31 March 2023

Old Mutual announces its Net Zero Asset Owner Alliance 2025 intermediate targets

In 2022, Old Mutual joined the United Nations-convened Net Zero Asset Owner Alliance (NZAOA), a member-led initiative of institutional investors that are committed to transitioning their investment portfolios to net-zero greenhouse gas emissions by 2050. Our key objectives are to gain insights and knowledge, liaise with global peers, and contribute to and influence the broader African and emerging market decarbonisation pathway. Old Mutual is committed to transitioning its investment portfolios towards companies that are low emitters of greenhouse gas emissions and to those that are taking active steps to reducing their carbon emissions.

As a responsible and sustainability-driven business, we recognise the significant risk that climate change poses to our business, clients, and communities. Therefore, as a custodian of millions of livelihoods across Africa, we are committed to taking meaningful action to address the effects of climate change while delivering sustainable, positive investment outcomes for our clients.

We are proud of the commitments that we have made and will continue to implement, including:

Stewardship and engagements with asset managers for portfolio emissions reduction:

- Through our appointed asset managers, we will engage with locally listed high-carbon emissions producers, responsible for a combined 80% of emissions across listed equity and listed fixed-income assets within our South African propriety investment holdings. Our goal is to get them to be net-zero aligned by 2025, which substantially exceeds the NZAOA requirement of 65%. We believe that stewardship and engagement are critical mechanisms in achieving real-world impact and net-zero by 2050.
- Our aim is also to transition the global listed equity assets under management in our portfolios to net-zero aligned benchmarks by one-third each year until 2025. For our local listed assets, we will continue to analyse our portfolio trajectories and actively engage investee companies in their transition and carbon emissions reduction plans.
- We continue to actively drive collaborative efforts with key stakeholders, including the Association of Savings and Investments of South Africa (ASISA) and UN Principles for Responsible Investment (PRI). In addition, we commit to continue our contribution to various NZAOA workstreams especially for ongoing engagement and to align our measurement, reporting and verification standards more closely to the Alliance's. This will ensure tangible action and sustained advocacy in achieving our net-zero ambitions.

Financing transition commitments

- We will continue to invest in low-carbon and climate solutions-based initiatives while adhering to our strategic asset allocations, investment philosophy and mandates.
- As a Group, our investment in local renewable energy generation through Old Mutual Alternative Investments, constitutes approximately 29% of South Africa's installed renewable energy capacity.

In aligning our investment holdings with net-zero ambitions, we will also give due consideration to societal impacts specific to our economy, to ensure that the transition to a low-carbon economy is just. A Just Transition refers to a decarbonisation pathway that addresses the social risks and impacts on workers, suppliers, communities, and consumers.

While we have already made good progress in establishing our climate strategy, governance and metric assessments, further detail on our holistic response to the climate crisis will be available in our Climate Report, which releases in mid-April 2023.

Old Mutual will continue to update all our stakeholders on the progress of these commitments to ensure transparency and accountability. We remain committed to working collaboratively with our peers, stakeholders, and policymakers to drive progress towards a sustainable future.

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