Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Old Mutual provides investment, savings, life assurance, asset management, banking and property & casualty insurance to more than 18.9 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999. In the year ended 31 December 2015, the Group reported adjusted operating profit before tax of £1.7 billion (on an IFRS basis) and had £327.9 billion of funds under management from core operations. In March 2016 we announced a planned managed separation of the group into four strong, independent businesses.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Thu 01 Jan 2015 - Thu 31 Dec 2015

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Austria
Botswana
Colombia
France
Germany
Ghana
Hong Kong
Ireland
Isle of Man
Italy
Kenya
Luxembourg
Malawi
Mexico
Namibia
Nigeria
Singapore
South Africa
Swaziland
Switzerland

Select country
United Arab Emirates
United Kingdom
United States of America
Uruguay
Zimbabwe

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

GBP(£)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Please find attached the 2015 Old Mutual Annual Report and Positive Futures Plan. Also find attached our Adding Value to Africa Report

Attachments

https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC0.Introduction/2015 Adding Value to Africa Report.pdf
https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC0.Introduction/2015 Positive Futures Plan.pdf
https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC0.Introduction/2015 Annual Report.pdf

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

In 2015, Patrick O'Sullivan, the Board Chairman, has overall responsibility for climate change at Group level. Gail Klintworth, Group Customer Director and Responsible Business Lead, is the Group Executive Committee member with responsibility for reviewing the progress and status of objectives regarding climate change. The internal climate change performance of the business is an integral part of Gail's responsibilities and she chairs our Responsible Business Committee (RBC), which was established in 2010 to provide leadership and direction for the Group on the risks and opportunities related to our social and environmental impacts, including climate change. The RBC reports directly through Gail Klintworth into the Group Executive Committee and the Board. Updates, which include material issues relating to climate change, are reported annually to the Board with ad hoc matters raised in between formal reports. Our Board Risk Committee receives updates on material issues. As we transition through a managed separation into four strong, independent businesses, responsibility will sit at the top of each business.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Monetary reward	Behaviour change related indicator	For the Group Customer Director and Responsible Business Lead, who chairs the Group Responsible Business Committee, management of Responsible Business issues, including emissions reduction projects and broader climate change issues, are included in her objectives.
Other: Environment/Sustainability Managers	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Behaviour change related indicator	The Group Responsible Business Team have monetary incentives linked to the management of climate change initiatives. Targets are set across a range of areas including internal climate change awareness, environmental management plans and monitoring of Key Performance Indicators including Group GHG emissions reduction targets.
Facility managers	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Behaviour change related indicator	Buildings and facilities managers have energy management and reduction targets within their individual performance targets.
Other: Nedbank Employees	Monetary reward	Emissions reduction target	Incentives for staff include monetary incentives - the performance indicators include the greenhouse gas reduction targets included in employee's performance scorecards. The achievement of the targets positively impacts employee's bonuses or discretionary pay. Hence there exists a strong incentive to reach greenhouse gas reduction targets. Other forms of recognition and prizes are also used to help to drive the Nedbank green agenda.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	All geographical areas of our business are covered in our risk management procedures	> 6 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

In March 2016, we announced a planned managed separation of the Group into four strong, independent businesses. Our Board at plc and the managed separation team are working with the businesses to ensure the commitments we have made and the issues that face us are considered as we work to deliver the strategy.
In 2015, Old Mutual (OM) operated an integrated company and asset level risk/opportunity identification process.
Company Level
Group Head of Responsible Business identifies Group CC risks and reports them to the board as appropriate. Risk appetites and exposure levels are reviewed regularly. The Responsible Business Policy (RBP), which outlines how each business should identify and mange CC risks/opportunities, is overseen by the Group Responsible Business Committee (RBC). The RBC oversees implementation of the RBP in each business. The RBC includes representatives from each business and reports on CC risks/opportunities quarterly to Board Risk Committee and annually to OM plc Board, raising ad hoc matters as necessary.
Asset Level
Businesses identify material CC risks through our Risk Control Self-Assessment (RCSA) process overseen by Risk Committees. Risks identified via RCSA are quantified & assessed in line with risk appetites. Risks are assigned owners responsible for ensuring regular review of the risk and management action. Significant

risks are escalated up the business and, if required, to Group. Each business has an RB Policy Owner who oversees RBP implementation. Compliance is monitored through Letter of Representation. Biannually, business CEOs attest their compliance and evidence of progress is monitored by the Group RB team. Business Practitioners liaise with business representatives and risk & compliance officers to identify and manage CC related risks/opportunities in their respective areas, flagging these on quarterly calls with the Group RB team. At Nedbank the Equator Principles are used as a framework to determine and manage our ESG risk.

CC2.1c

How do you prioritize the risks and opportunities identified?

In March 2016, we announced a planned managed separation of the Group. We are assessing the risk/opportunity identification process for each business. The following applies to 2015.
Risk is central to Group and each business' planning process. All plans are assessed in line with the Group Operating Model, the Group Risk Framework, and Risk Appetites to prioritise risks/opportunities.
Each business implements a Risk Control Self-Assessment (RCSA) process to prioritise risks identified by Responsible Business (RB) practitioners and Policy Owners, overseen by the Risk Committees of each business. Through the RCSA potential exposures are assessed on an impact and likelihood scale tailored to each business area, taking into account existing controls or mitigation.
Each business has Risk Appetite limits and formally monitors exposure against these on a 6 monthly basis. When new opportunities arise, their potential impact in terms of risk on a gross and net basis (including non-financial) and effect on capital are assessed. Climate Change (CC) risks and opportunities that emerge as priorities following this assessment process are escalated to Group Head of Responsible Business and, where appropriate, raised to the Group Responsible Business Committee (RBC). At Group level, CC risks/opportunities are identified, assessed and prioritised against any raised from business level by the RBC. Following assessment, the top prioritised risks, issues and opportunities are escalated to Board level via the Group Executive Risk Committee (GERC) comprised of senior Group executives from Risk, Actuarial, Capital, Governance & Compliance, to be monitored and actioned. The GERC reviews and oversees the Group's top risks quarterly, ensuring they are at an acceptable level and in line with the Group strategy. Material issues at Group level are escalated immediately to the relevant level to efficiently remedy risks as they arise.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

In March 2016 Old Mutual announced our intention to execute a managed separation of the Group into four strong standalone entities. This has clear implications for how we position and embed climate change management in the future, both at Group and in the four businesses, and we anticipate providing further guidance on this as the separation strategy evolves. For 2015 the statement below stands true.

i.
Consideration and evaluation of climate change risks/opportunities are integrated into existing strategic planning at Group and business level. Strategic decisions are underpinned by analysis of operational data (including emissions data) stakeholder research, trend analysis and horizon scanning, as well as progress towards key targets such as our aim to reduce emissions by 20% by 2020. Business strategy is updated by the Group strategy team, led by the Group Strategy Director and in consultation with the Group Customer Director and Responsible Business Lead. The businesses update their local strategies in response to changing market conditions and these are reviewed annually to ensure they align with Group strategy.

ii.
In 2015, three key climate change aspects influenced strategy:
Changing expectations: Many of our clients are starting to replace a “shareholder” mind-set with that of a “stakeholder” approach when considering their future investments. As such, we have placed Responsible Investment (RI) at the heart of our Positive Futures Plan (PFP) launched in 2015. RI is a strategic priority for the business and we define it as a cross-cutting approach to investment that integrates the consideration of material ESG factors into investment and ownership practices as a basis for making the transition to a low-carbon, socially inclusive economy.
Extreme weather events: There is evidence that these are becoming more common and in South Africa, 2015 saw the worst drought in 100 years. Over the last 5 years we have, in response, developed a stringent underwriting process for crop farmers under which policies are assessed in-person on a case-by-case basis. Limits per area are set to spread risk. In 2015, as a result, our exposure to the drought was just 20% - 200m Rand exposure as opposed to 500m-600m in previous years.
Opportunity to develop green business: research demonstrates that over the coming years, as our environmental and societal needs change, there will be increased lending opportunities in the green economy. 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 ESG issues into our investment and ownership decision making. By 2020 we aim to have 10% of FUM invested in the green economy and infrastructure. We have committed £2.6bn to investment in renewable energy.

iii.
Nedbank is known as “The Green bank”, and it is essential that its leadership position in climate change management is maintained and trust in its environmental credentials strengthened as we move forward.

To support this we have developed a strategy to be a responsible business with a long-term view and believe that a strong position on climate change is central to enabling positive futures and the transition to a sustainable energy future. In this way our business strategy draws directly upon the efficacy of our climate response.

In the short term, during 2015 we:
• Signed the Montreal Pledge to begin considering the impact of our investments and other indirect emissions. We have been signed up to the UNPRI as an asset owner since 2012.
• Transferred responsibility for non-financial data collection and management to the Group Financial Reporting Team
• Continued to work to the achievement of local carbon targets and build on existing carbon reduction activities through our business level Carbon Taskforces. In 2015, carbon emissions per employee were 3.5 tCO_2e down from 3.6 tCO_2e in 2014.
• Continued to drive behaviour change in our organisation. In Southampton, OM Wealth worked with Southampton City council to map out CO_2 emissions per commute per employee. In a league table of local participating companies, OM Wealth finished 5th

iv.
The most important aspects of the long term strategy that have been influenced by climate change is the launch of the Positive Futures Plan, which is a values led vision of the role we can play and guides our actions and activities. RI is a core focus of the plan. Our investment decisions have the potential for negative or positive impacts on the environment, society and on the communities in which we operate. Having rolled out our RI standard across the group in 2013, in 2015 we set the target of 100% compliance by 2020. Our long-term goal is to go beyond traditional RI practices – working innovatively to make the most of the investment opportunities associated with a low-carbon, resource-efficient and socially inclusive economy.

v.
We believe that the future belongs to responsible businesses: businesses that build customer trust, maintain a social licence to operate and are employers of choice. It is clear that a strong position on climate change is a key component in differentiating ourselves as being a more responsible business.
Our focus on RI means we are able to offer our customers environmentally responsible products, retaining an advantage over our competitors as consumer demands evolve. At Quilter Cheviot (QC) our Climate Assets Fund invests in infrastructure and the low-carbon economy. In 2015, QC was shortlisted for a performance award at the Professional Adviser Awards. In 2015, QC strengthened its capacity in RI by appointing its first RI Director.

vi.
The most substantial decisions of the reporting year influenced by climate change are:

Changing regulatory environment:
• The carbon tax coming into force in South Africa has prompted further investigation of ways in which we can adopt a low carbon mode of operating. Our new headquarters in Sandton South Africa is a Green 5 star design rated building designed to reduce our consumption – we have LED sensor technology in the building and rainwater harvesting system for use in toilets. Located opposite the Gautrain Station Johannesburg, with quick links to the hub of Southern African business, the building encourages commuting via public transport and was awarded full points on this basis.

Responsible Investment
• We increased focus on RI and became a signatory to the Montreal Pledge
• Strengthened our integrated RI capability to include dedicated specialists.
• Committed an investment of R60.5bn in renewable energy in South Africa.
• Set a target of 10% FUM invested into the green economy and infrastructure by 2020
• Committed an investment of approximately R27 billion in green economic growth projects including sustainable agriculture (R1.5bn).
• Sponsored the UNPRI in-person in London.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Climate finance	Support	Old Mutual Investment Group (South Africa) was actively involved in the implementation of the Code for Responsible Investing in South Africa (CRISA) and in 2015 OMIG continued to support the process of implementation within the industry. Jon Duncan, Head of Sustainability Research and Engagement at OMIG is a member of the CRISA Committee. He attends committee meetings and participates in ongoing discussions. In 2015, Old Mutual publically released its CRISA disclosure	The South African market is predominantly driven by a non-mandatory market-based code of governance for companies (King Report on Governance), as opposed to legislation. It is in this context that CRISA aims to provide the investor community with the guidance needed to implement ESG factors into investment decisions in order to reduce the environmental impact of investments. At Old Mutual, we are committed to responsible investment and we continue to support this agenda through our role on the CRISA Committee.
Carbon tax	Support	In 2014-2015 Old Mutual South Africa (OMSA) continued its consultation process with the South African Government on the proposed Carbon Tax, having provided initial feedback on the proposal in 2012. Our interaction has centred on meetings, email correspondence and written feedback.	Old Mutual is committed to seeing South Africa make the successful transition to a less carbon intensive economy and we support the position that a Carbon Tax could encourage growth in the renewable and green energy sector to support this transition. It is anticipated that a carbon tax will be implemented from January 2017 onwards.
Climate finance	Support	As a signatory to the Carbon Price Communiqué, Old Mutual continued its work in supporting this network through 2015.	The Carbon Price Communiqué calls for global policies and action to tackle climate change and makes the case for setting a price on carbon emissions as one of the main building blocks of an effective and ambitious climate change policy framework. As a signatory, Old Mutual is an advocate of a global price on carbon emissions.
Climate finance	Support	In 2015, Old Mutual continued its work in supporting the United Nations- supported Principles for Responsible Investment (PRI) having become an asset owner signatory in 2012. Jon Duncan, Head of Sustainability Research and Engagement at OMIG is a member of the UNPRI Reporting and Assessment Steering Committee. He attends committee meetings, participates in ongoing discussions and in 2015 Old Mutual was a gold sponsor to the PRI in Person conference to continue a collaborative approach to moving to a low-carbon economy.	The UNPRI provides a recognised framework for the incorporation of environmental, social and governance issues into investment and ownership decision making practices. At Old Mutual we believe that considering relevant material ESG factors in our investment and ownership decisions is consistent with the pursuit of superior risk-adjusted returns for our beneficiaries and clients. It not only makes sound business sense; in our role as custodian of our shareholder and beneficiary's long-term future, it is the right thing to do. As an asset owner signatory to the UNPRI we support this position.
Adaptation resiliency	Support	Brent Wiltshire, Development Executive of Old Mutual Investment Group is a founding director of The Green Building Council of South Africa and continues to sit on the Board, influencing where possible the transformation of the South African property industry and encouraging the growth of green buildings and sustainable construction. As a result of sustained	In South Africa, the regulatory environments have been reactionary rather than leading with regards to the actual regulations. The Green Building Council has played a big role in drawing the green buildings industry into a more formal space. The Green Building Council of South Africa aims to lead the transformation of the South African property industry to ensure

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		efforts and collaboration, the green building movement has grown exponentially. In 2015, Old Mutual Property funded the creation of the Green Building Council's Socio-Economic Category Rating Tool – a world first for rating tools which integrates socio-economic criteria for green building rating tools. The work Old Mutual does with the Green Building Council of South Africa informs our environmental property strategy.	that all buildings are designed, built and operated in an environmentally sustainable way allowing South Africans to work and live in healthy, efficient and productive environments.
Adaptation resiliency	Support	In 2015 we launched our Positive Futures Plan which focuses on financial education and responsible investment in the green economy and socio-economic infrastructure. Through our focus areas we are aligned with the South African Government's National Development Plan (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.	The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. Old Mutual is proud to be involved in the communities we serve – an ethos which is a cornerstone in each of our businesses. We support the NDP's goals of eliminating poverty and reducing inequality in South Africa.
Climate finance	Support	The Old Mutual position on climate change recognises our role as a long-term investor in supporting a transition to a mixed energy, resource-efficient and socially inclusive policy. Consequently we have embarked on a process of measuring and disclosing the carbon intensity of our largest internally managed, listed-equity portfolio as a basis for understanding the potential carbon risks and opportunities in the portfolio. Old Mutual became a signatory to the Principles for Responsible Investment in 2012 as an asset owner and, in September 2015, signed the Montreal Pledge.	We support the aims of the PRI Montreal Pledge of encouraging investors to measure and reduce the carbon impact of their investment portfolios on an annual basis.
Climate finance	Support with minor exceptions	Nedbank is engaging with various government departments and external stakeholders in South Africa to advocate more sanctioned renewable energy projects. These interactions happen as meetings and through correspondence like email.	An enabling environment should be created to finance more transactions like renewable energy.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
South African Insurance Association (SAIA)	Consistent	The SAIA's position is in favour of supporting and encouraging the insurance industry to take action to reduce the industry's impact on the environment through identifying and analysing environmental and social risks and their potential negative impact. To further this agenda, in 2012, the SAIA established The Environmental and Social Risks Board Committee which oversees strategic initiatives in support of the top ten environmental and social risks the Committee has identified as central to the insurance industry in South Africa.	In 2015, Old Mutual continued its support at Board and committee level. On Committees Old Mutual work to improve multi-peril insurance and its approach to climate change risks from an insurer’s perspective. In 2016 we aim to continue to engage in The Environmental and Social Risks Board Committee more heavily.
Green Building Council of South Africa	Consistent	In South Africa, the regulatory environments have been reactionary rather than leading with regards to the actual regulations. The Green Building Council has played a big role in drawing the green buildings industry into a more formal space. The Green Building Council of South Africa aims to lead the transformation of the South African property industry to ensure that all buildings are designed, built and operated in an environmentally sustainable way allowing South Africans to work and live in healthy, efficient and productive environments.	Brent Wiltshire, Development Executive of Old Mutual Investment Group is a founding director of The Green Building Council of South Africa and continues to sit on the Board, influencing where possible the transformation of the South African property industry and encouraging the growth of green buildings and sustainable construction. As a result of sustained efforts and collaboration the green building movement has grown exponentially.
South African Property Owners Association (SAPOA)	Consistent	SAPOA encourages participation to promote the sustainable expansion of South Africa's commercial and industrial property sectors. In 2014, SAPOA took a position on the promotion of good governance and city management - which includes environmentally sustainable spaces - by signing a Memorandum of Understanding with the South African Cities Network. The partnership aims to establish forums in which the public and private sector can build consensus on a range of issue areas including climate change and runs until 2016.	Old Mutual Property is an advocate of sustainable properties and is represented at Board level of the trade association. At this level, Old Mutual seeks to forward the environmental agenda of property management within SAPOA.
UNEP Finance	Consistent	The UNEP Finance Initiative brings together financial	Our Group Head of Responsible Business was on the UNEP

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Initiative - Innovative financing for sustainability		institutions to encourage the finance industry to examine and reduce the negative impacts the sector has on the environment. The initiative helps engage businesses on the effects their organisations have in contributing to climate change and proposes ways they can help reduce this impact	Finance Initiative Financed Emissions working group and the working group for GHG protocol.
Network for Business Sustainability	Consistent	The Network for Business Sustainability is a network of international academic experts and business leaders united around corporate social responsibility issues. The Network exists to connect researchers with business practitioners aiming to bridge the gap between research and business action with a view to creating a practical model of research-based practice and practice-based research.	Jon Duncan, Head of Sustainability Research and Engagement at OMIG sits on the advisory council of the Network for Business Sustainability where he aims to share OM's experience of focusing on Responsible Business practices with a view to having a positive impact on addressing climate change.
Agricultural Business Chamber (AGBIZ)	Consistent	Agbiz is a voluntary, dynamic and influential association of agribusinesses operating in South and southern Africa. Agbiz's function is to ensure that agribusiness plays a constructive role in the country's economic growth, development and transformation, and to create an environment in which agribusinesses of all sizes and in all sectors can thrive, expand and be competitive. One of Agbiz’s core objectives is to influence the policy and legislative environment insofar as it affects agribusiness activities, by way of on-going and professional interaction with all relevant government institutions.	Mutual & Federal (M&F) is represented at board level of AGBIZ with voting rights. We use our influence to drive the agenda of sustainable agricultural practices with a view to managing the impact of climate change.
Agri SA	Consistent	Agri SA is committed to the development of agriculture in South Africa. We are a non-profit organisation that is helping to develop a stable, profitable agricultural environment within this country. Agri SA promotes the development, profitability, stability and sustainability of agriculture in South Africa by means of its involvement and input on national and international policy and the implementation thereof. The Natural Resources Committee deals with, among other things, water affairs, climate change and renewable energy.	Mutual & Federal (M&F) is heavily involved in Agri SA. We sit on the board and engage at all levels. We are represented at regional and provincial chambers of Agri SA where we aim to drive the agenda of sustainable agricultural practices. We attend conferences where we aim to integrate climate change considerations onto the wider stage.
World Business Council for	Consistent	The WBCSD is a CEO-led organization of forward-thinking companies that galvanizes the global business community to	Old Mutual is an active member of the WBCSD where we try and advance the responsible investing agenda with a

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Sustainable Development (WBCSD)		create a sustainable future for business, society and the environment. Together with its members, the council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action.	particular focus on climate finance.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

CC2.3e

Please provide details of the other engagement activities that you undertake

Affiliates of our business in America are involved with local organisations that promote sustainability in areas that relate to our assets. For example, The Campbell Group engage with the Sustainable Forestry Initiative (SFI). They work with the SFI on policy around forest management in the US aiming to promote responsible forest management together with conservation groups, local communities, resource professionals, and landowners. In 2015, 1,500 acres of forests were protected through partnering with conservationists. The Campbell Group also works with partners such as the Redwood Forest Foundation and the US Fish and Wildlife Service to implement sustainable environmental enhancement projects.
In 2013 Old Mutual South Africa (OMSA) supported a research project at the University of Cape Town (UCT) on 'risks and vulnerabilities that global environmental change poses for the insurance industry'. As part of supporting this project, researchers at UCT conducted a series of internal interviews within the Old Mutual Group in 2013 to understand how existing awareness of environmental change has emerged, continues to emerge and consequently how this is, or is not, being translated into action across Old Mutual. In 2014, the results were shared internally and in 2015 teams started internalising the results and creating new product opportunities which will be made available in the coming years.
In 2015, Old Mutual Investment Group (OMIG) collaborated with the University of Stellenbosch Business School and INSEAD in creating the Africa Directors Programme in order to promote good governance and training across the continent. OMIG worked with them on running the first programme internally. An important component of the Directors programme was teaching the importance of integrated reporting, ethical leadership, triple bottom line and working on a stakeholder inclusive approach. As a result, 20 future investment professional leaders have been trained in this way of thinking which we hope will reap positive results for the sustainable future of responsible business leadership in South Africa.

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

In March 2016 we announced a planned managed separation of Group. As part of this, new processes will be put in place at business level. The following stands true for 2015.
Our businesses are required to ensure that climate change activities are aligned with the overall Group strategy. Every six months a Letter of Representation is circulated to the businesses for them to confirm that they have received, understood and are implementing the Responsible Business Policy which covers climate change activities. The Letter of Representation is reported back to the Group Head of Responsible Business who reviews their points of compliance and returns their letter with actions for completion. This is then signed off by the plc and business CEOs. This systematically ensures that all areas of the business are compliant with the Responsible Business Policy. A further level of assurance is the Responsible Business Committee who are accountable for ensuring the Responsible Business Policy is upheld across the Group. Our Head of Responsible Business in Old Mutual Emerging Markets (OMEM) and the Sustainability Team at Nedbank add an additional level of governance within our largest businesses. Going forward, a clear position on climate change is central to the commitment of our businesses to enabling positive futures and their main objective is to play a significant role in the transition to a sustainable-energy future.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	55%	20%	Metric tonnes CO2e per unit FTE employee	2010	4.17	2020	No, and we do not anticipate setting one in the next 2 years	Employee occupied properties include all locations where we control the sites. As per our operational control approach, we include 100% of employees and emissions in our calculations, even in areas where we do not own 100% of the business (such as Nedbank). In 2010 Scope 1 + 2 emissions were 232,465 tCO2e with 55,730 employees
Int2	Scope 1+2 (location-based)	45%	20%	Metric tonnes CO2e per square meter*	2010	0.21	2020	No, and we do not anticipate setting one in the next 2 years	The data concerning investment property portfolio including base year emissions relates purely to current properties to ensure any reduction figure is accurate and not related to removal of properties. The portfolio includes the property asset management business and properties invested in and managed to create value and customer returns. In 2010, Scope 1+2 emissions were 567,929 tCO2e across 2,684,430m2.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	20			Provided the number of employees across Old Mutual remains steady, in order to achieve a 20% reduction using this intensity metric we anticipate we would need to reduce our absolute emissions by 20%. We are aware that an increase in employee figures due to acquisitions would impact this and our efforts to stay on course to achieve our emissions targets would need to be increased.
Int2	Decrease	20			The size of the Old Mutual’s property portfolio consists of a range of large and small properties. The number of properties is likely to continue to decrease, particularly in Europe, as we sell off properties. Throughout our property portfolio we continue to scale up emissions reduction activities - such as reducing electricity consumption through use of LED lighting in our properties - to help achieve this target.

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	50%	80%	This year Old Mutual decreased its emissions in employee-occupied properties to 3.5 tCO2e per employee representing a decrease of 16% from base year (2010: 4.17 tCO2e per employee). We believe this is due to improved non-financial data reporting in our businesses and improved environmental performance of the buildings in which our employees operate. We anticipate this trajectory will continue as we continue to improve the environmental performance of our employee occupied properties
Int2	50%	25%	Across our property portfolio we decreased our emissions to 0.20 tCO2e per m2 representing a decrease of 5% from our base year 2010 (2010: 0.21 tCO2e per m2 across our property portfolios). This is due to improved environmental performance of our properties. We anticipate this trajectory will continue as we improve the environmental performance of our buildings.

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	With the Blue Marble, the Microfinance Consortium, 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 to help grow our share of investment opportunities in a low carbon economy.	Low carbon product	Other: Evaluating impact of investment decisions on carbon emissions with reference to the Montreal Pledge			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 well-being of future generations. We have funds that are specifically focused on infrastructure, renewable energy and housing. By the end of 2015, we had invested R57 billion in infrastructure projects including sustainable agriculture. A further R60.5 billion of our customers’ money had been

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						committed in renewable energy projects. One such project is the 66 megawatt Hopefield Windfarm, developed by Old Mutual Alternative Investments through its 'IDEAS' and 'AIIM' suite of funds. 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.
Company-wide	Old Mutual Property regularly improves the efficiency of its property portfolio as part of its Green Building Strategy. This enables tenants and employees to work in more energy efficient buildings and avoid additional emissions	Avoided emissions	Other: Avoided emissions calculated using DEFRA emissions factors			Old Mutual Property has a property portfolio worth over R21 billion with approximately 1,436 tenants. Every year OMP undertakes energy efficiency projects in our properties to reduce emissions, helping tenants avoid emissions. In 2015, OMP undertook lighting retrofit projects in several properties including Riverside mall, refitting existing lighting with more efficient LED lights. Other projects included turning a bio digester waste to fertiliser plant and power factor correction initiatives. As a result of these projects, 2221.78 tCO2e emissions will be avoided annually over a 10-15 year period. Building greener buildings is part of Old Mutual's

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						commitment to its role in enabling the communities in which we operate to transition to a sustainable-energy future. Our new building project in Johannesburg follows international best practice and is green 5 star design rated which is the best of build excellence in the South African market. The site is built on previously developed land and has the following emissions reducing features: 1) LED sensors in building 2) rainwater harvesting with flush system for use in toilets and irrigation of the precinct 3) centralised waste collection and separation at source 4) high levels of indoor environmental quality and thermal comfort – high spectrum glass and anti-glare. We are also in discussion about aiming for interior green star rating. The site is located opposite Gautrain Station in Johannesburg CBD with excellent transport links and was awarded full points for location and commuting, making it easier for tenants and employees to avoid emissions.
Group of products	Nedbank: 1) Internet and cell-phone banking options. 2) Electronic statement and advice options. 3) Expansion of Automated Teller	Avoided emissions	Evaluating the carbon reducing impacts of ICT	0%	More than 40% but less than or equal to	At Nedbank. Explanation of how emissions are avoided: GHG emissions reductions will arise from: 1) reduced travel to branch outlets (through use of

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	Machine (ATM) and Self Service Terminals (SST) network. 4) Client option for receipt-free transactions at ATM's and SST's.				60%	internet banking and cell phone banking - this could form part of Scope 1 emission reductions). 2) reduced paper use by clients due to electronic client statements and advices. 3) expansion of Automated Teller Machine(ATM) and Self Service Terminals(SST) network – this cuts down on the required client transport (and their scope 1 emissions). 4) Client option for receipt-free transactions at ATM's and SST's. Estimation of avoided emission including timescale over which emissions are avoided or baseline year: Estimated saving 7 100 tCO2e per annum from the 2007 baseline year. Highest benefit from these initiatives are expected in rural communities, where access to banking services is frequently remote and very inconvenient. Methodology: Methodology based on DEFRA emission factors and process. Assumption: Based on 25 000 people using electronic channels 4 times per month and avoiding a 20km round-trip by Minibus Taxi. The result is that approximately 24 000 000 passenger km per year is reduced. This equates to a reduction of more than 1 700 000 taxi round trips. A value of 0.21 kgCO2e/vehicle km was assumed

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						based on information from DEFRA emission tables. The result is that more than 5 900 tCO2e is reduced from travel alone. Taking electricity use and reduced paper consumption into account ought to increase the offsetting to approximately 7 100 tCO2e. Whether considering originating credits: Registering credits for avoided client and/or staff transport is being considered. Such an initiative could be extremely difficult due to potential changes in behaviour, i.e. different travelling behaviour.
Group of products	Nedbank's sustainable products, solutions and investments include: 1) Renewable-energy finance. 2) Green Savings Bond. 3)Nedbank Insurance Green Property Plan. 4) The Nedbank Green Affinity accounts.	Low carbon product	Evaluating the carbon reducing impacts of ICT	0%	More than 20% but less than or equal to 40%	Nedbank strives to deliver products and services that enable our clients to achieve the outcomes and objectives they desire while at the same time respecting environmental limits. We continue to support the diversification of Africa's electricity supply, with 2.25% of the total group commitments related to renewable-energy generation (0.66% is related to the funding of coal- and fossil-fuel-based energy generation). Nedbank's sustainable products, solutions and investments include: Renewable-energy finance: Nedbank CIB is supporting a large number of participants in the government's REIPPP Programme in

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						the bidding process, through innovative finance solutions. In 2015 CIB reached the commercial operation date for 14 projects across round 1 and 2, totalling 796 megawatts (MW). As a result of our continuous involvement, we have maintained our status as a leading bank in the support and enabling of renewable energy delivery of 3 435 MW, retaining our participation market share of 54% of total market-awarded renewable energy capacity. Green Savings Bond: This fixed-term investment delivers a competitive rate and guaranteed returns for capital security, allowing regular investors to contribute positively to environmental conditions because the funds they invest are earmarked for the support of renewable-energy projects in SA. Since its inception R 11,8bn has been invested in the Nedbank Green Savings Bond, of which R4,0bn flowed in during 2015. Nedbank Insurance Green Property Plan: Introduced in 2015, this presents clients with an opportunity to invest in primarily green properties, in good locations, and with A-grade tenants on long leases. The Nedbank Affinity Programme: This initiative allows clients to support social or environmental causes close to their

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						hearts, simply by banking, investing or insuring with us using affinity-linked products and services. Every time they transact, we donate to their chosen cause on their behalf, at no cost to them. The programme comprises four affinities, one of which, The Nedbank Green Affinity, supports conservation, the environment and climate-change-related projects through the WWF Nedbank Green Trust. Since its inception in 1990 the programme has contributed more than R311m to fund more than 1 200 projects across all four affinities. For the 2015 financial year the Nedbank Affinity donations grew by 43% to R44.9m.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	1	15.71
Implementation commenced*	1	140
Implemented*	8	2221.78
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Old Mutual Property replaced the lights in the Gateway Highbay building with more efficient LED lights	53.46	Scope 2 (location-based)	Voluntary	6130	62796	4-10 years	6-10 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									building. This same relationship for the savings made in 2015 have been used to obtain the approximate savings made in 2015 in CO2e per initiative.
Energy efficiency: Processes	Old Mutual Property transformed the Gateway Joraform from bio digester waste to fertilizer plant	53.46	Scope 3	Voluntary		127766		16-20 years	It is not currently possible to accurately calculate the annual monetary savings from this initiative.
Energy efficiency: Building services	Old Mutual Property replaced the lights in The Place building with more efficient LED lights	153.75	Scope 2 (location-based)	Voluntary	9811	19924	1-3 years	6-10 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each building. This same relationship for the savings made in 2015 have been used to obtain the approximate savings made in 2015 in CO2e per initiative.
Energy efficiency: Building services	Old Mutual Property replaced the lighting in Riverside mall with more efficient LED lighting	679.40	Scope 2 (location-based)	Voluntary	62704	164696	1-3 years	6-10 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									building. This same relationship for the savings made in 2015 have been used to obtain the approximate savings made in 2015 in CO2e per initiative.
Energy efficiency: Building services	Old Mutual Property completed a power factor correction project at Riverside Mall	679.40	Scope 2 (location-based)	Voluntary		101739		11-15 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each building. This same relationship for the savings made in 2015 have been used to obtain the approximate savings made in 2015 in CO2e per initiative. At this point we are unable to accurately calculate the annual monetary savings from this initiative.
Energy efficiency: Building services	Old Mutual Property replaced the lighting at Plein Park with more efficient LED lighting	13.93	Scope 2 (location-based)	Voluntary	692	3032	4-10 years	6-10 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each building. This same relationship for the savings made in 2015 have been used to obtain the

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									approximate savings made in 2015 in CO2e per initiative.
Energy efficiency: Building services	Old Mutual Property completed a power factor correction project at Cavendish Connect	102	Scope 2 (location-based)	Voluntary	5456	7526	1-3 years	11-15 years	It is difficult to predict the savings made here as the level of savings is dependent on the extent of inductive loads as well as the initial power factor of the incoming supply. The annual tCO2e saving figure supplied is a conservative estimated saving calculated for this project
Energy efficiency: Building services	Old Mutual Property completed a lighting retrofit project at Vincent Park shopping centre. Lights were replaced with more efficient LED lighting.	486.38	Scope 2 (location-based)	Voluntary	26725	76639	1-3 years	6-10 years	We had these buildings carbon footprint measured in 2014 by a South African company called GCX Africa. Their report indicates a slightly different relationship between kWh consumed and tCO2e for each building. This same relationship for the savings made in 2015 have been used to obtain the approximate savings made in 2015 in CO2e per initiative.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Group governance and risk management procedures ensure that appropriate investments are made to comply with all regulatory requirements, including climate change related ones
Employee engagement	Engaging our employees in environmental efforts is an important part of delivering change across our businesses. We promote a culture of efficiency where employees are given a license to think green and are continually looking for opportunities to reduce resource use. Much of this work has been conducted at individual business level through our Carbon Taskforces. We also work to share best practice across our businesses through meetings, workshops, the Responsible Business Newsletter and other business e-magazines.
Internal incentives/recognition programs	Monetary incentives are linked to climate change related objectives for employees within the Responsible Business function, with targets set across a range of areas including climate change awareness of employees, environmental management plans and GHG target reductions. Buildings and facilities managers have energy management and reduction targets within their individual performance targets. We also have business and building level carbon reduction targets in each of our businesses.
Dedicated budget for energy efficiency	At Old Mutual, reducing our impact on the environment is a strategic imperative. As such dedicated budgets are available to realise this imperative. In addition, at Nedbank self-imposed carbon neutrality results in an increased pressure to reduce electricity consumption for which dedicated budgets are also held aside.
Dedicated budget for other emissions reduction activities	Having externally communicated climate change targets and reporting performance in our Annual Reports means throughout our business we are under pressure to meet these targets. This in turn is driving internal investment in emissions reduction activities

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	KPIs pp.18-19	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/2015 Annual Report.pdf	
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	p2, p3, p6, p7, p8, p9, p10, p11, p12, p13, p15, p16, p17, p18, p19, p20	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/2015 Positive Futures Plan.pdf	
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	p3, p13, p15, p27, p40, p41, p43, p44, p45, p46, p55, p57, p61	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/Sustainability Review 2016.pdf	
In voluntary communications	Complete	p8, p14, p15	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/2015 Adding Value to Africa Report.pdf	
In voluntary communications	Complete	p3, p14, p15, p29, p48	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/Tomorrow, as invested as you are - a compendium of sustainability essays.pdf	
In voluntary communications	Complete	p2	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC4.1/Old Mutual Group Carbon Disclosure Montreal Pledge November 2015.pdf	

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	The draft carbon tax bill in South Africa, which was released for comment on 2nd November 2015 and outlines the carbon tax design, has caught the attention of the business community which has to date been dragging its feet with respect to transitioning to a low carbon economy. The tax has been delayed a couple of times.	Increased operational cost	1 to 3 years	Direct	Virtually certain	Medium-high	Our South African operations comprise about 84% of our total scope 1 emissions. The proposed rate of R120 per tonne of CO2e would amount to approximately £90K in additional cost, increasing at 10% per annum.	In 2015, we continued our contribution in consultation with the South African Government on carbon tax legislation. In terms of operations, we continue to record our carbon emissions on a site-level basis allowing us to set site-specific reduction targets. Our Carbon Taskforces across the Group help	Costs associated with the carbon tax do not exceed our current costs for monitoring legislation and operating as a business. Old Mutual Property invested approximately £600K (R11,713,401) into carbon reduction initiatives in 2015.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	While many believe delays will continue, the treasury has indicated that it will stand firm on implementing the tax in 2016. The draft bill points to 1st January 2017 as the start date. The tax will be 'phased in' to allow for a relatively smooth transition to a low-carbon economy. The carbon tax will cover Scope 1 emissions. As South Africa represents 80% of our total footprint the South African Carbon Tax will affect our South African operations in three ways. Firstly through our direct operations, and extensive branch network, secondly through our investment property portfolio and thirdly							communicate carbon reduction, managing and encouraging behaviour change across our branch network, offices and business which is helping to manage this risk. In 2015 our carbon emissions per employee across the group was reduced by 14% from our base year. OM Property business continues to monitor and manage the impact the carbon tax will have on the business and our tenants. In 2015, OMP spent almost £600K on continuing to upgrade lighting facilities to LED lighting in our Group property portfolio and other carbon reduction initiatives, cutting energy use in	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	through the effect the tax will have on our holdings and general investments within South Africa. On a broader level the tax will affect our customers who will also receive an increase in electricity costs as a result of the tax passed on to consumers by Eskom.							common area lighting by 45%. In 2015 we continued our ‘Greenzone’ rollout, which allows customers to access a range of services under one roof thus reducing their carbon footprint. Greenzones have received positive feedback. We continue to invest responsibly and reduce exposure to carbon-intensive investments. In 2015 OMIG committed over £2.6bn of investment in renewable energy-focused funds. Addressing ESG factors in our investment and ownership decisions, and focusing funds on infrastructure, renewable energy and housing, will	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								help South Africa's transition to a mixed-energy, resource-efficient, socially inclusive economy.	
International agreements	A number of countries in which we have operations - including the USA, South Africa, and EU - have been involved in a four-year negotiating round to determine international agreements and individual targets to take action on climate change. The biggest of these negotiations was the 21st Conference of Parties taking place in Paris in December 2015, which aimed to reach a global agreement to cut greenhouse	Other: Potential increase in operational costs for Old Mutual and the companies it invests in	3 to 6 years	Indirect (Client)	More likely than not	Medium	Old Mutual has £327.9bn funds under management globally (as at 31/12/15) and as this is a global proceeding, our funds across the globe will potentially be influenced by changes in climate change regulation at an international level.	Following COP21, we maintain a close eye on the potential impact the Paris Agreement will have on national legislation and our business. We are understanding and shaping the local implementation of the Agreement through participation and support in sector and geographic trade associations and local government discussions. Our involvement with the University of Cambridge Investment Leaders Group supports and	Management of this risk falls under existing operational remit and associated budgets of Compliance, Legal and Public Affairs teams at Group level, supported by corresponding structures at Business Unit level, and therefore does not represent an additional material cost.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	gases. The output of the conference, the 'Paris Agreement', ends the strict differentiation between developed and developing countries that characterized earlier efforts, replacing it with a common framework that commits all countries to put forward their best efforts and to strengthen them in the years ahead. This includes, for the first time, requirements that all parties report regularly on their emissions and implementation efforts, and undergo international review. The Agreement also reaffirms the goal of limiting global							promotes our commitment to RI. We were a Gold Sponsor at the 2015 UN PRI in Person conference in London, where implementation of international climate change policy was a key theme. RI, a crosscutting approach to investment that integrates the consideration of material ESG factors into investment and ownership practices, is central to our Positive Futures Plan and business strategy. Having rolled out our RI Standard across the group in 2013, in 2015 we set a goal of 100% compliance by 2020. We continue to embed the	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	temperature increase well below 2 degrees Celsius, while urging efforts to limit the increase to 1.5 degrees and extends a mechanism to address "loss and damage" resulting from climate change, which explicitly will not "involve or provide a basis for any liability or compensation". We foresee that participating states will impose legislation on businesses to help meet the objectives of the Agreement, which could affect Old Mutual's operations directly or indirectly through the businesses that it invests in.							principles of RI across our businesses. Placing an emphasis on ESG assessment of companies alongside our asset diversification policy helps to reduce and manage the exposure we have to carbon intensive investments. Additionally our asset diversification policy and in-house Risk Exposure Aggregation System ensures that we do not have a concentration of investment in a particular sector or investment type which helps reduce and manage the exposure to carbon intensive	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								investments which may be affected by the policies resulting from the Paris Agreement.	
Emission reporting obligations	In 2014 the EU adopted a directive (Directive 2014/95/EU) that will require disclosure of ESG information by certain large companies. This new legislation, once incorporated into national law (member states will have until 6th Dec 2016 to comply), will require large listed companies in the EU to report on their environmental and social impacts, including human rights, anti-corruption and bribery issues, and diversity of board	Increased operational cost	1 to 3 years	Direct	Virtually certain	Low	Old Mutual already collect and report all non-financial data. The software used for managing our vast data resources costs approximately £50,000 per annum. Failure to comply could put our AOP under risk - £1.8bn (as at 31/12/15). Old Mutual has £104.4bn FUM in the UK and Europe (as at 31/12/15).	Old Mutual has reported emissions data voluntarily since 2009 so is prepared for a transition to mandatory reporting. For direct carbon impact, our Group Climate Change Strategy helps focus on reducing it. We set a target of reducing our Carbon Emissions by 20% by 2020. Our Carbon Taskforces help change employee behaviour to reduce energy usage. In 2015, carbon emissions per employee were 3.59 tonnes (14% lower vs 2010 baseline).	Management of this risk falls under existing operational remit and therefore does not represent an additional material cost. The cost of managing our non-financial data harvesting software is approximately £50,000 per annum.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	of directors. The Directive will increase European companies' transparency and performance on environmental and social matters to contribute effectively to long-term economic growth and employment. More transparency will help companies to better manage the opportunities and non-financial risks. This directive is indicative of a mandated move towards fully integrated reporting of financial and non-financial data. In Jan 2016, the European Commission launched a public consultation, to collect views from stakeholders, on							Our Southampton office work to an Environmental Management System, whilst promoting behaviour changes like car sharing and cycling helps cut scope 3 emissions, as does consolidating deliveries. When we go out to tender for new suppliers, data on environmental performance is requested. In 2015, we created action plans within Wealth and Quilter Cheviot to improve their performance against the ESOS framework. A climate change risk to Old Mutual is through investments held and policies underwritten. Responsible	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the 'non-binding guidelines' on methodology for reporting non-financial information following the publication of the Directive. As a listed company that employs over 500 people, Old Mutual will be affected by the EU Directive. Equally, as a global business the likely creation of similar obligations across the world is a potential risk to Old Mutual. Stock exchanges, particularly in emerging markets, have also implemented initiatives requiring increased disclosure of ESG-related performance. Shenzhen and Shanghai Stock							Investment is central to our Positive Futures Plan, and is founded on an understanding of the sustainability megatrend, and in our role as custodian of our shareholders' and beneficiaries' longterm futures. In 2015 we continued to track compliance against RI Standards in our businesses, aiming for 100% compliance by 2020. Furthermore, at the end of 2015 Old Mutual had committed investment of R60.5bn in renewable energy. We also became a signatory to the Montreal Pledge having been a signatory to the UNPRI since	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Exchanges and Johannesburg Stock Exchange have issued guidelines and listing requirements to enhance disclosure of ESG information. In Sept 2015, 8 exchanges, including the UK stock exchange, announced their commitment to produce guidance on ESG disclosure by the end of 2016. The Sustainable Stock Exchange campaign seeks to ensure that every stock exchange has an ESG reporting guidance for issuers in place by the end of 2016, as only 15 currently have such guidance in place. Old Mutual is currently listed on the JSE and							2012 as an asset owner.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	LSE, so will be obliged to follow guidance on ESG reporting. Similarly, as our managed separation ensues over the next few years, it is likely more parts of the business will be listed on stock exchanges requiring ESG disclosure.								
Cap and trade schemes	Following a significant allowance surplus and a subsequent price drop as a result of the economic crisis, there has been extensive debate on the need for, and nature of, EU ETS reform. In October 2014, European leaders adopted a 43% GHG emissions reduction target from 2005 levels for EU ETS sectors by 2030	Reduced demand for goods/services	3 to 6 years	Indirect (Client)	More likely than not	Low-medium	Old Mutual Wealth AOP is £307m (as at 31/12/15) in the UK and Europe which could be affected by changes to the cap and trade scheme.	Our asset diversification policy and in-house Risk Exposure Aggregation System ensures that we do not have a concentration of investment in a particular sector or investment type. We also include environmental factors in our investment decisions as part of our ESG	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and, as such, the financial costs for climate change specific activities do not represent a material additional cost and are not measured separately to

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and agreed to stabilize the EU ETS in line with the European Commission's proposal to establish a Market Stability Reserve (MSR). It was initially proposed that the MSR would come into effect in 2021 - but now it will be established in 2018, and the placing of allowances in the reserve shall operate from 1st January 2019. The MSR is proposed to address the current oversupply of allowances and strengthens the ETS' resilience to external shocks and makes it more robust and effective in promoting low-carbon investment at least cost to							assessment of companies, which goes towards helping to reduce and manage the exposure we have to carbon intensive investments. The modifications of the EU ETS will be factored into our economic models that accompanies this environmental assessment. One of the greatest climate change risks to our business is through the investments we hold and the policies we underwrite. In 2015, we continued our programme to estimate total carbon exposure, and used this to support our investment decisions. Responsible	Old Mutual's wider risk management costs. In 2015 we did invest £25,000 in carbon assessment of a number of our portfolios to get a better understanding of our exposure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	society. It will operate entirely according to pre-defined rules which would leave no discretion to the Commission or Member States in its implementation. The legislative proposal, put forward in January 2014, was approved by the European Parliament in July and the Council in October 2015. Efforts to address the market imbalance would also be helped by a faster reduction of the annual emissions cap. As part of the ETS revision, the Commission also proposes to reduce the overall number of allowances by 2.2% each year from 2021 onwards,							Investment is an important element of our Positive Futures Plan, which is key to enabling the long-term growth of Old Mutual as an international business. This year we continued to track compliance against our Responsible Investment Standards in all business units - we aim for 100% compliance by 2020.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	compared to 1.74% currently. Whilst changes to the EU ETS does not affect our direct operational activities in the EU, our investment teams are aware of the possible business implications of the legislation to the companies we invest in and the knock-on effect this may have on our investment decisions and the return we are able to offer to our clients.								
Uncertainty surrounding new regulation	The legislative situation in the USA is unclear as President Obama is trying to push through carbon legislation and targets in line with his Climate Action Plan, under which USA intends to achieve an economy-wide	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Low	Old Mutual Asset Management AOP is £149m (as at 31/12/15) in the US which could be affected by the roll out of carbon taxes or cap and trade schemes in US states. Our	Reducing GHG emissions is a KPI for Old Mutual and through monetized incentive targets and behaviour change we continue to encourage managers and employees to	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and as such, the financial costs for climate change specific

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	target of reducing its emissions by 26-28% below its 2005 level by 2025. A cap and trade system is backed by the government, following the lead of the state of California which has a successful cap and trade scheme that participants believe will be actively trading until at least 2016 and recently announced new ambitious GHG emissions targets. In October 2015, a Massachusetts Senate hearing considered two bills to establish carbon prices; one is revenue-positive, the other is revenue-neutral. Both bills are expected to advance in the 2016 legislative session. The						Boston head office emits approximately 266.71 tCO2e per year, of which the cost to the business would be $2,667.10 if the carbon fee is $10 per metric ton.	reduce impacts. In employee-occupied properties, we cut emissions per employee by 14% in 2015 from 2010. Each business, including USAM, has a Carbon Taskforce working to cut environmental impact, and encourage environmentally friendly habits amongst employees. The likely increase in CAT schemes across US states may boost investment in green infrastructure, transportation and clean energy. Responsible Investment is central to our Positive Futures Plan - key to enabling our longterm growth	activities do not represent a material additional cost and are not measured separately to Old Mutual's wider risk management costs. In 2015 we did invest £25,000 in carbon assessment of a number of our portfolios to get a better understanding of our exposure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	revenue-positive bill would establish an economy-wide carbon price via either a fee or cap on carbon emissions. 80% of revenue would be returned while 20% percent would be invested in transportation and clean energy. Under the revenue-neutral bill, which specifies a carbon fee of $10/ton of CO2, all revenue would be returned to households, businesses and institutions. This would result in increased operational costs in the USA, specifically our head office in Boston, Massachusetts. The uncertainty of the exact nature of new international							and where we believe we can make a longterm positive difference, continuing to become a leader in responsible business. A climate change risk to our business is through investments and policies we underwrite so we continue to invest responsibly and reduce exposure to carbon-intensive investments. In 2013 we launched a RI standard across the Group, aiming for 100% compliance by 2020. We became a signatory to the Montreal Pledge in 2015 - this will help track and manage the carbon footprint of our investments. Though	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	agreements affects our ability to effectively assess long term investment decisions, which we define here as an indirect operational cost (as opposed to a direct operational cost which would include our office operations).							uncertainty around new international agreements will affect ability to assess longterm investment decisions, OMAM continues to work with Affiliates to identify areas of growing investor appeal and develop new investment products to meet client needs.	
International agreements	The '2030 climate and energy framework' contains a binding target to cut emissions in EU territory by at least 40% below 1990 levels by 2030. This target will ensure that the EU is on the cost-effective track towards meeting its objective of cutting emissions by at least 80% by	Increased operational cost	3 to 6 years	Direct	More likely than not	Low	Old Mutual Wealth AOP is £307m (as at 31/12/15) in the UK and Europe which could be affected by changes to the cap and trade scheme.	We monitor legislative developments in response to the EU 40% by 2030 target. Medium-level emitters (non-ETS) in the UK mostly report emissions according to CRC and ESOS requirements. Such 'tier 2' emitters may be captured by government policies to	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and as such, the financial costs for climate change specific activities do not represent a material additional cost and are not

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	2050, but also will allow the EU to make a fair and ambitious contribution to the new international climate agreement, which came from COP21, to take effect in 2020. To achieve the at least 40% target, EU emissions trading system (ETS) sectors would have to cut emissions by 43% (compared to 2005) – to this end, the ETS is being reformed and strengthened. The non-ETS sectors will also need to cut emissions by 30% (compared to 2005) – this will be translated into individual binding targets for Member States. Emissions targets at a European level will result in							encourage higher efficiency, so we'll monitor how new frameworks affect them. In March 2016 we announced a managed separation of the Group into 4 entities. This will impact how much Old Mutual is captured through government emissions policies. Meanwhile, we aim to cut emissions by 20% by 2020 through energy reduction initiatives. At business level, our Carbon Taskforces help change employee behaviour to reduce energy usage. In 2015, carbon emissions per employee were 3.59 tonnes (14% lower vs 2010 baseline). Our Southampton	measured separately to Old Mutual's wider risk management costs. In 2015 we did invest £25,000 in carbon assessment of a number of our portfolios to get a better understanding of our exposure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	domestic policy that will affect our operations across the region. For example, medium-level emitters (non-ETS) in the UK mostly report emissions according to CRC and ESOS requirements. These 'tier 2' emitters could be captured by any government policies to encourage them to become more efficient. Already, in the UK the Climate Change Act has established a system of five-yearly carbon budgets, to serve as stepping stones on the way to ensuring the UK meets its emissions reduction targets.							offices work to their Environmental Management System, whilst promoting behaviour changes like car sharing and cycling helps cut scope 3 emissions, as does consolidating deliveries. When we go out to tender for new suppliers, data on environmental performance is requested. In 2015, we created action plans within Wealth and Quilter Cheviot to improve their performance against the ESOS framework. We also take action to reduce emissions in our supply chain, through our Corporate Social and Ethical Responsibility	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								screening process as a way of selecting and prioritising suppliers. In 2015 we continued to help suppliers with developing in areas like environmental management, quality management and process improvement.	
Emission reporting obligations	Based in the UK, Old Mutual plc and Wealth UK are affected by UK Government CRC Energy Efficiency Scheme and are required to purchase allowances to cover their emissions resulting from their electricity and fossil fuel consumption. In 2014 CRC permits were set at £16, but in	Increased operational cost	1 to 3 years	Direct	Very likely	Low-medium	Old Mutual Wealth AOP is £307m (as at 31/12/15) in the UK and Europe which could be affected by the rise in permit price. There is also a cost (in the range of thousands of pounds, depending on the severity of the breach) of non-compliance with the CRC Energy Efficiency	We outsource reporting to an expert agency to maintain our evidence log in a compliant manner. The CRC working group has quarterly meetings to review progress.	The cost of compliance is covered under the amount paid to the expert agency for their services. This amounts to approximately £10,000 per annum. Although, non-compliance is highly unlikely for Old Mutual.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	2015/16 the compliance sale price increased to £16.90. Permits therefore cost Old Mutual approximately £106,000, 6% more than in the previous year. The risk posed to Old Mutual is through increased operational costs through increased emissions charges as well as through non-compliance with the scheme in its current form. OM will maintain a close watching brief on increasing price of permits.						Scheme.		
Carbon taxes	UK Chancellor George Osbourne's 2015 Budget announced tax changes that will cost renewable energy generators £910m in 2020/21. The	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Low-medium	Old Mutual Wealth AOP is £307m (as at 31/12/15) in the UK and Europe which could be affected by the price of renewable energy.	Our approach to responsible investment is founded on an understanding sustainability is a growing megatrend. As traditional energy resources	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and as such, the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	biggest financial impact for the energy sector in the budget stems from changes to the Climate Change Levy, a tax on energy use paid by businesses. Electricity from renewable sources had been exempt, resulting in effective support of £5 per megawatt hour of output, but Osborne plans to remove the renewables exemption. Analysts say this could wipe 5-6% off the income for onshore windfarms and make some planned projects unviable. Shares in Drax, the coal- and biomass-fuelled power station in Yorkshire, had fallen by a quarter							become more finite we need to help economies transition to a mixed energy future. In our role as custodian of our shareholders' and beneficiaries' long-term futures, the global trend to move to renewable energy means that OM will continue to consider the relevant material environmental, social and governance factors throughout the investment decision-making process. Responsible Investment is an important element of our Positive Futures Plan, which is key to enabling the long-term growth of Old Mutual as an international business. This year we continued	financial costs for climate change specific activities do not represent a material additional cost and are not measured separately to Old Mutual's wider risk management costs. In 2015 we did invest £25,000 in carbon assessment of a number of our portfolios to get a better understanding of our exposure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	after the announcement. The 2015 Budget also announced changes that amount to support for fossil fuels. These include an expansion of oil and gas exploration tax relief, expected to cost the government £10m in 2020/21, and scrapping the existing sliding scale road tax for new cars, which gives an incentive to buy lower-carbon vehicles. The changes to carbon taxes in the UK might disincentivise investments in renewable energy funds where the return is based on a fixed stable policy, which could change. In an extreme case, lower investment in renewable							to track compliance against our RI Standards in all businesses, which we aim to be at 100% by 2020. In terms of risk that carbon tax changes may impose on in-house operations, this may be combated by the managed separation (announced by the Group in March 2016) as our UK and European business's direct operational footprints may well become reduced.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy funds will also pose risk to in-house operations, as there may be too little capital required to meet future energy demands.								

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate drivers	Any severe weather conditions attributed to climate change, e.g. unseasonal hail or drought, poses a risk to buildings and locations and thus business operations. Damage to branch	Inability to do business	>6 years	Direct	More likely than not	Medium-high	The AOP of Old Mutual Group is £1.8bn (as at 31/12/15). Inability to carry out business operations would put AOP at risk.	Business Continuity and Disaster Recovery Plans are in place for Old Mutual at both Group and Business level. Plans consider internal and external issues including environmental triggers. We	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and, as such, the financial costs for climate change specific activities do not

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	infrastructure and utilities can impact ability to serve clients, access to branches, service delivery and staff morale. This would affect all of our business. Severe weather conditions may also increase personal risks to staff in the workplace, which would further affect operations. In July 2015, temperatures soared throughout Western Europe. Germany experienced its hottest day since records began whilst in France, thousands lost power as high temperatures causing electrical equipment to malfunction. Experts have advised that the extreme heat is not simply down to the current El							consider BC and DR threats over a 1-3 year timeframe. In 2015 a new operational risk methodology was rolled out to OMW and OMEM making risk descriptions more precise. The Group assesses BCPs for businesses but under the managed separation assessment this will be led by businesses themselves. Group-wide, we provide remote access so employees can work at home in adverse weather. We use Risk Control Self-Assessment questionaires to assess risks in businesses. Risks are fed to Group level to decide how to manage them. We work to improve our operations to increase resilience to disruptions in	represent a material additional cost and are not measured separately to Old Mutual's wider risk management costs.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Nino, but is caused through anthropogenic greenhouse gases contributing to global warming. There is also evidence to suggest that warm sea surface temperatures (caused by anthropogenic greenhouse gases) are a factor in causing the 21st century California droughts.							utility supplies due to weather: We minimise water used in our properties through bleed-off & rainwater harvesting, using treated effluent for irrigation & upgrading toilet facilities & low-flow taps. To counteract disruptions to energy supply, UPS backup generators were installed in 142 P1 branches in 2015. E&Y conducted workshops to assess impact of Eskom grid failure and appropriateness of OMSA plans. The interim response plan has been developed. Gaps were identified in assessment of the shutdown and restart and have been remediated in a new plan. Given lack of blackouts since 2015 we have	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								reduced this risk exposure. Finally, appropriate insurance for our properties covers costs of weather damage.	
Change in precipitation extremes and droughts	Extreme weather could cost our insurance business heavily through increased claims, for example against building and crop insurance policies. Our insurance arm, M&F, sees large increases in claims on their crop insurance policies following dramatic changes in weather conditions. In 2015 South Africa had the worst drought in 100 years, which affected both our own operational costs and operational costs to clients. Where historically one in eight years	Increased capital cost	>6 years	Indirect (Client)	More likely than not	Medium-high	OMEM has £43.4bn of funds under management and part of this is invested in crop insurance. In 2015, exposure was R200m to the business.	The Risk Committees of our Southern African businesses work closely with product development teams, and in reference to our Group Risk Management Frameworks & Risk Appetites, to manage this risk. Our insurance arm, M&F, uses a conservative reinsurance and underwriting structure, in line with Risk Appetites, to cater for volatility of crop insurance & ensure exposures do not exceed limits set per area & crop. Farmers must present a dossier of information when they apply. We ensure they use the	The identification and monitoring of this risk is a core part of the Group's risk management strategy and, as such, the financial costs for climate change specific activities do not represent a material additional cost and are not measured separately to Old Mutual's wider risk management costs.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	weather conditions were poor for agriculture, now one in six years have poor farming weather conditions in South Africa meaning our agriculture customers make an increased number of claims. For drought, 10% of our crop insurance business covers this risk. More frequent extreme changes in weather patterns could have an effect on our insurance business resulting in increased frequency of pay-outs with an effect on our actuary tables.							right techniques, look at history and set individual rates and underwriting terms. We thus reduce exposure to the risk of claims under adverse climate events. Exposure was only R200m in 2015 compared to R6m in previous years. Our product diversification policy ensures we are not overly exposed to risk in one particular asset class. Also, certain high-risk crops are excluded from cover completely. M&F are members of AGBIZ, a South African association that works to create an environment in which agribusinesses of all sizes, in all sectors, can thrive. OM therefore understands what makes a successful agri-business in the market. Risks are	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								monitored and measured by our historical focused actuarial models - in 2015 discussions continued around transitioning this method to a more horizons focused approach. M&F are on the board of the South African Insurance Association where we engage with industry and government on innovative ways of mitigating climate change risks in our industry.	
Induced changes in natural resources	Changes to the availability and distribution of natural resources caused by climate change could negatively impact the supply chains of our investments and therefore seriously affect our investment returns. The changes caused by climate change	Reduction in capital availability	>6 years	Direct	About as likely as not	Medium-high	Old Mutual has £327.9bn funds under management globally (as at 31/12/15) - our funds across the globe will potentially be influenced by the effects of climate change on natural resource availability.	One of Old Mutual's strategic priorities is to be recognised as the financial services leader in responsible business. Likewise, our purpose is to enable customers to thrive by investing their funds in ways that will secure a positive future for themselves, their families,	The identification and monitoring of this risk is a core part of the Group's risk management strategy and, as such, the financial costs for changes in natural resource availability do not represent a material additional cost

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	could also could lead to an increased risk in violent conflict in these areas. This will primarily impact our Asset Management business but may also affect other investment holdings in our emerging markets businesses.							communities and the world at large. Responsible Investment is therefore a focus area for the business and important element of our Positive Futures Plan. The PFP is key to enabling our long-term growth, as a large climate change risk to us is through our investments and policies we underwrite. We define RI as 'a cross-cutting approach to investment that integrates the consideration of material environmental, social and governance factors into investment and ownership practices'. In 2013 our steering group rolled out an RI Standard, group-wide, to track and manage	and are not measured separately to Old Mutual's wider risk management costs. Likewise, tracking and managing investments against our Responsible Investment Standards comes within the responsible business budget of £1.5m (at plc alone).

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								investments from an ESG perspective. In 2015 we continued to track compliance against the Standard. We aim to achieve 100% compliance by 2020. Placing emphasis on ESG assessment alongside our asset diversification policy reduces our exposure to carbon intensive investments. The policy, and our in-house Risk Exposure Aggregation System, ensures investment isn't concentrated in one sector or investment type mitigating the risk of local ‘trauma’, including that caused by climate change. We are also members of groups to share best practice & knowledge on climate change impacts on the financial sector e.g.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the UN Environment Program Finance Initiative.	
Induced changes in natural resources	Climate change and environmental degradation pose threats to the global economy and to the well-being of citizens in every country. These interacting processes have the potential to undermine development investments and recent gains in poverty alleviation, food and water, security and human health, particularly in the most vulnerable developing countries. Though the poorest countries historically have been least responsible for climate change and ecosystem degradation, they face the most severe	Increased capital cost	1 to 3 years	Direct	Likely	Medium-high	In 2015 OMEM and Nedbank have £55.3bn funds under management in Africa and across the Group the vast majority of the Group's 18.9m customers were Africans (96% of our customers use Nedbank or OMEM). Therefore a significant proportion of OM's FUM could be affected by climate change impacts on the environment and economy in Africa.	Old Mutual's purpose is to help customers achieve their financial goals by investing their funds in ways that create a positive future for them, therefore operating responsibly in our communities is priority. In 2015 we invested £16.7m into our communities to fund development projects. Across Africa, R175m and R116m went into funding communities and education respectively. We worked with Government officials and education trade unions to reach 250000 learners in 7 years. We also invested R16.1bn into Broad-Based Black Economic	The associated cost for this risk is absorbed in normal business practices – it is part of our commitment to helping people plan for the long term and how we are proud to contribute to the communities in which we operate. Likewise, tracking and managing investments against our Responsible Investment Standards comes within the responsible business budget of £1.5m (at plc alone).

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	consequences of its effects (ranging from altered rainfall, reduced crop yields and increased weather-related disasters, to rising sea levels and exacerbated disease).							Empowerment, achieving level 2 status. Also, we have funds focused on infrastructure, renewable energy and housing e.g. in South Africa R10.2bn was invested in affordable housing projects by end of 2015 and R57bn in other infrastructure like schools and sustainable agriculture. Nedbank facilitated provision of >4000 homes. We seek partnerships in Africa with NGOs who offer micro-finance solutions aiming to help farmers where climate poses risk to crops and livestock. We will help scale-up such initiatives. Unless we manage the risk these investments and gains could be vulnerable or undermined. ESG screening is thus	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								part of our RI Standard, so climate change risks factor in to investment decisions. We will keep evaluating risk posed by climate change on our investments. As part of the solution we work closely with partners and environmental bodies such as UNEPFI, and share knowledge and best practice on climate change impacts and how to mitigate them.	

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Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Increasing humanitarian	There is increasing	Inability to do business	3 to 6 years	Direct	More likely than not	Low-medium	If our business was	Risk identification and management is a core	There is no additional cost

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
demands	evidence that climate change could increase the risk of infectious diseases - the recent outbreak of zika virus, which has caused disruption across the globe, could spread to Europe as summers get warmer. The WHO states that a recent global increase in infectious diseases seems to correspond with rising global temperatures. And according to the 2013 IFPRI report, “poor communities suffer the most from climate change impacts.” This risk could affect						unable to operate as normal, our global AOP of £1.8bn (as at 31/12/15) would be at risk.	part of our business at both Group and Business level. Processes are effected in accordance with our Risk Frameworks and Risk Appetites and our Responsible Business Policy at both Group and business level. At Group Level, our Head of Responsible Business is responsible for identifying climate change risks as part of the wider risk identification process and, where appropriate, these are reported to the Board on a regular basis. Ongoing reviews are performed of risk identification, exposure levels and remedial action plans at a business level to make sure that all risks are identified and assessed in a consistent manner. The Group is currently involved in assessing BCP plans for the business units, but under the new managed separation assessment of BCP plans will be done by the business	to managing these risks and they do not represent a material cost to the business. Disaster Recovery and Business Continuity Plans are reviewed regularly as part of our general risk management practices.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Old Mutual in several ways. It could affect our direct operations as well as staff morale. It could affect our investments and thus returns on investments for our clients and other stakeholders.							units themselves. Across the Group we also provide remote access so employees can work at home in adverse weather conditions. We use Risk Control Self-Assessment questionaires to assess risks at business level. Risks are fed up to Group level which decides on how to manage that risk. Climate change risks are flagged on quarterly calls with the Head of Responsible Business and fed back into Group along with risks identified at Group level. This Risk Assessment method help us to prioritise these risks and build them into our Disaster Recovery and Business Continuity planning. We consider our BCP and DR risks over a 1-3 year timeframe.	
Reputation	Climate change is widely recognised as the greatest environmental challenge	Reduced demand for goods/services	3 to 6 years	Direct	Very unlikely	Low	If Old Mutual's reputation was called into disrepute, it	Responsible Business is important to our Positive Futures Plan, focusing on Financial Wellbeing & Responsible Investment. In 2015 we continued	The costs of these actions differ from year to year and are part of our business as

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	facing the world today and we recognise that our business needs to go significantly beyond compliance to meet the increasing expectations from stakeholders that we will deal with these challenges. Our reputation improves our ability to attract customers, employees and investment, to motivate employees and suppliers, and to differentiate us from our competitors. In particular at Nedbank we are considered to be a thought leader in the climate change space e.g. Nedbank was the first carbon						could reduce demand for our good/services by our 18.9m customers. The FUM of £327.9bn globally (as at 31/12/15) could be adverseley affected.	tracking compliance against the RI Standard. We aim for 100% compliance by 2020 and keep training investment managers on ESG & RI. We also use external guidelines & frameworks to inform our approach e.g. The FTSE4Good Index. In 2015 we invested £16.7m into our communities to fund development projects. R175m and R116m went into funding communities and education across Africa respectively. We worked with Government officials and education trade unions to reach 250000 learners over 7 years. We also invested R16.1bn into Broad-Based Black Economic Empowerment, achieving level 2 status. In South Africa we invested R10.2bn in affordable housing projects by end of 2015 and R57bn in other green infrastructure projects. Nedbank facilitated provision of >4000 new homes. We seek partnerships with NGOs	usual practices. Internal management of Responsible Business has a specified annual budget. In addition to this budget should be added the spend for communicating this to stakeholders both internal and external.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	neutral bank in South Africa and won the African Banker 'Socially Responsible Bank of the Year' in 2014. At its worst, failure to effectively manage climate change represents a potential threat to our licence to operate. As more brands make commitments to meet emissions targets and operate responsibly, there will be increased expectation that all brands follow suit. Though Old Mutual is already a leader in the climate change space, we will continue to							to scale up micro-finance solutions helping farmers work under conditions where climate threatens crops and livestock. In 2015 we signed the Montreal Pledge, which commits us to measure and disclose annually the carbon footprint of our investment portfolios. We offer services & products to help our customers to avoid GHG emissions e.g. the Greenzone branch service consolidation scheme in South Africa & the Nedbank Green Affinity product. Lastly, OM continues to partner with climate change-focused organisations e.g. Nedbank and WWF-SA partnership.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	engage with policy makers on climate change issues.								
Changing consumer behaviour	Poor or unstable economic and social situations caused by severe climate change impacts could reduce the ability or demand of potential customers to take advantage of our products. For example in South Africa, commercial crop insurance risks vary from year to year, be it because of hail, drought, wet weather or cold, and farmers' purchase of products varies accordingly. Another example of a different kind of	Reduced demand for goods/services	3 to 6 years	Indirect (Client)	Very unlikely	Low	A change demand for our good/services by our 18.9m customers could adversely affect our FUM of £327.9bn globally (as at 31/12/15).	Old Mutual offers products to suit different client needs even in challenging market conditions e.g. those caused by climate change. For crop insurance products we assess and identify risk for customers individually and ensure exposures do not exceed limits set per crop area. Exposure was R200m in 2015 compared to R600m previously. Using ESG ratings allows us to build investment products leveraging ESG factors. In 2015 we launched an emerging market version of this capability. We are diversified across territories and product lines minimising impact of changes in specific sectors/territories. As an investment, banking, insurance and savings business we help people plan ahead & provide for unforeseen	There is no additional cost to managing these risks and they do not represent a material cost to the business. Our product development teams across the business integrate climate change products into their general business practices. In 2015, across the Group we spent £16.7m on community investment of which much is focused on financial education.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	change in demand for our products is in the UK where there is an increasing expectation for companies to provide ethical and environmentally friendly products, a trend that is gathering pace worldwide.							expenses/circumstances. In 2015 we invested £16.7m into our communities to help fund development projects – and R175mn and R116mn went into funding communities and financial education across Africa respectively. In 2015 we worked with Government officials and education trade unions to reach 250000 learners over 7 years. We invested R16.1b into Broad-Based Black Economic Empowerment, achieving level 2 status. Responsible Investment is key to our Positive Futures Plan. We aim for 10% of FUM to be invested in the green economy and infrastructure by 2020 and 100% of funds to be offered publicly and ESG-rated. As of 2015 we have committed investment of R14.5b in approved renewable energy projects. A lending target of R6b was made for Nedbank's Fair Share 2030	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								programme.	
Uncertainty in social drivers	While power outages are no longer considered a high level risk, the energy situation in South Africa means that energy uncertainty remains a concern as a potential business risk. Any load shedding or power outages would affect business as normal in our largest market by causing disruption in our OMEM branches, as well as increased claims on insurance policies that we have underwritten.	Increased operational cost	>6 years	Direct	Unlikely	Low	Increased operational costs would affect our South African AOP, which was £662m in 2015 (as at 31/12/15).	Disruptions to energy provisions caused by climate changes events can cause an inability to service critical business processes. To counteract this, in 2015 UPS backup generators were installed in 142 P1 branches. E&Y conducted workshops to assess the impact of an Eskom grid failure and appropriateness of OMSA plans. The interim response plan has been developed. Gaps were identified in the assessment of the shutdown and restart, and have been remediated as part of an updated plan. Given lack of blackouts since 2015, we have reduced this risk exposure. As traditional energy resources are finite Old Mutual will help economies transition to using mixed energy. In our role as custodian of our shareholders' and beneficiaries' long-term futures, the global trend	The development of remedial action plans to mitigate this risk is a core part of the Group's risk management strategy and, as such, the financial costs for climate change specific activities do not represent a material additional cost and are not measured separately to Old Mutual's wider risk management costs. The majority of the remedial action necessary to manage this risk was the purchase of back-up generators and

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								to move to renewable energy means we will continue to consider the relevant material ESG factors in the investment decision-making process. We aim for 10% of FUM to be invested in the green economy and infrastructure by 2020 and 100% offered publicly and ESG-rated. As of 2015 we have committed investment of R14.5bn in approved renewable energy projects, including investment in 15 of the 22 Government-proposed wind farms, half of the solar power projects and one of the two hydro projects that have been in rounds one to three of the renewable enrgy initiative. Likewise, an initial lending target of R6 billion was made for Nedbank's Fair Share 2030 programme, which provides energy-efficient and renewable-energy funding.	the majority of this was carried out in financial year 2014.

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	Mandatory GHG reporting is gaining traction across our markets. In South Africa, entities that engage in activities that emit greenhouse gases will be liable for the carbon tax and will need to submit their tax returns based on their own assessment of their emissions. It is likely that the implementation of a carbon tax itself in South Africa will not be phased in until January	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Medium-high	Electricity is by far the biggest energy source for our South African operations with around 80% of our total emissions originating in South Africa. Using industry approved methodology we estimated in 2014 that a 100% increase in electricity cost would result in just under 10% increase in our	At Group level, such regulatory pressures improve the business case for investing in emissions reduction initiatives. With a property portfolio valued at R21.2bn in 2015, with around 1436 tenants, investing in emissions reductions initiatives will cut down our emissions and costs long-term. Our Responsible Business data enterers and approvers are placed within each of our	Our data management system costs the Group approximately £50,000 a year to run and manage. Other costs are absorbed in normal business practices with no additional financial implications.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	2017. By making efficiency savings we have an opportunity to reduce operational costs, which could be magnified if Eskom's carbon tax costs are passed onto consumers through higher electricity costs. Our experience of carbon taxes in other markets, such as the UK CRC, is that it prompts greater visibility of our energy supply chain and highlights where savings can be made or, potentially, where overbilling has occurred.						operational cost over five years. The shape of the business was broadly the same in 2015, and therefore by making efficiency gains and reducing electricity consumption by 20% this operational cost could be reduced saving Old Mutual SA nearly £3.1m.	businesses to monitor, track and report our carbon data. They are required by their Letter of Representation to provide this data. Responsible Business in 2015 was a strategic priority across the group and we have adapted our environmental data strategy to help integrate RB into core strategy. For example, our Finance team now have the mandate for collecting, managing and signing off all of Group's non-financial data, with support from the Responsible Business Team. By closely monitoring and	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								tracking our carbon consumption on a quarterly basis we are able to monitor overbilling, recoup any costs owed and expose opportunities where savings could be made. Our Carbon Taskforces across the Group are responsible for helping reduce our carbon impact. The Taskforces run employee facing campaigns to encourage stewardship at work with regards to saving electricity, heat, cooling, waste and paper. Our focus over the next few years is to manage the separation strategy, but we	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								remain committed during this transition to operating as a responsible business with a view to the long-term.	
Carbon taxes	With the rise in carbon taxes it is predicted that the demand for renewable energy will increase, as will self-generation and the need for businesses to become less carbon intensive - the EU has proposed a target of a 30% increase in energy efficiency for example. Likewise, in October 2014 European leaders adopted a 43%	New products/business services	1 to 3 years	Direct	Very likely	Medium-high	In 2015 Old Mutual Emerging Markets had £43.4bn FUM (as at 31/12/15) of which a proportion could be invested in renewable energy projects. In 2015 OMIG invested R12bn (£555mn) in green energy alone. This investment in renewable energy markets stands to grow in light of this	Our product development teams are aware of the opportunity carbon taxes presents to create carbon efficient products for customers & integrate development of these into usual practice. Our green IDEAS Managed Fund in 2015 had equity assets of approximately R7bn with investments in economic and social infrastructure and renewable energy assets.	There is no additional associated cost of managing this opportunity. Integrating Responsible Investment across the group is absorbed into the Responsible Business Budget and product development teams have a specific green budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	GHG emissions reduction target from 2005 levels for EU ETS sectors by 2030 and agreed to stabilize the EU ETS in line with the European Commission's proposal to establish a Market Stability Reserve (MSR). The MSR will come into effect in 2018, but the placing of allowances in the reserve shall operate from January 2019. The MSR is proposed to address the current oversupply of allowances and strengthens the ETS' resilience to external						opportunity.	Training in RB continued to empower local regions to embed ESG decision-making practices in investments. Responsible Investment, an important aspect of our Positive Futures Plan, is embedded across the Group - we aim for 100% compliance against our RI Standard by 2020. In 2015 our Affiliates devoted attention to responsible investing and studying ways in which each might add value to its clients. By end of 2015 we had committed investment of R14.5bn in approved renewable energy projects,	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	shocks and make it more robust and effective in promoting low-carbon investment at least cost to society. This higher resilience may encourage more low-carbon investment within the European market. In South Africa, the proposed carbon tax presents several opportunities to Old Mutual. The changes to carbon taxes and cap and trade schemes, as in Europe and South Africa, as well as China, give us the opportunity to: play an active role in their							e.g. 15 of 22 Government-proposed wind farms and solar power and hydro projects. Nedbank's Fair Share 2030 programme provides energy-efficient and renewable-energy funding - an initial lending target of R6bn was made for 2015. Funds are focused on infrastructure and housing: In South Africa R10.2bn was invested in affordable housing projects by end of 2015, and R57bn in other infrastructure projects. Our focus on RI encourages investment at scale - by 2020 we intend 10% of funds under management to	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	development, and increase our investments in the renewable energy sector and companies that are responsibly managing their carbon risks and low carbon business. In this climate, it is possible that we will see an increase in these investment returns as clients and investors start to look to see how businesses are responding to the transition to a low carbon economy. There is an opportunity for us to sell offsets, to invest in green energy products, in infrastructure							be invested in the green economy and infrastructure. We have a commitment to transparency - by 2020 100% of our funds will be public and ESG-rated.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to help transfer South Africa into a green economy and the potential to provide products to a client base with an increased appetite for carbon efficient financial products. Currently, Old Mutual is the largest investor in renewable energy in South Africa and we aim to be the biggest investor in the 'green economy'. This presents a big opportunity for Old Mutual.								
Cap and trade schemes	In the same way that carbon taxes produce new investment, product and service opportunities for Old Mutual,	New products/business services	1 to 3 years	Direct	Very likely	Medium-high	The monitoring of this opportunity is not currently costed at a climate change level.	Investors show growing interest in ESG-based mandates due to an opinion shift in clients on climate change and a push for transparent,	There is no additional associated cost of managing this opportunity as RI is absorbed by the

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	so does the possible introduction of cap and trade schemes across the markets in which we operate. Although both the local legislation and policy varies dramatically across the US, the general feeling is that there is a growing interest in responsible investment and investment products that are aimed at helping us adapt to a carbon constrained future. For example, the Western Climate Initiative (WCI), was initially formed as a collaboration of						However, our USA asset management business OMAM has FUM of £144.1bn (as at 31/12/15) and the proportion of this invested in alternative funds could grow as the trend for responsible investment continues to strengthen.	responsible investing. In OMAM we keep Affiliates alert to this trend and help them add ESG-based processes to their capabilities. We have a commitment to transparency - by 2020 100% of funds will be offered publicly and ESG-rated. Responsible Business and RI is at the heart of our Positive Futures Plan. We aim for 100% compliance against our RI Standard by 2020. In 2015 our Affiliates studied ways in which each might add value to its clients. At OMAM we offer dedicated ESG investments & a range of green economic	Responsible Business budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	jurisdictions working together to identify, evaluate, and implement emission-trading programs at a sub-national level. As of 2016, the state of California and the provinces of British Columbia, Ontario, Quebec, and Manitoba continue to work together through the WCI to develop and harmonize their emissions trading program policies. This would present an opportunity for our asset management businesses in the USA and in Europe. President							growth investments. These assets provide measurable socio-economic impacts, providing clients access to investments that support the transition to a low-carbon, resource-efficient, socially inclusive and vibrant global economy. Campbell Global LLC is a sustainable timber farmer and acts as adviser for institutional investors. Adopting ESG guidelines will align investment strategies with the broader objective of society and responsible management of forest assets will improve	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Obama is trying to push through carbon legislation and targets in line with his Climate Action Plan, under which USA intends to achieve an economy-wide target of reducing its emissions by 26-28% below its 2005 level by 2025. In October 2015, a Massachusetts Senate hearing considered two bills to establish carbon prices; one is revenue-positive, the other is revenue-neutral. Both bills are expected to advance in the 2016 legislative session. The revenue-							investment value. By partnering with conservationists, OMAM has protected 1500 acres of forest. We continue to invest responsibly and reduce exposure to carbon-intensive investments in all of our businesses – in 2015 OMIG committed over £2.6bn in renewable energy focused funds. By 2020 10% of FUM are to be invested in the green economy and infrastructure.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	positive bill would establish an economy-wide carbon price via either a fee or cap on carbon emissions. 80% of revenue would be returned while 20% percent would be invested in transportation and clean energy. For the revenue-neutral bill, all revenue would be returned to households, businesses and institutions. The growing number of US states introducing cap and trade schemes will spur public and private investment in clean energy, energy efficiency, and								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	sustainable infrastructure. Old Mutual aims to be the biggest investor in the 'green economy' so this presents a big opportunity.								
International agreements	The UN 2015 Sustainable Development Goals (SDGs) seek to provide a holistic and integrated approach to ending global poverty and hunger by the end of 2030. In order to realistically achieve these goals the global community needs to interrogate and address some deeply structural issues such as common but differentiated	Investment opportunities	>6 years	Direct	Virtually certain	Medium-high	Old Mutual Emerging Markets and Nedbank have a combined FUM of £55.3bn. The proportion of this invested in funds to help grow initiatives such as financial education schemes could grow. R116mn (£5.4mn) went into funding education across Africa in 2015.	In 2015 Old Mutual continued to explore how to align our Positive Futures Plan with specific SDGs and demonstrate our active commitment to the sustainable development agenda. Our projects supporting SDGs: Nedbank's Green Savings Bond allows investors to support renewable energy projects. R11.8bn has been invested in	There is no additional associated cost of managing this opportunity as development of our Positive Futures Plan is already absorbed in other responsible business budgets.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	responsibilities; non-inclusive growth and poverty; poor governance; unsustainable patterns of consumption and production; unmaintainable population growth; and the management of the natural resource base for future social development. This also requires the acceptance that global goals, of whatever type, are only likely to gain support if they address existing political-economic objectives at the country level. The SDGs and their specific targets provide vehicles with which to align							the Bond, of which R4bn came in during 2015. By end of 2015 we had invested R10.2bn in affordable housing projects; Nedbank helped fund 4000 homes. Through an agreement with the Green Fund, Nedbank funded 400 affordable, energy-efficient houses. As a founding partner of Blue Marble Micro-insurance, we protect vulnerable societies through insurance, an important ingredient for economic development. One venture will protect small-scale farmers in Africa from adverse	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	national contributions to sustainable development priorities and to catalyse the transition from business-as-usual pathways to climate-resilient, resource-efficient, low-carbon and inclusive development. We view 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, particularly in our African market.							weather. In 2015 we invested £16.7m into communities to fund development projects. R175m and R116m went into funding communities and education across Africa respectively. We worked with Government officials and education trade unions reaching 250K learners over 7 years. We invested R16.1b into Broad-Based Black Economic Empowerment, achieving level 2 status. By 2015, partnering with WWF, Nedbank donated more than R200m in support of 200 conservation projects in South Africa. Key affiliations in	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								2015 include being on the Board of the UN PRI and a signatory to UN Global Compact, and being aligned with the South African National Development Plan 2030, Equator Principles, CRISA, FTSE4Good, and CDP.	
Cap and trade schemes	It is increasingly accepted that controlling carbon emissions requires a global effort and this has resulted in varying proposals around a global cap and trade system, in which the developing world would come to the	New products/business services	>6 years	Direct	More likely than not	Medium-high	Old Mutual has £327.9bn FUM globally (as at 31/12/15) and, as this is a global proceeding, our funds across the globe will potentially be influenced by changes in cap and trade schemes operating at	Old Mutual will monitor how the extension of CAT schemes globally affects opportunities for investment e.g. motivating the selling of green funds. We will be prepared for this since in 2014 OMW set up an Investment Oversight Council which ensures ESG-focused	There is no additional associated cost of managing this opportunity as RI is absorbed by the Responsible Business budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	fore. As part of its vision for an international carbon market, the EU has proposed a new market mechanism to be implemented in both developed and developing countries. By covering whole economic sectors (not only projects as the Clean Development Mechanism does) such a mechanism would go beyond the pure offsetting of emissions and could form a stepping stone towards a system of globally linked economy-wide CAT systems. The new mechanism would help major						an international level.	investment products, e.g. WealthSelect, retain investors' best interests. In 2015 the Council continued to influence our decision-making in a responsible way. ESG issues are central to our Positive Futures Plan. With the advent of ESG ratings it is now possible to build investment products that leverage ESG information; in 2015 we launched an emerging market version of this capability. An increase in CAT schemes globally may present low risk, stable revenue investment opportunities in green infrastructure, transportation	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	developing countries scale up efforts to reduce GHG emissions in a cost-effective way. This goal was given momentum by the decision of the 2011 UN climate conference in Durban to set up a new market mechanism under the UNFCCC, although the vast majority of carbon trading still occurs within domestic markets, such as within the European Union, New Zealand and South Korea. However, the Paris Agreement, which recognizes that countries can use markets to							and clean energy, which we already have funds focused on: In South Africa R10.2bn was invested in affordable housing projects by end of 2015, and R57bn was invested in other infrastructure projects. In 2015 OMIG committed over £2.6bn of investment in renewable energy focused funds. Our 2020 goal is for 10% of FUM to be invested in the green economy and infrastructure and 100% of funds to be offered publicly and ESG-rated. CAT schemes might also cause increased ending opportunities in the green	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	achieve their emissions goals, could promote more international trading. International markets are already being put in place, such as through joint trading between California and Quebec, which began a year ago. Likewise, China, the world's biggest carbon polluter, will launch a national cap-and-trade scheme in 2017, which would make China the world's biggest carbon market and could strengthen global efforts to put a price on carbon. There is also bilateral cooperation							economy and socio-economic infrastructure. We are placing the business and our customers in a position to benefit from a share in this growth by focusing on these areas.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	between the EU and China, and the EU and South Korea. Before international trading can take off though, new global rules will need to be developed by UN climate negotiators to complement December 2015's high-level Agreement. At the moment, countries have pledged to achieve very different goals under the Agreement, and their pledges were also framed by wildly different parameters. UN climate negotiators will begin trying to establish rules for international trading under								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the Paris Agreement during meetings in Germany in May 2016 and in Morocco in November 2016. Any increase in trading of financial instruments is an opportunity, as OM could facilitate as a broker or provide a trading platform. The extension of cap and trade schemes globally may also motivate the selling of green funds.								
Carbon taxes	If you're a UK business that pays income or corporation tax, you'll be able to claim 100% first year capital allowance on a	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Low-medium	In 2015, the AOP for Old Mutual Wealth was £307mn (as at 31/12/15). This could stand to increase in	Old Mutual has been reporting emissions data voluntarily since 2009 and in 2014 stated our commitment to becoming a recognised	There is no additional associated cost of managing this opportunity because awareness of enhanced

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	product if it's on the Energy Technology List (ETL) at the time of purchase. The ETL is a government-managed list of energy-efficient plant and machinery. It is part of the Enhanced Capital Allowance (ECA) tax scheme for businesses. If the product has been taken off the list, or is added at a later date, the business will not be able to claim capital allowance on it. In 2015 a number of changes to the technologies supported under the ETL were introduced. This presents						the long-term, following investment in energy efficient equipment and operational strategies.	leader in responsible business. In terms of our direct carbon impact, our Group Climate Change Strategy, developed in 2010, helps us to focus on reducing it and improving our energy efficiency. Within this strategy we set ourselves the target of reducing Old Mutual's Carbon Emissions by 20% by 2020 and our Carbon Taskforces help change employee behaviour to reduce energy usage and wastage across the business. In 2015, carbon emissions per employee reduced to 3.59 tonnes (a	capital allowances is built into continuing professional development and training for our procurement teams.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	an opportunity to Old Mutual, which invests in energy efficient equipment where possible to reduce direct operational impacts and costs. By investing in the products on the ETL, OM could reduce scope 1 emissions in its UK premises in a cost-effective way.							reduction of 14% since the 2010 baseline).In 2014, our Southampton offices achieved ISO 14001 accreditation through establishment of a dedicated Environmental Management System which involved investing in more energy efficient equipment, e.g. printers. In 2015 Old Mutual Wealth Soton & Novus (environmental consultancy) delivered building management system savings (£5,321) and supported sustainable travel savings for employees (>£200k) with £0 capital outlay. In 2016 Quilter	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Cheviot will roll out LED lighting estimated to save £4,600 per annum. There is sub metering equipment in place in the Southampton and other offices of Quilter Cheviot, so we will monitor the energy use of equipment and act accordingly to make energy savings and reduce emissions.	
International agreements	The '2030 climate and energy framework' contains a binding target to cut emissions in EU territory by at least 40% below 1990 levels by 2030. This target will ensure that the EU is on the cost-effective	Investment opportunities	1 to 3 years	Direct	Very likely	Medium-high	In 2015, the AOP for Old Mutual Wealth was £307mn (as at 31/12/15). This could stand to increase as investment in the green economy and new, carbon efficient products	Our product development teams are aware of the opportunity the carbon tax presents to create and provide new carbon efficient products for customers and integrate the development of these into their general product	There is no additional associated cost of managing this opportunity. Integrating Responsible Investment across the group is absorbed into the Responsible Business Budget and

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	track towards meeting its objective of cutting emissions by at least 80% by 2050, but also will allow the EU to make a fair and ambitious contribution to the new international climate agreement, which came from COP21, to take effect in 2020. To achieve the at least 40% target, EU emissions trading system (ETS) sectors would have to cut emissions by 43% (compared to 2005) – to this end, the ETS is being reformed and strengthened. The non-ETS sectors will						increases.	development practices. At Quilter Cheviot, we are at the early stage of weaving ESG considerations into our investment process: in February 2015 we appointed our first Responsible Investment Director. RI is a focus of our Positive Futures Plan - we aim to get 100% compliance with our RI Standard by 2020. The introduction of emissions targets may present low risk, long-term stable revenue investment opportunities in green infrastructure, transportation and clean energy. At Quilter Cheviot,	product development teams have a specific green budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	also need to cut emissions by 30% (compared to 2005) – this will be translated into individual binding targets for Member States. Emissions targets at a European level will result in domestic policy across the region. Already, the Climate Change Act has established a system of five-yearly carbon budgets in the UK, to serve as stepping stones on the way to ensuring the UK meets its emissions reduction targets. It has assessed, by sector, what can be							we noticed investors realise that financing companies that provide products, services and technologies to deliver a clearner, more efficient economy can deliver strong investment performance. Current investment examples include companies involved in railway transportations, energy-efficient solutions, water infrastructure, recycling packaging and organic and natural food. Our focus on responsible investment encourages investment at scale - the goals for 2020 is that	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	achieved to reduce emissions at least cost, taking account of available technologies and government policy, and recommends that fostering innovation in technology, although having some cost in the short term, will contribute substantially to emissions reductions and prove economical in future. The introduction of domestic targets to cut emissions may therefore present an opporutnity to Old Mutual in the European market, as there may be increased							10% of our funds under management are to be invested in the green economy and infrastructure. Likewise we have a commitment to transparency - the aim being that 100% of our funds will be offered publicly, and ESG-rated.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	interest to invest in the green economy and in carbon efficient products.								

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Induced changes in natural resources	A growing recognition in the finiteness of fossil fuels, together with increased awareness of the impacts of climate change and political and energy price changes, has fuelled investment in 'clean energy' across the globe. In 2014, global investment in 'clean energy'	Investment opportunities	1 to 3 years	Direct	Virtually certain	Medium-high	In 2015 OMIG committed over £2.6bn of investment in renewable energy-focused funds. This investment in renewable energy markets stands to grow in light of this opportunity.	In a changing world an investment challenge is understanding scale and timing of sustainability impacts. Finiteness of fossil fuels means there is growing investment in the green economy, presenting an opportunity for us. We aim for 10% of FUM to be invested in the green economy and	There is no additional associated cost of managing this opportunity as RI is absorbed by the Responsible Business budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	jumped up by 16%, boosted by fast-growing solar power in the USA and China, meanwhile 2015 produced a new record for global investment in renewable energy. The amount of money committed to renewables excluding large hydro-electric projects rose 5% to $286bn in 2015, exceeding the previous record of $279bn achieved in 2011. Similarly, global investment in renewable power capacity, at $266bn, was more than double dollar allocations to new coal and gas generation, which was an estimated $130bn in 2015. We recognise the product creation opportunity this represents. However, the huge weight of							infrastructure by 2020. Responsible investment is already an important factor in our Positive Futures Plan. Continuing in 2015 to monitor compliance against our RI Standard helped track and manage investments from an ESG perspective. We aim for 100% compliance by 2020. In Africa Old Mutual had committed investment of R60.5bn in renewable energy by 2015 - our Infrastructural, Developmental, and Environmental Assets Managed Fund had equity assets of R7bn with investments in a range of 'impact' assets including economic and social infrastructure and renewable energy assets. The Climate Assets Fund	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	conventional generation capacity already built means that new, clean technologies still only accounted for just over 10% of world electricity in 2015. Prices of solar power in particular have been falling rapidly and the solar industry is about 70% of the way to achieving the SunShot Initiative's cost target of $0.06 per kWH. This is the price that analysts believe utility-scale solar power would be competitively priced, at grid parity, with other sources of electricity in the USA. The growing demand for renewable energy represents an investment opportunity for Old Mutual.							through Quilter Cheviot, shortlisted for a performance award at the Professional Adviser Awards 2015, focuses on sustainability, is multi-asset and offers diversification across global equities, bonds and alternative investments. In our Kenya business Faulu encourages the uptake of solar energy with specific business loans. We'll continue to grow investments in the green economy, driven by our RI approach. With the World Business Council for Sustainable Development and the Investment Leaders Group we are working on sustainable agriculture projects and growing our share of investment in a low carbon economy.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Extreme weather events are a major consequence of climate change, and are becoming more frequent, powerful and erratic. Every continent has been affected, from storms hitting the Philippines and tornados in the United States, to extreme droughts in central Africa, Brazil and Australia and a series of floods in Pakistan and the UK. July 2015 was the warmest month ever recorded for the globe, according to the National Oceanic and Atmospheric Administration (NOAA). In May, India was hit by its second deadliest heatwave on record, and the fifth deadliest in world history, with 2500 killed. There were floods in	Investment opportunities	1 to 3 years	Direct	Virtually certain	Medium-high	In 2015 OMIG committed over £2.6bn of investment in renewable energy-focused funds. This investment in renewable energy markets stands to grow in light of this opportunity. The AOP of OMG, which was £1.8bn (as at 31/12/15) could also expand as a result.	Our purpose is to help people plan ahead & provide for unforeseen expenses & circumstances e.g. those related to climate change. We develop products that help customers mitigate and adapt to effects of climate change. In 2015 our Climate Assets Fund through Quilter Cheviot in Old Mutual Wealth was shortlisted for a performance award at the Professional Adviser Awards 2015. Through M&F we conducted research on climate-adaptive crop insurance products with University of Pretoria. Initial findings are promising. We also work to ensure that our 18.9m customers have access to education to feel equipped to make responsible, appropriate	There is no additional associated cost of managing this opportunity as RI is absorbed by the Responsible Business budget.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Ghana and Myanmar, and droughts in California and Brazil. These often have other related impacts such as damage to infrastructure, disruption of utility services, damage to property and customer assets as well as disruption of supply chains. There are two strands of action needed here, which provide opportunities for Old Mutual to invest in. The first is helping people mitigate these changes in the short term whilst, secondly, increasing investment in areas that will help the world adapt in the long term - such as investing in responsible carbon management							investments. Our goal is to bring financial education to 50m people across markets. In 2015 OMIG continued to invest in renewable energy, committing over £2.6bn of investment in renewable energy focused funds to support the transition to a mixed-energy, resource efficient, socially inclusive economy. We committed R14.5bn to approved renewable energy projects in Africa. In South Africa R10.2bn was invested in affordable housing projects by end of 2015 and R57bn in other infrastructure projects. Our partnership with the Cambridge Institute for Sustainability Leadership identifies how to make material	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	offerings.							impact. To date, R11.8bn has been invested in the Nedbank Green Savings Bond, of which R4bn flowed in during 2015. We aim for 10% of FUM to be invested in the green economy and infrastructure by 2020 and 100% of funds to be offered publicly and ESG-rated.	

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Our reputation improves our ability to attract customers, employees and investment, to	Increased demand for existing products/services	3 to 6 years	Direct	Virtually certain	Medium-high	Our reputation is key to doing business and differentiating from competitors. For example,	Responsible investment is central to Old Mutual's Positive Futures Plan. We aim for 100% compliance against our RI Standards, 10% of FUM to be invested in	The costs of these actions differ from year to year and are part of our business as usual practices.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	motivate employees and suppliers, and to differentiate us from our competitors. Climate change is widely recognised as the greatest environmental challenge facing the world today. We recognise the opportunities available to the business in going significantly beyond compliance to meet our stakeholder expectations in dealing with climate change.						Nedbank, South Africa's Green Bank has a brand value of approximately £1,169m as of 2015 - as valued by Brand Finance. Although difficult to quantify exactly, our brand reputation would be at risk.	the green economy/infrastructure and 100% FUM to be offered publicly and ESG-rated by 2020. We work with partners to address various SDGs. Through partnership with the Green Trust R200m has been donated to >200 conservation projects in South Africa. Key affiliations include being on the Board of the UN PRI (we were a Gold Sponsor at the in person conference in 2015) showing our commitment to RI. We are a signatory to UN Global Compact, and aligned with the South African National Development Plan 2030, Equator Principles, CRISA, FTSE4Good, and CDP. We are therefore firmly part of the investment community asking businesses to submit their impacts. We signed the Montreal Pledge in 2015 which commits	Internal management of Responsible Business has a specified annual budget. In addition to this budget should be added the spend for communicating this to stakeholders both internal and external.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								us to analysing the carbon footprint of our investments. In 2015 OMIG committed over £2.6bn of investment in renewable energy focused funds. In South Africa R10.2bn was invested in affordable housing projects by end of 2015, and R57bn in other development infrastructure projects. We run an African Directors Programme through the University of Stellenbosch promoting integrated reporting, ethical leadership and stakeholder inclusive approaches. 20 investment professionals have been trained as of 2015.	

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Fri 01 Jan 2010 - Fri 31 Dec 2010	7560
Scope 2 (location-based)	Fri 01 Jan 2010 - Fri 31 Dec 2010	792834
Scope 2 (market-based)	Fri 01 Jan 2010 - Fri 31 Dec 2010	0

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO_2	Other: DEFRA/DECC GHG Conversion Factors
CH_4	Other: DEFRA/DECC GHG Conversion Factors
Other: HCFC 22 (R22 refrigerant)	Other: DEFRA/DECC GHG Conversion Factors
Other: R-134A	Other: DEFRA/DECC GHG Conversion Factors
Other: R-407A	Other: DEFRA/DECC GHG Conversion Factors
Other: R-417A	Other: DEFRA/DECC GHG Conversion Factors

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other:	0	Other:	Refer to below

Further Information

The base year data reflects the emissions of Old Mutual employee locations and properties, restated in 2013 to reflect operational control, our reporting approach. As our targets are intensity measures, our base year figures will not change with acquisitions (our targets are per m2 and per employee).

Attachments

https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/Emmission Factors.xlsx

Page: CC8. Emissions Data - (1 Jan 2015 - 31 Dec 2015)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

17700

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
485028	0	

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
South Africa Branches.	Emissions are relevant but not yet calculated	Emissions are relevant but not yet calculated	Emissions are not relevant	The majority of our South African branches are rented, making data collection challenging. We have worked at enhancing our estimate capabilities with increased accuracy of floor space and headcount data. We continue to encounter a number of local reporting and data collection barriers, in many instances due to landlords not passing on data to Old Mutual, but remain confident that we can continue to progress in this area.

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Nedbank emissions associated with the operation and service of ATMs, self-service terminals (SSTs) and point-of-sale (POS) devices located away from a branch or office premises and other remote devices.	No emissions from this source	Emissions are not relevant	Emissions are not relevant	Reliable data for electricity consumption for electronic banking service devices (Automated Teller Machines - ATM), Self Service Terminals (SST) and Point of Sale (POS) devices is not currently available. This is not a significant exclusion as the electricity consumption not included is calculated as less than 2% of the total electricity use.
Bancassurance and Wealth Financial Advisors.	No emissions from this source	Emissions are not relevant	Emissions are not relevant	Electricity consumed by approximately 60 staff members in Nedbank (0.2% of FTE count) are not included as these individuals are Financial Advisors that work from home offices and this consumption is currently not reported. This is not a significant exclusion as the electricity consumption not included is estimated as less than 0.3% of the total electricity use.
Pick-n-Pay in store Nedbank outlets.	No emissions from this source	Emissions are not relevant	Emissions are not relevant	Separate electricity meters are not installed for approximately 100 small Nedbank service outlets at in-store Nedbank "kiosks". These outlets consist of two to three staff with computer and printing facilities. A proxy calculation of associated emissions estimates the exclusion at less 0.4 % of total electricity use.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Data Gaps Data Management	We continue to improve data collection across our business units. Scope 1 emissions increased due to South Africa's on-going energy supply constraints, resulting in a greater reliance on generators. Where we are a tenant in a large building, Old Mutual can struggle to obtain an accurate breakdown of usage for both generator fuel and air conditioning coolant and as a result, we have a small uncertainty in this area. We also believe that waste from fuel storage could result in inaccuracy, with calculations based on fuel purchases rather than fuel use.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Data Gaps Data Management	A small number of employee locations across the business sit within large tenanted buildings where data regarding energy consumption specific to our area can be difficult to obtain. Data that is available can often fail to distinguish between consumption and levies. Where data was unavailable, estimates were made based on either previous year's data (where available) or average usage per employee or per square metre in that geographical region.
Scope 2 (market-based)	Less than or equal to 2%	No Sources of Uncertainty	Not relevant to Old Mutual plc's emission data.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC8.6a/Nedbank Assurance_Validating_our_Sustainability_Journey_2015.pdf	1,2,3	ISAE3000	2

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC8.7a/Nedbank Assurance_Validating_our_Sustainability_Journey_2015.pdf	1,2,3	ISAE3000	28

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	Part of the external assurance is a trend analysis between years.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Colombia	21.93
Isle of Man	167.19
Italy	146.42
Malawi	50.44
Mexico	51.52
Namibia	101.23
South Africa	14912.89
Swaziland	26.58
United Kingdom	786.50

Country/Region	Scope 1 metric tonnes CO2e
Zimbabwe	1435.28

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division
By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Old Mutual Emerging Markets	16181.88
Nedbank	471.99
Old Mutual Wealth	959.31
Old Mutual Asset Management	0
Other	140.79

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Property Portfolio	398.01
Employee Locations	17301.96

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Colombia	118.24	0	961.29	0
Ghana	280.04	0	606.83	0
Hong Kong	34.34	0	58.81	0
Isle of Man	539.10	0	1090.73	0
Ireland	7.54	0	12.91	0
Italy	104.48	0	259.89	0
Kenya	262.65	0	499.33	0
Malawi	76.27	0	119.66	0
Mexico	300.78	0	668.39	0
Namibia	139.07	0	5150.62	0
Nigeria	60.21	0	149.41	0
Singapore	13.40	0	22.95	0
South Africa	465449.55	0	531735.96	0
Swaziland	40.92	0	64.2	0
United Arab Emirates	25.13	0	43.03	0

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United Kingdom	5858.85	0	13171.0	1181
Uruguay	2.12	0	7.77	0
United States of America	299.73	0	2636.24	0
Zimbabwe	11401.71	0	25961.99	0
Switzerland	13.55	0	451.52	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division
By activity

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Old Mutual Emerging Markets	340762.92	0
Nedbank	137368.63	0
Old Mutual Wealth	4434.24	0

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Old Mutual Asset Management	266.71	0
Other	2195.15	0

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Property Portfolio	276086.38	0
Employee Location	208941.27	0

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	Energy purchased and consumed (MWh)
Heat	1181
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

5188

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	3848
Natural gas	1340

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	1181	At our largest building in the UK, we use the local district heating scheme which uses geothermal energy to generate heat. This is provided through the Southampton Geothermal Heating Company, owned by the City Council.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
582333	582333	0	0	0	Our property portfolio in South Africa contributed 81% of the total Group reduction for the consumed electricity. Old Mutual Properties have reduced the total consumed electricity by 8% or 20932MWh as a result of a reduction in the total floor space. Futuregrowth have reduced the total consumed electricity by 36% or 34682MWh as a result of some properties being sold at the end of 2014.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	0	Decrease	No material reduction due to reduction activities.
Divestment	15	No change	During 2014 we sold a large percentage of our property portfolio which has obviously had an impact on our emissions in 2015. In 2015, we sold our businesses in Europe following our strategy to streamline our Wealth offering. These offices were small and have not had a large impact on our overall footprint (reduction of 612 tCO2e). All offices were employee occupied; none in property portfolio.
Acquisitions	0	No change	There were acquisitions in 2015 within Old Mutual Wealth (Quilter Cheviot) and Old Mutual Emerging Market (UAP). We have worked with the businesses to ensure they have the ability to collate their carbon emissions and are clear on the expectations. We have also started to collect data from Intrinsic which was acquired in 2014. These offices are relatively small and have not had a large impact on our overall footprint (increase of 879 tCO2e).
Mergers	0	No change	No mergers.
Change in output	0	No change	There have been no changes in output this year.
Change in methodology	0	No change	There have been no changes in methodology this year.
Change in boundary	0	No change	There have been no changes in boundary this year.
Change in physical operating conditions	0	No change	No change in operating conditions.
Unidentified	0	No change	N/a
Other	0	No change	N/a

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
36.71	metric tonnes CO2e	13695	Location-based	3.7	Increase	Please note this metric is per £m, financial services companies generally do not have a straightforward turnover figure that correlates to emissions. However, the increase is associated to the revenue decreased (PY revenue £15,478m). We have stated our tonnes CO2e per £m FUM (Funds Under Management), in 2015 was 1.5 (2014: 1.7). This is a financial metric we feel most closely links to our carbon footprints activities. We consider the emission intensity targets we have set (per employee and per meter square) more relevant to measure energy efficiency. Note in 2014: Total CO2e - 548,153. Total revenue - £15,478m. Intensity figure 35.41.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
3.53	metric tonnes CO2e	full time equivalent (FTE) employee	64044	Location-based	2	Decrease	Please note this is per employee not per FTE. The decrease is primarily driven by the increase in the number of employees. Note on data 2014: total CO2e- 221,643. Total number of Employee-61,537. Intensity figure 3.60
0.2	metric tonnes CO2e	square meter	1362331	Location-based	2	Decrease	The reduction is associated to the reduction in our property portfolio in South Africa, focusing in keeping the more efficient properties in our portfolio.
1.5	metric tonnes CO2e	Other: FUM per £m	327900	Location-based	11	Decrease	The reduction is associated with the increased on funds under management by 2% in correlation with the decrease in total CO2e.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
Other: Nedbank Self Imposed Carbon Neutral Status	Thu 01 Jan 2015 - Thu 31 Dec 2015	225000	280000	220000	Other: All facilities occupied by Nedbank: Own, managed, leased etc.

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

Nedbank monitors, measures and reports on its carbon footprint annually and its Carbon Neutral status is a self-imposed initiative. It is always the aim to reduce the footprint as far as possible before offsetting the residual footprint through the purchasing of carbon credits. The strategy to comply with it is strongly reliant on the buy in from top management so that future Carbon Neutral initiatives are supported. Currently there is agreement within Nedbank that the Carbon Neutral endeavours will continue.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Hydro	The Lifestraw Water Filtration Project – Thanks to Nedbank's support, the project was able to distribute one million point-of-use water filters in rural Kenya during the 2013 financial year. The carbon offsets from this project were retired against the group's carbon footprint in 2014 and 2015.	VCS (Verified Carbon Standard)	170000	170000	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	2529.50	The Greenhouse Gas Protocol: A Corporate Accounting and	100.00%	The emissions from this section are associated with the purchase and use of paper for printing and other office use. Nedbank engages with paper suppliers so as to guide the paper

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			Reporting Standard (Revised Edition)		purchase process.
Capital goods	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	If applicable, all emissions from these sources were captured in other sections.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	52803	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	100.00%	This value relates to the transmission and distribution losses associated with the electricity consumption across the Group.
Upstream transportation and distribution	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	If applicable, all emissions from these sources were captured in other sections.
Waste generated in operations	Relevant, calculated	29103	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	100.00%	This value includes waste sent to landfill, incineration and recycle.
Business travel	Relevant, calculated	28047	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	100.00%	We carefully monitor our business travel and continued improve our video-conferencing equipment across the Group to reduce the need for travel. This value covers all flights, hire cars, personal vehicles and rail journeys completed for business travel.
Employee commuting	Relevant, calculated	42067.00	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard	100.00%	Nedbank sends out an annual staff commuting survey. A response rate of about 65% is achieved from which the total staff commuting travel is calculated.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			(Revised Edition)		
Upstream leased assets	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	If applicable, all emissions from these sources were captured in other sections.
Downstream transportation and distribution	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	Given the nature of the business, Old Mutual does not directly transport of distribute goods. Any distribution that does occur is accounted for under Scope 1 emissions. Therefore, there are no emissions arising from 'downstream transportation and distribution'.
Processing of sold products	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	Given the nature of the business, Old Mutual does not directly sell any products. Therefore, there are no emissions arising from 'processing in sold products'.
Use of sold products	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	Given the nature of the business, Old Mutual does not directly sell any products. Therefore, there are no emissions arising from 'use of sold products'.
End of life treatment of sold products	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	Given the nature of the business, Old Mutual does not directly sell any products. Therefore, there are no emissions arising from 'end of life treatment of sold products'.
Downstream leased assets	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	If applicable, all emissions from these sources were captured in other sections.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Franchises	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	There is no franchising within Old Mutual.
Investments	Relevant, not yet calculated	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	Whilst we have reviewed an increased number of portfolios for their carbon intensity in 2015/6 we have not reviewed enough to make an estimate of the exposure through our investment portfolio. Given our managed separation as a business we will work with the underlying businesses to ensure they have processes in place to track, measure and understand the risk and exposure to carbon they have through their investment portfolios.
Other (upstream)	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	No Applicable
Other (downstream)	Not relevant, explanation provided	0	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)	0.00%	No Applicable

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/07/13807/Climate Change 2016/Shared Documents/Attachments/CC14.2a/Nedbank Assurance_Validating_our_Sustainability_Journey_2015.pdf	1,2,3	ISAE3000	26

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Change in output	4.28	Increase	The emissions from this section are associated with the purchase and use of paper for printing and other office use. Nedbank Retail is the main paper consumer in the group and this business area undertakes numerous paper-saving initiatives, which are carefully tracked. As stated in the previous year's report, some of the paper reductions recorded during the period could be attributed to the lengthy shutdown of the SA postal service, as well as a change in our procurement system, both of which may have artificially inhibited paper usage for a period of time. The result is that the marginal paper usage increase in 2015 was expected.
Waste generated in operations	Other: Not reported in 2014	100	Increase	We worked on the best methodology for collecting waste, in particular from our property portfolio. We are currently collecting data on waste sent to landfill, incineration and recycle. This data is carefully tracked and reviewed on quarter basis for all the business units across Old Mutual Group.
Business travel	Other: Increase in Employee numbers	9.4	Increase	This increase is associated with the increase in permanent employee's figures year to year.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagement and measures of success

At Group level all new suppliers go through the Business Units' due diligence process. This is a detailed and extensive questionnaire that relates to all areas of Responsible Business including climate change and environmental performance. New suppliers are questioned about how they integrate environmental management system, how they measure their own impact and suggested ways they can help improve Old Mutual's environmental impact and are chosen according to their performance.

Success is measured by vendor's ability to help the business reduce their number of deliveries that need to be made, their selection of environmental friendly alternative products on offer and their ability to help the business reduce their product consumption.

At Nedbank an annual vendor conference is held where environmental and broader sustainability issues are raised and discussed with vendors.

Strategy for prioritizing engagements- throughout the year the vendors with the highest amount of spend are prioritized for further interactions and meetings.

Measures of success- success is measured by obtaining and applying measures to either reduce the use of a product or shift to more environmental sustainable options. As an example, due to engagements with paper suppliers the total greenhouse gas pollution per tonne of paper could be reduced for the paper sourced by Nedbank.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend (direct and indirect)	Comment
300	90%	Please note this is Nedbank only i.e. 90% of Nedbank spend. This is mainly done through the annual vendor conference.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Use in supplier scorecards	Part of vendor selection and final product selection from vendors entails various disclosures by the vendors. One of the disclosures will be the GHG emissions and climate change strategies of vendors. The quality of the strategies impact the final vendor and product selection.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Helen Wilson	Head of Responsible Business	Environment/Sustainability manager

Further Information