

# OLD MUTUAL INVESTMENT GROUP

## CRISA DISCLOSURE

AUGUST 2014



DO GREAT THINGS



**OLD MUTUAL**  
INVESTMENT GROUP

This report provides disclosure on the Old Mutual Investment Group's application of the Code for Responsible Investing in South Africa (CRISA) for the period 1 January 2013 to 31 December 2013. In line with the requirements of CRISA, the scope is limited to the investment and ownership activities of Old Mutual Investment Group's listed-equity investment capabilities.

For details of our full Responsible Investment Programme across all asset classes, please refer to the responsible investment section in the Old Mutual Investment Group website, [www.oldmutualinvest.com](http://www.oldmutualinvest.com), as well as the Old Mutual Plc Annual report, available at [www.oldmutual.com](http://www.oldmutual.com).

Our disclosure is structured to address the following three key elements of CRISA:

- disclosure of responsible investment policies;
- disclosure of responsible ownership practices; and
- comprehensive disclosure of our implementation of CRISA's five key principles.

Additionally, we provide feedback on progress related to the targets we set in 2013 and set out our future goals.

## RESPONSIBLE INVESTMENT POLICIES

Old Mutual Investment Group's responsible investment activities are guided by a suite of policies and guidelines that are publically available in the responsible investment section on [www.oldmutualinvest.com](http://www.oldmutualinvest.com), namely:

- Responsible Investment Guidelines
- Responsible Ownership Guidelines
- Listed-Equity Proxy Voting Policy
- Conflict of Interest Management Policy

Our guidelines and policies are living documents, and are reviewed and updated annually or as required. Based on reviews undertaken during 2013, both our Responsible Investment Guidelines and Listed-Equity Proxy Voting Policy have been updated.

## RESPONSIBLE OWNERSHIP PRACTICES

Old Mutual Investment Group's responsible ownership practices are guided by our Responsible Ownership Guidelines and our Listed-Equity Proxy Voting Policy. Our approach to responsible ownership for the period under review comprises the following key elements:

- a publically available proxy voting policy;
- voting of proxies;
- disclosure of proxy vote results directly to the public;
- engagement with company management on a range of issues including issues of an ESG nature; and
- collaboration on governance and industry related issues.

The Old Mutual Investment Group's approach to engagement is detailed in our Responsible Ownership Guidelines. A defining feature of our approach is to engage constructively with company Boards and management in a non-public manner in order to achieve positive change.

## CRISA IMPLEMENTATION

Old Mutual Investment Group gives effect to its responsible investment commitments through its formally constituted Responsible Investment Committee (RIC). The RIC is chaired by the Group CEO, with representation from our business units and investment capabilities. Coordination of our Responsible Investment Programme is undertaken by our Sustainability Research and Engagement Unit, which comprises three full-time staff. The RIC meets quarterly and takes accountability for driving the Group Responsible Investment Programme.

Details concerning our approach to giving effect to each of CRISA's principles are set out below:

### Principle 1: ESG Incorporation

Old Mutual Investment Group's approach to the incorporation of ESG factors is built on an understanding of the potential for these issues to influence long-term business performance.

Each boutique has the freedom to apply its understanding of ESG risks and opportunities in a manner that is consistent with its investment process and philosophy. For example, while our index tracker boutique, OMGX, philosophically upholds ESG principles and supports them where possible, they manage funds to client-specified mandates or that are defined by the indices that they track. However, our more traditional equity boutiques may apply their understanding of ESG issues in a more fundamental manner.

Our Sustainability Research and Engagement Unit is the focal point for ESG research, and sources ESG ratings, data and thematic research from a range of third party providers, brokers, NGO's and think tanks.

We made the following progress on our ESG integration goals for 2013:

- We collaborated with our individual boutiques to map out their unique approach to responsible investment and ESG integration, which is now disclosed on each of the boutiques websites.
- We worked with our listed-equity research teams to test an approach to enhance the provision of ESG data and research in a manner that is aligned with the relevant investment process.
- We engaged with the South African broker community regarding the delivery of ESG research.

We will continue to build on our understanding of material ESG factors in 2014, with a focus on leveraging this knowledge into our company engagements and proxy voting. Our focus will be on governance practices at a company level, with sector-level focus on select environmental and social issues.

## Principle 2: Responsible Ownership

Old Mutual Investment Group's approach to implementation of responsible ownership practices is addressed above.

Key progress in 2013 included:

- A review of our Responsible Ownership Guidelines and Listed-Equity Proxy Voting Policy, with subsequent updates to the latter.
- A move to public disclosure of our proxy vote results on a bi-annual basis.
- Implementation of a system to ensure that our boutiques without fundamental research capability are able to leverage in-house proxy vote recommendations.

During 2013 we continued to address issues of Board composition, remuneration, broad-based black economic empowerment, climate change risks, and sustainability disclosure through company engagement.

In 2014 we will focus our responsible ownership practices on proactive engagement with companies on governance issues. We will support this with targeted engagement at a sector level on select environmental and social issues.

## Principle 3: Collaboration and Industry Leadership

Over the reporting period Old Mutual Investment Group:

- Continued in an active role as a founding member of the CRISA Committee. For example, one of our team members project managed the CRISA-funded research on responsible investment disclosure practices in South Africa.
- Actively supported the launch of the Sustainable Return for Pension and Society report.
- Collaborated with a foreign asset manager regarding governance practices in South Africa. This resulted in engagement with both the Johannesburg Securities Exchange and the Institute of Directors South Africa, regarding rotation and retirement of directors.
- Sponsored the PRI in Person Conference, the annual United Nations-supported Principles of Responsible Investment event in Cape Town, the first time it was held in Africa.
- Provided support to a range of students undertaking post-graduate research on responsible investment.

In 2014 we will continue to seek out collaborative opportunities to further the responsible investment agenda in Southern Africa.

## Principle 4: Conflict of interests

We manage the potential for conflicts of interests through our Conflict of Interest Policy. The policy is implemented through a framework of compliance controls and checks. We will continue to proactively manage conflicts of interest in 2014.

## Principle 5: Disclosure

During 2013 Old Mutual engaged with key stakeholders regarding our Responsible Investment Programme. We have used this feedback to support and enhance our responsible investment practices, in particular with reference to our disclosure of proxy vote results.

In addition to our annual CRISA disclosure, Old Mutual provides further disclosure on our responsible investment practices in the Old Mutual plc Annual Report and through our annual PRI public reporting.

