellbeing and responsible investment are where we can make a long-term positive difference. Our Positive Futures Plan, developed with the Cambridge Institute of Sustainability Leadership, has ambitious goals to reach millions of individuals through financial

education and inclusion. We've also set targets for investments in the green economy and infrastructure, and transparency around responsible investment.

**Q – Why is a long-term view so important?**

**A –** Financial wellbeing and responsible investment are by nature long-term. Financial wellbeing depends on giving everyone access to financial services that meet their current and future needs, while basic financial literacy is the key to greater independence and achieving their lifetime financial goals.

Responsible investment promotes the sustainability of our planet and its inhabitants. By allocating capital responsibly, we help to maximise opportunities and ensure scarce resources are used effectively. Progressive companies naturally think long-term, embedding environmental and social issues in their strategies. These focus areas will deliver sustainable, long-term value for us and for society.

### OPERATING RESPONSIBLY

**£1.9bn<sup>1</sup>**  
Total tax paid



**£2.6bn<sup>2</sup>**  
Committed investment  
in renewable energy

**+8%**

Annual customer growth  
(18.9m customers)



**£16.7m**  
Invested in our  
communities



**Collaborative approaches to solving global scale issues is critical. In the long term our markets will develop and society will benefit**



**Gail Klintworth**  
Group Customer Director

All figures for the year, as at 31 December 2015.

- 1 Total taxes paid including corporation tax, VAT and tax paid on behalf of all employees
- 2 Committed investment on behalf of our customers through Old Mutual Emerging Markets and Nedbank.

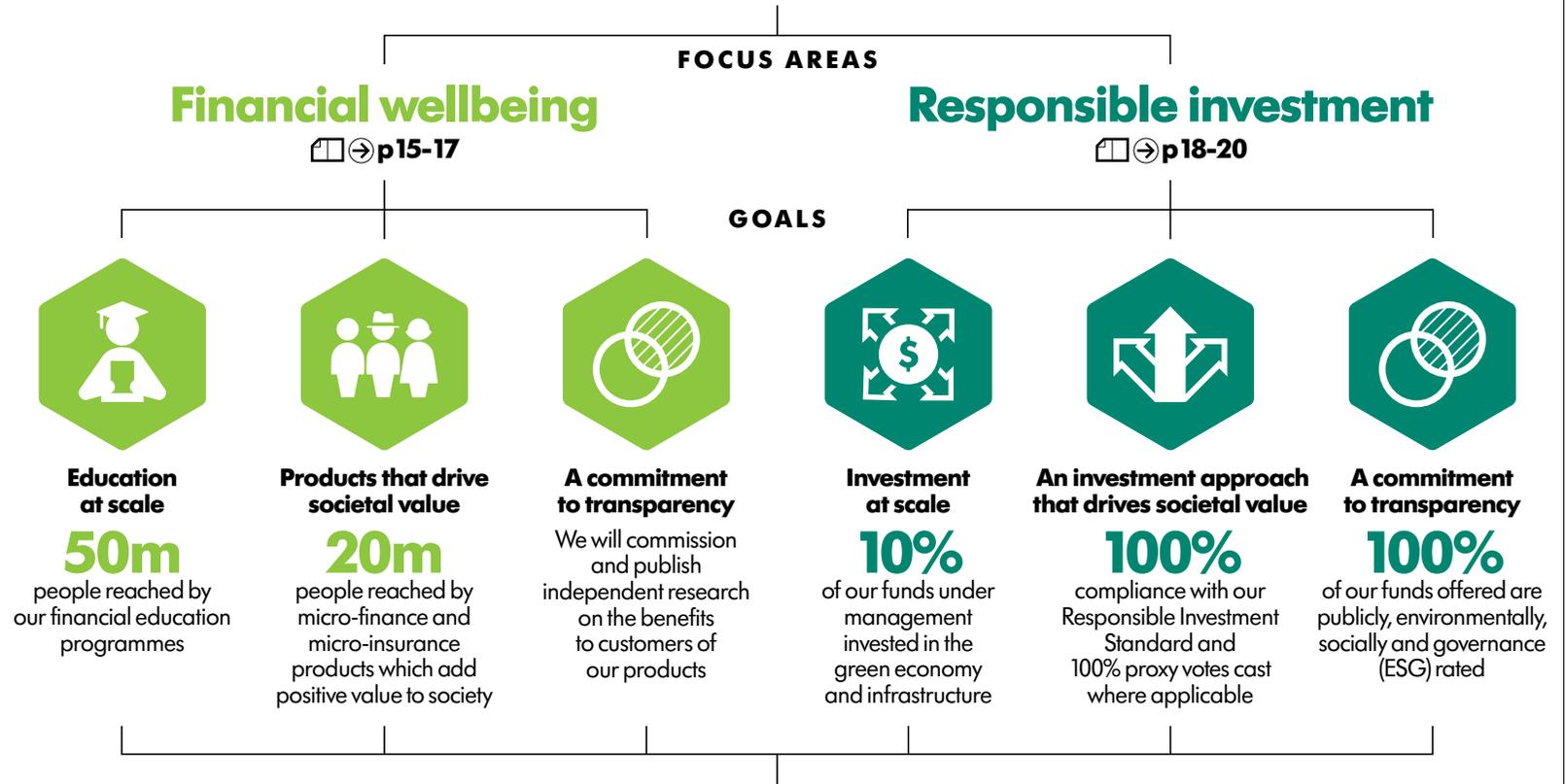
# Our Positive Futures Plan

## A PLAN TO TACKLE THE BIG CHALLENGES

Our purpose is to help our customers thrive by enabling them to achieve their lifetime financial goals, while investing their funds in ways that will create a positive future for them, their families, their communities and the world at large.



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



### OUR 2020 GOALS

While delivering value through projects and partnerships in these areas we must maintain our licence to operate through our strong foundations in treating customers fairly, good governance, our culture, transformation, capital cover and risk management.

## THE WORLD IN WHICH WE OPERATE

With the help of the Cambridge Institute for Sustainability Leadership, we have identified a number of interconnected global trends that will impact the world in which we operate and the future of our business.

Read more about our Group level risks in our Annual Report 2015:

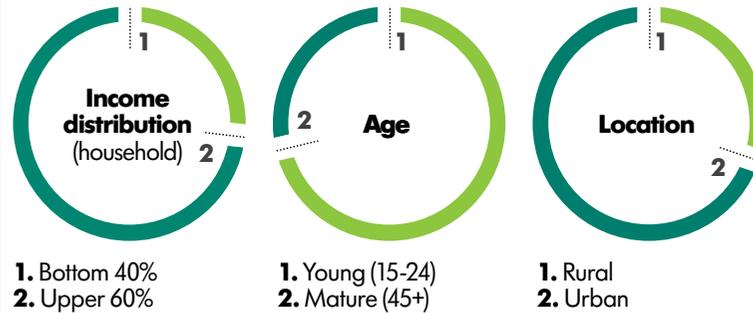


[www.oldmutual.com/reportingcentre](http://www.oldmutual.com/reportingcentre)

## Positive transformation to a digitised economy



### DIGITAL DIVISION IN AFRICA<sup>1</sup> Individuals with internet access



In many countries, technology provides more people with access to products and services which opens up new markets and generates increased economic benefits. However, access to technology may also exacerbate income differences within some countries with those adapting quickly benefiting from technology-driven economic growth.

With increased reliance on technology, there is an increase of cyber risks such as mismanagement of personal data, critical system failures and cyber attacks.

Businesses are responding with resources committed to technology and digital safety for employees and customers.

## Growing population and urban living

There is increased pressure on agricultural production, natural resources, housing and other infrastructure which are struggling to cope with growing populations. More investment and support are needed to provide for an ageing population, particularly regarding health and financial management. A growing middle class, with high consumer demands but low savings and insurance cover highlights the need for long-term financial support.

As infrastructure is being built, there is a profound need for urban solutions that adapt and respond to change; efficient sanitation systems, water delivery, waste management and transportation systems all need to be able to accommodate increasing numbers of people and industry while being resilient to climate change and natural disasters.



Contributing to affordable housing in Karino, South Africa

**x3**

Africa's urban population is expected to triple by 2025<sup>2</sup>

<sup>1</sup> "World Development Report 2016: Digital Dividends" World Bank  
<sup>2</sup> "The Global Risks Report 2016", World Economic Forum.



**Rapid urban growth is having a major impact on ecosystems with consequences for human health and security. Financial service companies can play a critical role, collaborating with others to deliver positive outcomes for society**



**Polly Courtice**

Director, Cambridge Institute for Sustainability Leadership

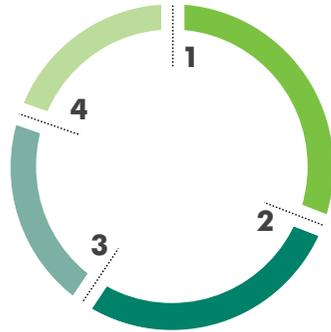




Dry river bed in Kruger National Park, South Africa

# Extreme weather events and changing climate

## GLOBAL RISKS OF HIGHEST CONCERN<sup>1</sup>



1. Water crisis
2. Failure of climate-change mitigation and adaptation
3. Extreme weather events
4. Food crisis

Changes to our climate are leading to increased environmental risks, impacting on food and water security and increasing uncertainty for current and planned infrastructure. In the extreme these changes could lead to ecosystem collapse, the need for large-scale migration and amplify social security problems. Growing competition for resources, particularly water will be exacerbated by climate change.

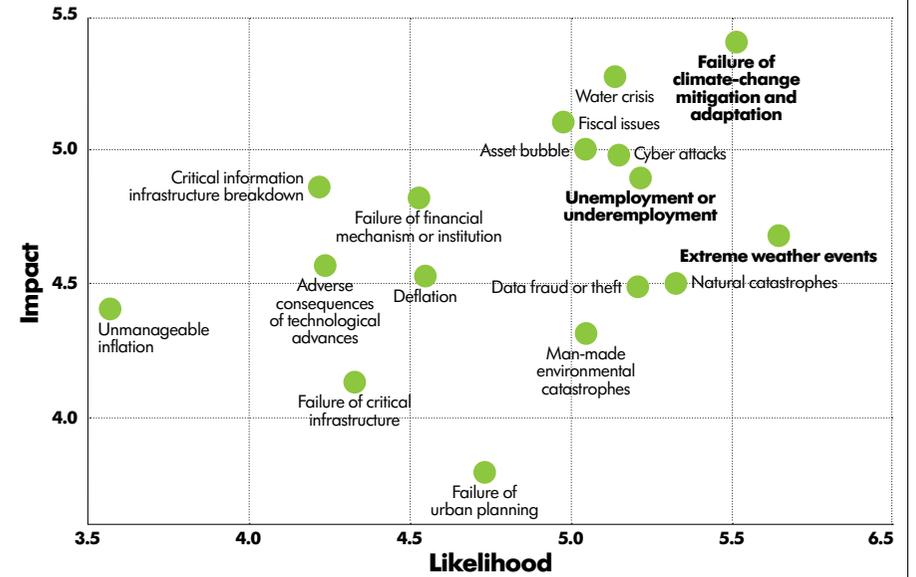
As highlighted in the graphs above, weather events and climate change rank high for World Economic Forum stakeholders.

Read more about the trends we have identified in our Annual Report 2015:



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

## THE GLOBAL RISKS LANDSCAPE<sup>2</sup>



## Youth unemployment

Unemployment affects business in many ways from slowing economic growth to threatening social stability. Unemployment amongst youth is a particular concern, as they leave the education system inadequately skilled or prepared for the demands of current jobs markets. This demographic pressure helps to explain why unemployment in sub-Saharan Africa is considered such high risk and requires business to adapt and diversify.

**11m**

By 2030, South Africa aims to create 11 million new jobs

<sup>1</sup> Risks of highest concern over next ten years as rated by World Economic Forum survey respondents  
<sup>2</sup> "The Global Risks Report 2016", World Economic Forum.

**By 2035, sub-Saharan Africa is projected to have more young people reaching working age than the rest of the world put together**

# What this means for us



**Helen Wilson**  
Group Head of Responsible Business



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

Our Positive Futures Plan is a bold progression for Old Mutual but one that builds on solid and long-standing foundations in our approach to operating a responsible business.

We hope that as the Plan develops and is delivered, that our external stakeholders will also be enthusiastic about the benefits it brings to them and to others.



**We have complete engagement from our leadership, the Plan is embedded in our strategy and it is creating excitement for our employees**



**Helen Wilson**  
Group Head of Responsible Business

We have thoroughly researched and spent significant time to ensure our Plan is aligned to relevant international and national frameworks, addresses the biggest issues in the markets in which we operate and maximises the skills and knowledge of our people. We are also scaling up our current activities by developing existing or creating new partnerships. Instead of delivering lots of small projects across our business, we can now focus our resources and build measurements to help us track where our efforts make the greatest difference.

This all means that we will create long-term benefits which will have lasting positive impact on both our business and society.



**Working in partnerships with others, we are consolidating our efforts to address issues important to our society. Our Plan provides the framework to work together across the Group to achieve the same goals**



**Khanyi Chaba**  
Head of Responsible Business, Old Mutual Emerging Markets



**Patrick O'Sullivan**  
Chairman

Our primary purpose is to enable positive futures. We do this by helping our customers save, invest, lend and protect against risk, and by providing for them in retirement, while responsibly investing the money they entrust to us in the green economy and infrastructure projects.



**Our Positive Futures Plan reinforces our vision to be our customers' most trusted partner**



**Patrick O'Sullivan**  
Chairman

**For each business, there are elements of the Positive Futures Plan which has more resonance based on the markets they serve, the skills of their employees or their own business strategy. Our business leaders are committed to ensuring the continued integration of responsible business activities into their operations and delivering the aims and goals of the Plan.**

Read more about our business units in our Annual Report 2015:



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

# What this means for our four strong business units



**Bruce Hemphill**  
Group Chief Executive

Old Mutual is proud to be involved in the communities we serve – an ethos which is a cornerstone in each of our businesses. In particular, we have a very special relationship with South Africa and the African continent. We remain committed to being proactive in our contribution to society, including the growth of jobs, housing and income.

Our Positive Futures Plan has the commitment from all our business leaders because it consolidates the great work our business units are doing in financial wellbeing and responsible investment, and unites us in our long-term view of creating positive futures for all.



**Ralph Mupita**  
Chief Executive Officer, Old Mutual Emerging Markets

## **Old Mutual Emerging Markets (OMEM)**

As a proud African business we recognise that we have a significant role, partnering with others, to support prosperous societies with positive futures. Our business decisions take full account of the social and environmental challenges facing our markets.

As part of my commitment to integrate the Plan across OMEM, we will scale-up our involvement in financial education and enhance current programmes; in recognition of the high levels of indebtedness and financial constraints that our customers face.

As such, we will help build their financial wellbeing and long-term prosperity, while at the same time, responsibly invest their funds in ways that will contribute to the socio-economic development of Africa.



**The Group's new strategy will seek to unlock and create significant long-term value**



**Bruce Hemphill**  
Group Chief Executive

## What this means for our four strong business units



**Mike Brown**  
Chief Executive Officer, Nedbank

### **Nedbank**

To be a sustainable business, I recognise that Nedbank needs to operate within the confines of environmental limits while meeting social needs. Our eight Long-term Goals guide our strategy in this regard and will result in us being a more resilient bank that delivers value to our stakeholders. Our strong legacy position as a green and caring bank means we are uniquely placed to develop differentiated commercial offerings that shape the macro environment and deliver a better future for all. Fair Share 2030 and our approach to integrating sustainability into our strategy align to the aims of the Positive Futures Plan.

### **Old Mutual Wealth (UK)**

When customers trust us with their savings we have a duty to invest responsibly on their behalf. That means we think about risk in broad terms and use our position as a shareholder to hold companies to account, promoting strong corporate governance and sustainable business models. This is one element of my commitment to the Positive Futures Plan alongside further embedding responsible business practices across our business.



**Paul Feeney**  
Chief Executive Officer, Old Mutual Wealth



**Peter Bain**  
Chief Executive Officer, Institutional Asset Management

### **Institutional Asset Management**

We will continue to build on our strong foundation of ethical values, treating clients fairly and good governance that is so critical to our custodianship of our clients' money. In 2015, our Affiliates devoted a good deal of attention, appropriately, to the topic of responsible investing and studying ways in which each might add value to its clients within the framework of its investment discipline and client mandates.

## EXTERNAL FRAMEWORKS

We are mindful of operating within international and local frameworks and following internationally recognised standards to ensure we are contributing to coordinated efforts to address the world's biggest social, economic and environmental issues.

Read more about our partnerships at:



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

## 1 Sustainable Development Goals (SDGs)

We view the SDGs as an opportunity for us to collaborate with others in order to scale up and innovate around existing initiatives that contribute to progress towards achieving the goals. Over the coming year, we will continue to explore the best way we can align our Plan with specific goals and demonstrate Old Mutual's active commitment to the sustainable development agenda of ending poverty, protecting the planet and ensuring prosperity for all.

“We are supporting our corporate partners, including Old Mutual to turn businesses into positive transformative forces



**Steve Kenzie**  
Executive Director,  
UN Global Compact Network UK

## THE SUSTAINABLE DEVELOPMENT GOALS

Across the Group our businesses are delivering projects that support seven of the SDGs. These are Goals **4, 7, 8, 9, 10, 13** and **17**.



<https://sustainabledevelopment.un.org/sdgs>

“Responsible businesses have enormous power to create decent jobs, open access to education and unlock energy solutions



**Ban Ki-moon**  
Secretary-General of the United Nations

EXTERNAL  
FRAMEWORKS  
CONTINUED



**Old Mutual’s commitment to the PRI’s six principles underscores how seriously they take sustainability issues. They have the vision to understand that considering ESG factors can lead to identifying new opportunities, better management of risk and enhanced returns for shareholders**



**Fiona Reynolds**  
Managing Director, Principles for Responsible Investment

# 2

## United Nations Global Compact

Since 2010, we have reported our progress in aligning our strategies and operations with the 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. We view these as foundations to our approach to responsible business and continue to develop the approach as national legislations change and we increase transparency in our activities.

# 3

## United Nations-supported Principles for Responsible Investment (PRI)

In 2012, Old Mutual became a signatory to the PRI as an asset owner. In the same year, we completed a review of our responsible investment practices using the reporting framework. We continue to report our progress using the this framework on an annual basis as we believe transparency demonstrates our commitment to good governance and to responding appropriately to social and environmental issues.

# 4

## South African National Development Plan (NDP) 2030

The South African Government has set ambitious goals for poverty reduction, economic growth, economic transformation and job creation.

Through our focus areas of financial education and responsible investment in the green economy and socio-economic infrastructure, we are aligned with the NDP; and committed to working with others in civil society and across the private and public sector to building a prosperous and equitable South Africa.

## Our affiliations and partnerships

We collaborate with a number of partners to help us deliver programmes, rate our performance and identify opportunities. In addition to reporting the impact of our Plan, we will continue to disclose our progress in responsible business and be benchmarked through a range of guidelines and ratings which have long positively influenced the way we conduct our business. Highlighted below are some of our key affiliations.



Read more about our partnerships at:



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

**Long-term growth and investment requires a shared vision, trust and cooperation between business, labour and government<sup>2</sup>**

<sup>1</sup> FTSE/JSE Responsible Investment Index in October 2015  
<sup>2</sup> "Our future – make it work. National Development Plan 2030 Executive Summary." National Planning Commission.



**Given Old Mutual’s longstanding excellence in the JSE SRI Index, we look forward to seeing how the Plan enhances their performance in social and economic management**



**Corli le Roux**  
Head of Sustainability, Johannesburg Stock Exchange (JSE)

## THE BUSINESS CASE FOR OUR POSITIVE FUTURES PLAN

**We have built a strong case for our Plan; we are clear that we can capitalise the business opportunities it offers to ensure outcomes which will create sustainable benefit for our stakeholders while creating competitive advantage for Old Mutual.**

Read more about our Positive Futures Plan at:



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

### Creating a positive difference

By focusing on financial wellbeing and responsible investment, we are addressing the areas where our business can specifically make a positive difference as well as create strategic commercial gains.

### Building trust with our customers

We will drive growth in our business by continuing to build trust with our customers. We believe one of the ways we can do this is to help our customers increase their financial literacy through financial education. By providing this alongside our services and products, we are helping customers to make informed decisions for their short- and long-term financial wellbeing.

We believe we will also be in a leading position to attract new customers as trust in financial services begins to be rebuilt. With large numbers of people currently excluded from financial services, we have an opportunity to increase our share of the market by becoming the most trusted provider of financial education and helping people to change their financial behaviour for the better. With improved insight into the future challenges of society, we will develop and offer more and different products to meet people's changing financial needs.



**As well as managing risk created by changes to the environment, we see opportunities to develop solutions that benefit the environment, our clients and our bank**



**Mike Brown**  
Chief Executive Officer, Nedbank

### Driving growth in the low carbon economy

Research demonstrates that over the coming years as our environmental and societal needs change, there will be increased lending opportunities in the green economy and socio-economic infrastructure. We are placing Old Mutual and our customers in a position to benefit from a share in this growth by focusing on these areas and incorporating environmental, social and governance (ESG) issues into our investment and ownership decision-making.

# 82%

of retirement savers say responsible investment principles are important when investing retirement money



**Participated in OMEM's financial education programmes in 2015**



**We have harnessed our investment skills to invest Group and customer capital which deliver attractive returns while empowering communities**



**Ralph Mupita**  
Chief Executive Officer, Old Mutual Emerging Markets

THE BUSINESS CASE  
FOR **OUR POSITIVE  
FUTURES PLAN**  
CONTINUED

**Working with others and creating powerful partnerships leads to shared and reduced risk. Our chosen partners can share with us their experiences, knowledge, skills and understanding of international and local challenges to help us all scale-up and deliver on our commitments.**

Read more about how we manage risk at:



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

**Managing risk**

With a long-term view of the challenges facing the world in which we operate, and a commitment to tackle the big issues relevant to our business and stakeholders, we are ensuring that Old Mutual is prepared to respond to change. For example, the changing economic value placed on resources that for so long have been considered abundant in supply may create risk for some business models. By building our awareness of external changes, we can take longer-term business shaping decisions, reduce risk and maximise opportunities in such developments as carbon pricing and valuing water.

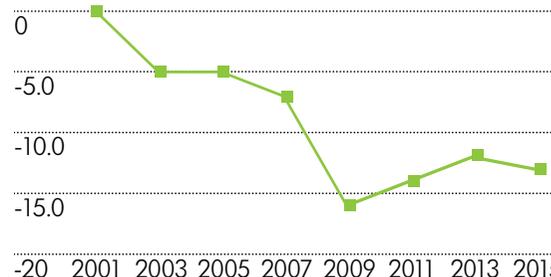


**Building reputation**

With strong leadership for our Plan and through engagement with our employees, we can continue to build on our solid reputation. Our bold approach adds additional purpose to our employees in their daily activities and long-term plans with Old Mutual, and helps differentiate our proposition to attract talented individuals.

We have an exciting opportunity to move Old Mutual into a strategic position in our sector and to positively respond to the changes we all see around us. We are clear that if we do this, it will create business benefits that will help us continue our long heritage while helping our customers to thrive by enabling them to achieve lifetime financial goals. By investing funds in ways which help secure a positive future for our customers, their families, their communities and the world at large, we are contributing to a more positive future for us all.

**Decline in global reputation of financial services<sup>1</sup>**



<sup>1</sup> GlobeScan Radar Study 2015, covering 19 countries, valuing the reputation of financial services

**-13**  
Net trust in the banking and financial industry<sup>2</sup>

**US\$1 trillion of additional investment in new green infrastructure in energy, transport, buildings and industry is estimated to be needed annually to 2030**

World Economic Forum

<sup>2</sup> GlobeScan Radar Study 2014 of 20,000 citizens across 20+ countries; those who trust minus those who distrust.



**Our global research highlights that the finance industry needs to address public concerns about ethical behaviour by becoming more transparent. This is the only way the sector can rebuild trust and reputation among its stakeholders**



**Chris Coulter**  
co-CEO, GlobeScan



# SOME OF THE WAYS WE ADDED VALUE ACROSS AFRICA IN 2015

## INVESTING IN INFRASTRUCTURE<sup>1</sup>

**Affordable  
housing**  
R10.2bn<sup>2</sup>

**Other  
infrastructure**  
R57bn

**Renewable  
energy**  
R60.5bn<sup>3</sup>

## DEVELOPING COMMUNITIES

**Broad-Based  
Black Economic  
Empowerment  
ownership**  
R16.1bn<sup>4</sup>

**Community  
investment**  
R175m

**Education  
funding**  
R116m



All figures refer to Nedbank and Old Mutual Emerging Markets as at December 2015. All figures quoted in South African Rand.

<sup>1</sup> Invested by Old Mutual as custodians of our customers' money

<sup>2</sup> Invested by the end of 2015

<sup>3</sup> Committed investment

<sup>4</sup> Net value created from Black Economic Empowerment transactions between 2005 and 2015.

“

**We are proud of our heritage in Africa and the  
positive impact we have on the lives of our customers,  
their families and wider communities**

”

**Bruce Hemphill**  
Group Chief Executive

## THE POSITIVE IMPACT WE ARE MAKING

**Over the year we have been developing our Positive Futures Plan. We have conducted research, asked our stakeholders what they expect from Old Mutual beyond our core business, and given much consideration to how we want to create lasting, positive impact.**

Read more detail on the stories featured and others at:



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

# Highlights from the year

### The impact we have made to date

The Plan is already embedding into the business. Since its launch in August 2015, we have grown strong partnerships to drive it forward and implemented key initiatives. The case studies that follow demonstrate the tangible positive impacts that we have made to date.

### Going forward

We will continue to strengthen partnerships and initiatives where we make positive impacts. For example, with Opportunity International we are testing education tools for customer use and digitising our financial education programmes.

With the World Business Council for Sustainable Development and the Investment Leaders Group, we are working on a number of projects including sustainable agriculture, the true value of reporting and embedding environmental, social and governance practices and to help grow our share of investment opportunities in a low carbon economy.

We are establishing a common approach to measure the impact of our Plan – to help us report progress against our six goals. Our aim is to report not just what Old Mutual has delivered but what the effect is for our business and the long-term benefit to society.

### THE DIFFERENCE OUR PLAN WILL MAKE



Delivering innovative products and services to meet the changing needs of society and to give more people access to a range of financial services.



Providing financial education to equip people with the tools to make sound financial decisions and plan for their financial wellbeing in the future.



Being held to account by stakeholders, who will be able to review progress against our goals, as we commit to being transparent about the Plan's progress.



Investing in renewable energy to support the transition to a mixed-energy, resource-efficient and socially inclusive economy.



**We have established solid foundations in the core principles of responsible business, from environmental management of our buildings to employee wellbeing. We are now looking broader to help address social and environmental issues which affect wider society**



**Helen Wilson**

Group Head of Responsible Business

## FINANCIAL WELLBEING

**Financial education is the gateway to financial inclusion. We are enabling growing numbers of people to make informed decisions when using financial services.**

Read more detail on the stories featured and others at:



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

# Financial education

### Why it matters

There are 350 million adults in sub-Saharan Africa. More than half have no ready access to financial services, and financial knowledge could be improved across all our markets.

### Earning trust

We are working to ensure that our 64,000 employees and 18.9 million customers have access to the best financial education available and feel equipped to make responsible and appropriate financial decisions that will help them prosper. By 2020, we want to bring meaningful financial education to 50 million people.

One of the ways of achieving this goal is by building accessible education into every point of customer contact to help them make informed financial decisions.

### These are our future markets

We are committing substantial resources to this. We aim to be seen as the most trusted provider of financial education, wherever we operate – particularly in our African markets where the need is greatest. These large, mostly financially excluded markets have future potential for business growth.

# 350m

Adults in sub-Saharan Africa

 Samrit Academy, Ghana

### Financial solutions for schools

Working in partnership with Opportunity International, we are helping to increase access to capacity building loans and training for Kenya's growing number of low-cost schools. Operating through our Faulu Microfinance Bank, the product will fuel the growth of Kenya's schooling market. Through the partnership, over 900 schools will access loans resulting in improved access to quality education for over 400,000 children.



[www.opportunity.org.uk](http://www.opportunity.org.uk)



A school receiving financial solutions from Opportunity International

 London, UK

### Ready for the future?

The UK has a savings gap: people are not saving enough to secure their future. Research we commissioned found that people are overwhelmingly short-term in their views. The main purpose of wealth, people said, is to support family and pursue opportunities, experiences and interests. So through our financial education and advice service, we are now encouraging people to give more thought to what they will need in later life.



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



Jane Goodland, Responsible Business Director, Old Mutual Wealth

# 50m

People we aim to reach through financial education by 2020



 Kitale, Kenya

### Protecting vulnerable societies

For many of the people who most need insurance protection, it is simply unavailable. As one of eight founding partners of Blue Marble Microinsurance, we want to change that by collaborating with others to give vulnerable societies access to insurance. In Kenya we protect farmers from the impact of adverse weather conditions such as drought and excess rainfall. Through our Blue Marble partnership we will extend our reach to other parts of Africa.



<https://bluemarblemicro.com>

Smallholder farmer in Kenya

# Financial inclusion

## Why it matters

Education is only part of the solution. People also need access to suitable products.

## New ways to meet financial needs

The South African Government has been encouraging new approaches that bring financial services to underserved communities. In response we have launched Imbizos which are community-based providers of financial services offering Nedbank, Mutual & Federal and Old Mutual products in mostly rural and financially excluded areas. They have helped us develop new products to meet the needs of rural communities, such as affordable livestock insurance. Acquisitions such as Faulu in Kenya have strengthened our ability to offer innovative micro-finance solutions.

## Partnering to drive change

In Africa, we are seeking partnerships with non-governmental organisations (NGOs) who have existing inclusion solutions that we can help to scale-up. In the UK, we are working with partners to better understand our customers' financial needs and earn their trust.

Technology offers exciting new opportunities. Through partnerships with mobile operators and technology companies we aim to improve access to both products and financial education.

Read more about our Imbizos at:



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

# 50%

of people are excluded from financial services in many of our markets

# Raising the standard

“

**In 2013 there were only 787 pupils, now there are 1,161 at the school. This shows us the impact the school is having and that the community is noticing what's happening. They are saying to us 'we want our children at your school'**

”

**Mr Adonis**

Acting Principal, Richard Varha  
Secondary School



Pupil at Richard Varha Secondary School, South Africa

 **King Williams Town, South Africa**

## Raising the standard

In 2013, we challenged ourselves: could we significantly improve the Grade 12 maths and science results in South African public schools? Not just for a privileged few, but for 250 schools across 10 school circuits. We are working with Government officials and education trade unions, harnessing our collective capabilities to reach 250,000 learners over seven years.

 [www.dogreatthings.co.za](http://www.dogreatthings.co.za)

## RESPONSIBLE INVESTMENT

**Our responsible investment initiative is a game changer – in our contribution to sustainability, and in shaking up the competitive landscape across all our markets.**

Read more about our approach to responsible investment:



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

# Investing in the green economy and infrastructure

## Why it matters

Addressing environmental, social and governance factors in our investment and ownership decisions makes good business sense. This long-term approach adds value to all our stakeholders and means that the investment decisions we make today take into account the wellbeing of future generations.

## Funding a greener future

We have funds that are specifically focused on infrastructure, renewable energy and housing. By the end of 2015 we had invested R10.2 billion\* in affordable housing projects. A further R57 billion\* was invested in other infrastructure projects including schools and sustainable agriculture. Through Old Mutual Investment Group and Nedbank, we are a leading participant in the South African Government's renewable energy programme. This will help the country's transition to a mixed-energy, resource-efficient and socially inclusive economy.

\* Old Mutual Emerging Markets and Nedbank.



 Cape Town, South Africa

## Generating energy and jobs

By the end of 2015, we had committed R60.5 billion of our customers' money in renewable energy projects, which also aim to drive job creation and enterprise development in surrounding communities. One such project is the 66 megawatt Hopefield Windfarm, developed by Old Mutual Alternative Investments through its 'IDEAS' and 'AIM' suite of funds.



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

Left: Doug Thompson, Head of Investor Relations, Old Mutual Alternative Investments. Right: Patrick O'Sullivan, Chairman

# Embedding responsible investment

## Getting it right

To support our drive for best practice in responsible investment, we constantly monitor our compliance with our Responsible Investment Standard. We aim to be active and engaged investors: our South African asset manager has met our target of casting 100% of proxy votes, and we are making good progress across the rest of the Group. A proxy vote is where we vote on a company resolution at the Annual General Meeting (AGM) on behalf of the people who have delegated that responsibility to us.

## Making it transparent

We want to make it easy for customers to know where their savings are being invested. We are currently working with key stakeholders on how best to use the industry's emerging system of fund ratings for responsible investment.

## Spreading the word

We actively contribute to the debate on responsible investment through our involvement in initiatives such as the UK Sustainable Investment Forum and the Code for Responsible Investment in South Africa. We have played an active part in the drafting of South Africa's King IV Code on Corporate Governance, and have supported the development of the Africa Directors Programme in conjunction with the University of Stellenbosch Business School and INSEAD.

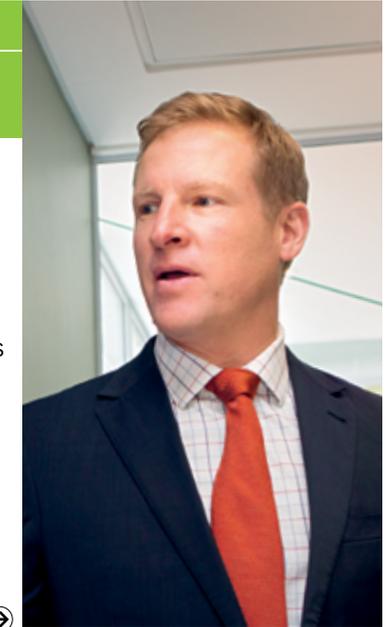
📍 London, United Kingdom

## Collaborating to invest responsibly

We can build a better business faster if we work together. When we bring together skillsets, insights and experiences from our different businesses, we create greater impact. This is already delivering results in our drive to be a leader in responsible investment. Our Responsible Investment team, based in Old Mutual Investment Group, partners with teams across the Group – and organisations such as the Principles for Responsible Investment (PRI) initiative and the Investment Leaders Group – to embed our responsible investment approach across our international businesses. Responsible investment stakeholders convened to exchange ideas and network at the 2015 PRI in Person conference, where Old Mutual was a gold sponsor.



[www.oldmutual.com/rb/responsibleinvestment](http://www.oldmutual.com/rb/responsibleinvestment) Jon Duncan, Head of Responsible Investment



“  
**It was fantastic for Old Mutual to be supporting the PRI for the third year in a row. The event continues to provide the best annual opportunity to listen to and engage with thought leaders on material and emerging ESG issues**

”  
**Jon Duncan**  
Head of Responsible Investment, Old Mutual

# 79%

of Group proxy votes cast in 2015



**📍 Cape Town, South Africa**  
**Building for the future**

By the end of 2015, Old Mutual had invested R10.2 billion in affordable housing projects. Our Housing Impact Fund South Africa (HIFSA) aims to address the housing backlog in the affordable income segment of the market. The fund finances the construction of homes for sale and rent that are affordable to the lower to middle income markets. During the year, Nedbank also facilitated the provision of over 4,000 new homes. This includes their agreement with the Green Fund – delivering funding for 400 affordable energy and water efficient houses in South Africa.

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

Lukhlo Mlisana and Mike Mannix, Investment Professionals, Old Mutual Development Impact Funds. Construction of Buh-Rein Estate

# Affordable Housing

“

**Green affordable housing integrates social and environmental sustainability imperatives providing access to better quality homes with lower running costs for lower middle income groups**

”

**Manie Annandale**  
Head of Affordable Housing Development Finance,  
Nedbank

**You can read more about Old Mutual's positive impact at  
[www.oldmutual.com/reportingcentre](http://www.oldmutual.com/reportingcentre)**

- Our Annual Report & Accounts 2015
- Adding value to Africa Report 2015
- Nedbank Group Sustainability Review 2015

**Old Mutual plc**

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**[www.oldmutual.com](http://www.oldmutual.com)****Cover images**

Smallholder farmer in Kenya

Principal at Maloney's Eye Primary School, South Africa

Pupil at Richard Varha Secondary School, South Africa

Doug Thompson, Head of Investor Relations,  
Old Mutual Alternative Investments. Patrick O'Sullivan, Chairman

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