Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization

Old Mutual provides life assurance, asset management, banking and general insurance to more than 14 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual is listed on the London and Johannesburg Stock Exchanges, amongst others. More info about Old Mutual can be found at http://www.oldmutual.com

0.2

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
Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Austria
Bermuda
Botswana
China
Colombia
France
Germany
India
Ireland
Italy
Kenya
Malawi
Mexico
Namibia
Poland
South Africa
Swaziland
United Kingdom
United States of America
Zimbabwe
Isle of Man

0.4

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(£)

0.6

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 sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors (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@cdproject.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.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Module: Management [Investor]

Page: 1. Governance

1.1

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

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

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

Patrick O'Sullivan, the Board Chairman, has overall responsibility for climate change at Group level. Don Schneider, Director of Human Resources, 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 Don's responsibility and he chairs our Responsible Business Committee (RBC), which was established in 2009 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 Don Schneider into the Group Executive Committee and the Board. Updates, which include material issues relating to climate change, are given at least twice a year to the Group Executive Committee and twice a year to the Board

1.2

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

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Corporate executive team	Monetary reward	For the Group Director of Human Resources, who chairs the Group Responsible Business Committee, management of Responsible Business issues, including climate change, are included in his objectives.
Other: Environment/sustainability managers	Monetary reward	The Head of Responsible Business, Helen Wilson, has 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 reduction targets.
Facility managers	Monetary reward	Buildings and facilities managers have energy management and reduction targets within their individual performance targets.
Other: Nedbank employees	Monetary reward	Incentives for staff include monetary incentives - the performance indicators include the greenhouse gas (GHG) reduction targets included in staff performance scorecards. The achievement of the targets positively impacts employees' bonuses or discretionary pay. Hence there exists a strong incentive to reach GHG targets. Other forms of recognition and prizes are also used to help drive the Nedbank green agenda

Page: 2. Strategy

2.1

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

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2.1a

Please provide further details

- **Scope of process:** Old Mutual has invested significantly in enhancing its risk management process over the past four years, every business activity in our Group requires us to put capital at risk, in exchange for the prospect of earning a return. This means risk management is integral to the Group's decision-making and management processes, this includes the process to identify opportunities and risks associated with climate change. All risks are categorised as either a market risk, an operational or business risk (covering financial management), currency risk, credit risk, liquitidy risk, liability or strategic risk. For climate change this includes all regulatory, physical, reputational and business risks and covers Old Mutual's entire risk universe - businesses and operating divisions, geographical locations and legal entities. All of these key risks are recorded in the risk management system (OpenPages), which facilitates the processes mentioned above that are formally known as the Risk and Control Self Assessment processes (RCSA)
- **How risks/opportunities are assessed at a company level:** We have a Group Executive Risk Committee (GERC) which comprises senior Group Executives from Risk, Actuarial, Capital, Governance and Compliance, and Internal and External Audit - and acts as an advisory body to the Chief Risk Officer and Group Chief Actuary. The Chief Risk Officer has responsibility for ensuring strategic business decisions are aligned to the Group's risk appetite, including the process of identifying opportunities and risks associated with climate change. The GERC reports to the Board Risk Committee (BRC) eight times a year and a BRC member attends the GERC from time to time. Our Responsible Business Committee (RBC) is a supporting governance structure we have put in place to ensure that climate change related risks and opportunities are identified and addressed across the Group. Climate change risks are fed directly to the RBC quarterly through the Group Head of Responsible Business. This structure provides a robust system for maintaining day to day management of climate change issues, as well as a route to raise, discuss and escalate new issues as they arise
- **How risks/opportunities are assessed at a business/asset level:** In 2012 we introduced new tools and processes into our business operations and embedded them further into the underlying businesses.Risk frameworks and governance are designed and overseen centrally but implemented by our global businesses locally. Business representatives, credit officers, risk managers and compliance officers assume responsibility for the assessment, review and reporting of risks arising within their respective areas. Ongoing reviews of risk identification, exposure levels and remedial action plans are performed at a business level. This is governed through Senior Group Executive representation on business unit regulatory boards coupled with formal dual reporting for all key control functions. In addition, at Nedbank we use The Equator Principles as a credit risk management framework for determining, assessing and managing environmental and social risk in Project Finance transactions. The Group Operating Model (GOM), which is applied across the Group, includes the Responsible Business Policy which in turn, includes how each business unit is expected to manage their approach to climate change risk and opportunity. Each business unit is responsible for integrating climate change risk and opportunities into new product and service development. Business level Responsible Business Policy Owners are responsible for ensuring the Responsible Business Policy is being carried out within their respective businesses. Business level climate change specific risks are flagged on quarterly calls with the Responsible Business Policy Owners where the Policy Owners feedback information into Group Head Office via the Head of Responsible Business
- **Frequency of monitoring:** Risks are assessed on an ongoing basis. Risk registers are updated on a monthly basis and the top risks identified by each business are reported at the Group Risk Committee meetings quarterly
- **Criteria for materiality/priorities:** To consider all risks consistently, all businesses use the industry standard approach to identifying, assessing and controlling risk - Risk and Control Self-Assessments (RCSA). RCSA is a key component of the Old Mutual Risk Framework and exposure to risk is assessed by looking at the potential "impact" (very high, major, moderate, minor, low) and "likelihood" (rare, possible, probably, likely, almost certain) of a risk before taking into

consideration any controls or other mitigation put in place to manage the risk, including internal and external stakeholder engagement. As with all risks, climate-change related risks and opportunities undergo the RCSA process

- **To whom are the results reported:** Each business completes RCSAs regularly and escalates any significant new risks or issues to senior management immediately. This gives Group management an up-to-date view of risks and ensures that decision-makers are aware of areas of concern promptly so that appropriate action can be taken. The Chief Risk Officer provides quarterly reports on issues discussed by the GERC and risk generally to the Group Executive Committee and the Group Audit and Risk Committee. Twice a year the Responsible Business Committee reports, through its Chair Don Schneider, to the Group Executive Committee and Board, which includes material issues relating to climate change

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes

How the business strategy is influenced:• The Business strategy is updated on a rolling basis and revalidated on a three year rolling basis by the Group Strategy Team under the leadership of Group Strategy Director Ian Gladman. Strategy updates are signed off by the Group Executive Committee
• Each business updates their local business strategies through an ongoing process which undergoes an annual strategy review process to ensure it is aligned with the overall Group strategy
• Engaging with stakeholders internally and externally allows us to understand their needs/expectations of the business and helps us balance these needs with our business objectives effectively through our strategy. In most cases, these relationships are managed at local level e.g. in 2012 Old Mutual South Africa conducted a stakeholder perception survey
• Risks identified at business level inform the Old Mutual Group Risk Strategy which informs the Group’s Business Strategy. Climate change risks and opportunities are integrated into this analysis process and strategy
• The Group Responsible Business Strategy and targets also influence the overall Group Business Strategy through the Responsible Business Committee who regularly report data and updates to the Group Strategy Team
Aspects of climate change influencing strategy:• Increasing energy costs and carbon-related legislation and fluctuations in temperature have affected our large property portfolios. Old Mutual Property is aligned with the Group Responsible Business Strategy and works towards the Group emissions reduction target
• Extreme weather events cost our insurance business through increased claims, e.g. flooding affects crop insurance policies and in 2012 freak hailstorms meant our insurance business paid out a heightened number of claims. Increasingly our businesses are finding that climate change is affecting their actuarial calculations which are adjusted accordingly
• Changes in availability and distribution of natural resources impacts the supply chains and running of businesses in which we invest. Understanding to what extent, and how, climate change impacts or enhances the value of investments is crucial to protect shareholder value, respond to customers’ increasing demands and remain competitive

• In Banking, increased publicity around climate change has driven customer demand for environmentally responsible products. Product Solutions Teams across our businesses have increased the development of these products to meet customer demand

Short term strategy changes:•We have developed a Group Climate Change Strategy to help us reduce our climate change impacts and improve our energy efficiency. We have set up Carbon Taskforces across the Group to implement the strategy, acting as a focal point in helping deliver our target and build on the multitude of activity already going on around the Group. In 2011 we expanded our data collection to include Skandia International and property portfolios in South Africa and in 2012 we continued to develop and improve this data. From 2013 onwards the Executive Committee members from across the Group will be responsible for approving the business' carbon data. There is already some independent verification of our carbon emissions across our different businesses which we are looking to expand across the Group in 2013

Long term strategy changes:• The most important components of the long-term strategy that have been influenced by climate change have been around how we manage and incorporate environmental factors in our investments. During 2011 we developed governance structures to support a more co-ordinated and consistent approach to responsible investment across the Group. In 2012 The Responsible Investment Committee for the Long-Term Savings division was expanded and set the Environmental, Social and Governance investment criteria appropriate for Old Mutual. This has led to the development of a Responsible Investment Standard document, to be published in 2013, which will help integrate and embed these investment decisions across the Group

• Across the Group we also make investments that aid the long-term transition from a carbon-intensive economy to more efficient low-carbon alternatives. E.g. in 2012 Old Mutual provided £13.6 million of financing for the South African Government's Renewable Energy Programme which has funded four wind and six solar power projects. Funding for renewable energy was Nedbank's fastest growing sector with almost £700 million committed to the sector in 2011 and 2012 alone

• We work to influence policy and research into climate change – to create the consensus needed for clear international policy and legislative frameworks. For example, in 2012 the Group signed the Carbon Price Communique, an international coalition of business leaders urging governments to ensure the successful transition to a climate-resilient economy. In 2012 we continued our involvement in the implementation of the Code for Responsible Investing in South Africa (CRISA), through our participation in the CRISA Committee and participated in the consu

• We are members of various groups across the world that help us share best practice in the financial services sector and learn from emerging knowledge on the impacts of climate change. These include Nedbank's participation in the United Nations Environment Programme Finance Initiative and the Group's commitment to the United Nations Global Compact

Strategic advantage:• Climate change is widely recognised as the greatest environmental challenge facing the world today. By integrating climate change impacts in our business strategy, we can not only mitigate the risks that they represent, making us more resilient and better equipped for a carbon constrained future, but can exploit the opportunities it creates:

• Being a responsible business with regard to climate change and a business that participates in voluntary engagement around carbon reduction supports the maintenance of our licence to operate across our markets

• Our work to influence policy, investing in research into climate change and sharing best practice means that Old Mutual can shape policy as opposed to be subject to it and be a business that it is better prepared for a carbon constrained future

• Our focus on responsibly managing our investments means that we are able to take advantage of the opportunities of new investment markets and product opportunities such as debt and equity investments in the SA Renewables Programmes

• Our more efficient building stock directly reduces our operational costs and potentially increases the value of our property investment portfolios, particularly in light of upcoming carbon tax legislation in SA

• We are able to attract and retain motivated, high calibre employees who are increasingly attracted to organisations with a strong reputation as a responsible business

Most substantial business decisions:

• Old Mutual supports long term regulatory action around the setting of clear, mandatory, medium and long-term emission reduction targets. We will continue to set and meet our emissions reduction targets

• Formalised the Responsible Investment governance structures across the Group and delegated responsibility from the committee to local regions for roll out of RI activities across the Group

• Implemented the Responsible Investment Committee 2012 workplan, which included developing responsible investment and ownership principles for our owned and managed investments. Developed the Responsible Investment Guidelines for the incorporation of ESG criteria into investment decisions for implementation in

2013.
• Became signatories to the UN-backed Principles for Responsible Investment in June 2012
• Nedbank made a decision to maintain its carbon neutral status which is central to its business strategy to address climate change through managing its own impact

2.2b

Please explain why not

2.3

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

Direct engagement
Trade associations
Other

2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Climate finance	Support	Old Mutual Investment Group South Africa (OMIGSA) was actively involved in the implementation of the Code for Responsible Investing in South Africa (CRISA). Jon Duncan, Head of Sustainability Research and Engagement at OMIGSA is a member of the CRISA Committee. He attends Committee meetings and participates in ongoing discussions	For Old Mutual the integration of social, environmental and governance factors into investment decisions is about quantifying the impact of global changes on our financial return so that potential risks and opportunities are managed. Our role on the CRISA Committee has helped encourage the integration of climate change considerations into the Code for Responsible Investing South Africa
Energy efficiency	Support	Old Mutual Namibia is currently participating in ongoing engagement with Emcom Consulting Engineers, the body that is in the process of developing the Green Building Council of	Whilst at the very early stages of inception the Council is seen as the first step towards implementing a Climate Change Policy within the Namibian building environment and aims to

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
		Namibia. Old Mutual's role has been part of an ongoing consultation process through meetings and discussions as experts in this field based on the lessons learnt when Mutual Tower (Namibia's first green building) was designed, constructed and evaluated	encourage Green Building and infrastructure across the country
Carbon tax	Support	In 2012 Old Mutual South Africa provided feedback on the South African Government's proposed Carbon Tax as part of its consultation process. Interaction was mainly focused through meetings, email correspondance and written feedback. This consultation will continue in 2013 and Old Mutual will continue to provide feedback	Old Mutual is committed to seeing South Africa make the sucessful transition into operating as a less carbon intensive economy. The Carbon Tax should encourage growth in the renewable and green energy sector which will support this transition
Other: Carbon pricing	Support	In 2012 Old Mutual joined the Carbon Price Communiqué that calls for global policies and action to tackle climate change. Correspondance occurs through being a signatory	The Carbon Price Communiqué 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
Climate finance	Support with minor exceptions	Nedbank is engaging various government departments and external stakeholders to advocate more sanctioned renewable energy projects. These interactions happen as meetings and through correspondance such as email	That an enabling environment should be created to finance more transactions like renewable energy projects
Other: Proposed tariff increases	Support with minor exceptions	Old Mutual Swaziland is a member of the Federation of Swaziland Employers and Chamber of Commerce (FSE & CC), whereby our business participates and contributes on various industry discussions that the FSE & CC chair. These discussions focus on a variety of topics. In 2012 one discussion that OM Swaziland attended focused on the proposed tariff increase by the Swaziland Electricity Company (SEC) which it is believed will have a major impact on alternative and renewable energy projects	Working collaboratively with businesses across Swaziland and tackling climate change concerns together can bring positive economic, social and environmental benefits to all involved parties

2.3b

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

2.3c

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 postion?
South African Insurance Association (SAIA)	Consistent	The SAIA in 2012 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. The SAIA position and contribution towards climate change is currently being developed but indicates that it will support action to help reduce the industry's impact on the environment	Old Mutual sits on the board of the SAIA and in 2013 we aim to engage in The Environmental and Social Risks Board Committee more heavily
Green Building Council of South Africa	Consistent	The Green Building Council of South Africa aim 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 of Old Mutual Investment Group SA sits on the Board and influences where possible the transformation of the South African property industry encouraging the growth of green buildings and sustainable construction
National Business Initiative (NBI)	Consistent	The NBI South Africa believes that the integrity of the country's eco-system should be protected and that climate change and energy are no longer purely of environmental concern but are becoming an important issue in economics and sustainable business.NBI, therefore, aims to mobilise business as a whole towards the formulation of a business climate change response strategy through: increased awareness, voluntary collective action, policy engagement, mitigation activities, adaptation, and promotion of capacity building initiatives through partnerships	Thabani Jali, Group Executive at Nedbank sits on the Board of the NBI and on the NBI Social and Ethics Committee. In each of these positions Nedbank aims to push and drive the green agenda and to have a positive impact on climate change

2.3d

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

2.3e

Do you fund any research organizations to produce public work on climate change?

2.3f

Please describe the work and how it aligns with your own strategy on climate change

2.3g

Please provide details of the other engagement activities that you undertake

-In 2012 Old Mutual South Africa (OMSA) started to support 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 will conduct a series of internal interviews within the Old Mutual Group in 2013 with a view 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. The results will be published in an academic paper and findings, if applicable, integrated into OMSA's business practices

-Old Mutual South Africa sponsored the Energy Efficiency Forum in 2012 that is co-hosted by the City of Cape Town and the South African national electricity supplier ESKOM

-In 2012 Old Mutual Wealth Management UK supported Southampton University students in conducting a review of our position in respect of the ISO 14001 Environmental Management System as part of their course research and study. The results of the student's findings have been shared in presentations internally, and subject to business approval, we intend to work towards ISO14001 accreditation following an audit of their information

2.3h

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?

Our Responsible Business governance structure ensures that all of our direct and indirect engagement activites across our businesses are consistent with our overall Group Responsible Business Strategy and Climate Change Strategy.
The foundation of our governance structure is our Responsible Business Policy which sets out a list of key expectations to be met by all of our businesses, including the Group's expectations around climate change. The policy is actioned by our Responsible Business Policy Practitioners and Owners who carry out various responsible business activities in each of their respective markets. Quarterly calls between these policy owners and practitioners and the Head of Responsible Business ensures that all climate change policy 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 Group policy suit including the Responsible Business Policy. The Letter of Representation is signed by the CEO’s of the businesses and reported back to Group risk and compliance. In this process the businesses work with the Group Head of Responsible Business who reviews their submissions, including points of compliance and agrees a Group stance on compliance to the

policy. This systematically ensures that Group is aware at all times of how the businesses are complying 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.

2.3i

Please explain why you do not engage with policy makers

Attachments

https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/risk-risk-and-capital-management (1).pdf

Page: 3. Targets and Initiatives

3.1

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

Intensity target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
1	Scope 1+2	27%	20%	metric tonnes CO2e per FTE employee	2010	3.69	2020	Employee occupied properties include all locations where Old Mutual employees are based and operate from. In our employee occupied properties in 2010 scope 1 and 2 emissions were 177,834tCO2e with 48,139 employees.
2	Scope 1+2	73%	20%	metric tonnes CO2e per square meter	2010	0.24	2020	The investment property portfolio includes the property asset management business and properties invested in and managed to create value and client returns.In 2010 scope 1 and 2 emissions were 589,131tCO2e with 2,413,630m2

3.1c

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
3	Decrease	20	Decrease	20	A 20% decrease in emissions intensity will also equate to a reduction in absolute emissions if there is no major shift in employees or change in the size of the property portfolio. The size of the Old Mutual Property portfolio is likely to reduce significantly in the next couple of years which will decrease absolute emissions for the Group. The exact size of this reduction has not yet been estimated.

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	20%	0%	In our employee-occupied properties this year Old Mutual increased our emissions by 6% to 3.92 tonnes of CO2e per full-time employee (2010: 3.69 tonnes CO2e/full-time employee) due to a decrease in employee numbers without a corresponding reduction in emissions.
2	20%	43.75%	In our investment properties at Old Mutual we decreased our carbon emissions by 8.75% to 0.22 tonnes of CO2e per metre squared (2010: 0.24 tonnes CO2e/m2). This success is largely due to contintued efforts made by the Old Mutual Property team to improve the way properties are managed and developed

3.1e

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

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

Providing energy efficient buildings for our tenants: Old Mutual Property (OMP) has £2.2 billion of assets under management, with over 330 buildings over a 2,600,000m² gross lettable area, accommodating over 4,400 tenants. OMP has a green building strategy which provides us with a structured approach to improving the environmental sustainability of the buildings in our existing portfolio and ones we are constructing. Significant savings have been achieved. E.g. New materials, design of the buildings we develop, location selection, technology and management techniques help reduce emissions from our own operations and those of our tenants which we are doing through advanced air-conditioning controls, high efficiency lighting replacement initiatives, timers, zone-sensor lighting and natural daylight adjustment. We are always working to improve the environmental performance of our buildings by refitting existing units and building or leasing more carbon friendly ones. By adopting this holistic approach to how we manage the environmental impact of our property portfolio we are helping our tenants make substantial carbon savings. The overall total carbon savings as a result of improving the energy efficiency of our SA property portfolio buildings is estimated at 3,399,020kWh per year equating to 3297.25 tonnes of Co2e

Working with others to reduce our emissions: At Mutual & Federal in 2012 we signed a 'green addendum' as part of the lease with our landlord whereby both parties agreed to work together to reduce energy and water use in the building

Reducing the environmental impact of our investments: Our investment decisions have the potential for negative or positive impacts on the environment, society, and on the communities where the investments are based, these include climate change related impacts. Across the Group we make investments that aid the long-term transition from a carbon-intensive economy to more efficient low-carbon alternatives. E.g. in 2012 Old Mutual provided £13.6 million of financing for the South African Government's Renewable Energy Programme through 10 projects representing the generation capacity of 665 MW. During 2012 we further developed our Responsible Investment Policy to support a more co-ordinated and consistent approach to the governance of our responsible investments across the Group, improved the governance structure of the Responsible Investment Committee to help set the investment criteria, which take into account ESG criteria, appropriate for Old Mutual and integrate these new decision making behaviours across the Group

Encouraging our suppliers to reduce their environmental impact: In 2012, the procurement team in South Africa drove environmental awareness amongst our vendors by writing into the contracts a clause for vendors to provide their environmental policy with embedded measurable targets on a quarterly basis

Helping our retail banking customers reduce GHG emissions: At Nedbank we offer the following services and products that specifically enable our customers to avoid or offset GHG emissions:

- A dedicated Carbon Finance Team that provides carbon advisory and footprinting services, identification and development of Clean Development Mechanism projects and carbon trading
- A green exchange-traded fund on the JSE ranking South Africa's top 20 listed companies in terms of sustainability, using data from the Carbon Disclosure Project. In 2012 the fund continued to encourage JSE listed companies to consider and review their carbon disclosure and improve their overall environmental performance
- In various parts of the Group, video-conferencing has been introduced with particular focus on reducing air travel between Johannesburg, Cape Town, London and South Africa
- Internet banking and cell phone banking services that reduce travel to branch outlets. In 2012 our Banking business launched a series of new accessible banking apps to make mobile banking easier and more convenient to use for our customers
- Expansion of Automated Teller Machine (ATM) and Self Service Terminals (SST) network – cutting down on the required client transport
- Expansion of personal loan kiosks, branch-in-a-box innovation and mobile branches to help our harder to reach or rural customers
- Electronic client statements and client option for receipt-free transactions at ATM's and SST's which reduces paper use by clients. Estimation of avoided emissions including timescale over which emissions are avoided or baseline year: Nedbank have calculated the reduction of emissions from reduced client travel due to electronic services at an estimated 6,000tCO2e per annum. The biggest benefit from these initiatives is expected in rural communities, where access to banking services is frequently remote and very inconvenient**Methodology** based on DEFRA emission factors and process. Assumption:Based on 25k 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 1,700,000 reduction of taxi round trips. A value of 0.21kgCO2e/vehicle km was assumed based on DEFRA emission tables. The result is that more than 5,200 tCO2e is reduced from travel

3.3

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

Yes

3.3a

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	11	117000
To be implemented*	3	6550
Implementation commenced*	1	110
Implemented*	10	18008
Not to be implemented	17	115000

3.3b

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)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency:	Implemented. Nature of activity: Lighting retrofit at Old Mutual Property SA saw	1628	133679	478081	1-3 years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Building services	installation of LEDs, powersavers and fluorescents. Scope of activity all relates to scope 2. All reduction activities were voluntary and the lifespan of the retrofit expected to be 7-10 years. Monetary savings will be realised at the end of 2013 but a total of £75,571 has already been rebated by ESKOM and £133,679 per annum has been saved on the cost of electricity				
Transportation: use	Implemented. Nature of activity: New video-conferencing system that uses Old Mutual's existing IT network and features high tech stand alone booths for up to three people. It is cutting down business travel and flights. Scope of activity: scope 1 and 3 (flights and car travel). The installment was voluntary and the lifespan of the average video-conferencing equipment is 5 years. Monetary savings will be realised at the end of 2013 but in October 2012 alone it was used for more than 680 sessions totalling 600 hours of conferencing				
Energy efficiency: Building services	To be implemented. Nature of activity: 2012 saw efforts to reduce Nedbank's carbon footprint wherever possible with a focus on electricity efficiency. Initiatives included installation of motion sensors, heat pumps, blockout blinds etc. Scope of activity: all relates to scope 2. Voluntary vs mandatory: all reductions are voluntary aligned with our commitment to the National Energy Efficiency Accord. Development stage: all planned initiatives were executed. Expected lifetime: Equipment installed has typical lifespan of 7-10 years. Monetary savings will be fully realised in 2013 when installation is complete. These actions are being implemented but are yet complete. If successful these actions will have carbon savings and will reduce Nedbank's footprint by 10% based on the 2011 footprint	6400	406204	1400700	4-10 years
Energy efficiency: Building services	To be implemented. Nature of activity: 2012 saw Old Mutual Property plan to implement the installation of fluorescent lighting at two locations. Scope of activity: all relates to scope 2 and is voluntary. The initiatives are planned and executed but yet to finish completion. The typical lifespan of fluorescent lighting is 7-10 years. Monetary savings are yet unknown hence the payback period of more than three years but, based on KwH savings per annum, £11,532 should approximately be saved annually. Carbon savings will be made through these installations and should reduce the Scope 2 emissions of the affected buildings	150	11532	42011	4-10 years
Behavioral change	Implemented. Nature of activity: Further optimisation of paper consumption by reducing internal mailing services. This has led to a reduction in Scope 3	180	168084	154077	<1 year

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
	emissions and the reduction is deemed voluntary. All planned initiatives were executed and the project has a one year lifetime but it is expected that behaviour change going forwards should now be perpetual. These actions do have carbon savings and should help reduce the businesses scope 3 footprint through reduced use of paper				
Fugitive emissions reduction	Implementation commenced. Nature of activity: Several Nedbank projects are underway to optimise the diesel consumption of the standby generators used as back up power at central offices. The scope of this activity relates to Scope 1 and all activites were voluntary. All planned initatives were executed and further initatives are planned for 2013. The lifetime of the activity is expected to be reflective of the 5 -10 year lifespan typical of the equipment installed. The installation of this equipment has been staggered and will continue in 2013, the monetary savings will therefore be realised on a staggered basis hence the payback of more than three years. These actions will have carbon savings and will reduce Nedbank's use of diesel	110	35017	133067	4-10 years

3.3c

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 regulator requirements, including climate change related ones
Employee engagement	Engaging our employees in environmental efforts is an important part of delivering change across the Group. We promote a culture of efficiency and are continually looking for opportunities to reduce resource use. Much of this work has been conducted at individual business level. However, we also worked to share best practice across the Group through meetings, workshops, our Responsible Business online Forum, the Responsible Business Newsletter and other group e-magazines e.g.

Method	Comment
	in 2012 Mutual & Federal ran a competition to encourage employees to submit their business changing ideas, many of the ideas submitted included carbon saving or other environmental initiatives. The winner had their idea implemented
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
Dedicated budget for other emissions reduction activities	At Old Mutual Group, 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
Other	Having externally communicated climate change targets means throughout our business we are under pressure to meet these targets. This in turn is driving internal investment in emissions reduction activities

3.3d

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

Page: 4. Communication

4.1

Have you published information about your company'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	Page/Section reference	Attach the document
In mainstream financial reports (complete)	Responsible Business section (p10-11), How we govern our business section (p19), Our Strategy section (p26), Financial Review section (p34),	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/old-mutual-annual-review-sfs.pdf

Publication	Page/Section reference	Attach the document
	How we govern our business section (p51)	
In voluntary communications (complete)	Responsible environmental management section (p28), KPI section (p11), Highlights section (p9)	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/responsible-business-report-2012.pdf
In voluntary communications (complete)	Online	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/Environment_casestudies_Website.JPG
In mainstream financial reports (complete)	Nedbank Integrated Report p2, p4-7, p11, p17, p29, p31, p36, p42, p62, p64	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/NedbankIntegratedReport.pdf

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) 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

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
RR1	Uncertainty surrounding new regulation	A number of countries where we have operations – including in the EU, South Africa, United States, India and China – are involved in on-going negotiations to determine international agreements and action on climate change to replace the Kyoto Protocol that finished at the end of 2012. Negotiations are still underway, and with the exception of the establishment of the Green Climate Fund the exact nature of the legislation cannot be predicted. What remains consistent is reduction goals for individual nation states that are already supporting a path of consistent GHG emission reductions. The uncertainty of the exact nature of the agreements effects 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). We have £262.2bn funds under management (as at 31/12/12) that could potentially be influenced by changes in climate change regulation (N.B. this figure includes funds under management from India and China, markets that are likely to be exempt from the renewed Kyoto agreement)	Increased operational cost	Current	Indirect (Supply chain)	Virtually certain	Medium
RR2	Carbon taxes	Carbon taxes are being developed by a number of national Governments in countries where we operate. (1) In the UK 2011 Budget, plans were introduced to replace the UK Climate Change Levy with a guaranteed minimum ("floor") price for carbon emissions produced under the EU Emissions Trading Scheme (ETS) of £16 a tonne in 2013, rising to £30 by 2020. This is a tax on energy (lighting, heating and power) delivered to industrial and commercial users, with the aim of improving energy efficiency. Coal and gas plants will start paying the tax in 2013, based on how much carbon they emit. They will be allowed to pass on the cost to consumers in higher bills. This legislation is likely to increase our energy costs but the more significant impact is likely to be on our energy intensive investments. Their cost of operation will increase and therefore potentially their return on investment will be lower. This is most likely to affect our investments made in the UK through Skandia UK, Skandia International and Skandia Investment Group. (2) In December 2009 the Obama administration officially pledged that the United States would cut its	Increased operational cost	1-5 years	Indirect (Client)	Virtually certain	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		GHG emissions in the range of 17% below 2005 levels by 2020. Although US Congress continues deliberations over how to reduce emissions in line with this pledge, no legislative action is expected to be taken. Instead, legislation is being initiated locally which could affect some of Old Mutual's practices and investments e.g. In 2012 the state of California passed new cap-and-trade legislation to be enforced from 2013 onwards. This decision made by the state of California is indicative of the potential for more regional legislation to come into force in the US in the future. The expected impact on Old Mutual of this increased legislation will be to increase our direct operational costs, and the costs to some of the companies that we invest in through our funds (indirect operational costs). This will affect our Asset Management business based in the US which represents £128.4bn funds under management (as at 31/12/12)					
RR3	Cap and trade schemes	The third phase of the EU Emissions Trading Scheme (ETS) will begin in 2013, and will include greenhouse gases other than carbon dioxide and incorporate all major industrial emitters within the EU. The new measures will also reduce the emission allowances put on the market year on year so that emissions covered by the trading scheme will be reduced by 21% from 2005 levels in 2020. This will not directly affect our operational activities in the EU, but our investment teams are aware of the possible business implications of the legislation to the companies we invest in and the knock on effect to our investment decisions	Increased operational cost	1-5 years	Indirect (Supply chain)	Virtually certain	Low-medium
RR4	Carbon taxes	Old Mutual plc and Skandia operations in the UK are affected by the CRC Energy Efficiency Scheme and are required to purchase allowances to cover the emissions resulting from their electricity and fossil fuel consumption. In December 2012 the UK Government published new guidance on Phase Two of CRC that aims to streamline and simplify the scheme. The consultation document contains guidelines that are expected to inform a revised bill to be passed in June 2013. Reporting and compliance with CRC has direct operational cost implications for our UK business and covers 10 properties. The simplification of the scheme is not expected to have a material impact on the	Increased operational cost	1-5 years	Direct	Virtually certain	Low-medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		compliance costs for Old Mutual. The launch of Phase Two of the Scheme in 2014 will see Old Mutual signing up again meaning we will report our energy use and purchase allowances up to 2019					
RR5	Fuel/energy taxes and regulations	The National Energy Regulator of South Africa (NERSA) granted state-owned utility provider, Eskom, tariff increases from .61c per kWh in 2012/13 to 1.28c per kWh in 2017/2018. Electricity is by far the biggest energy source for our South African operations – including Nedbank, Old Mutual South Africa and Mutual & Federal. The electricity price increases will have a significant impact on our expected operational costs with a potential 8% per year rise in costs	Increased operational cost	1-5 years	Direct	Virtually certain	Medium
RR6	Carbon taxes	In 2009 South Africa announced that it would reduce domestic GHG emissions by 34% by 2020 and 42% by 2025 from business as usual. In February 2012 the SA government released a white paper proposing carbon tax as the primary economic policy instrument for curbing these emissions. The exact timeline for the introduction of a carbon tax remains unknown, but the impact on Old Mutual will be in our direct (operations) and indirect (investment) operational costs. Our direct costs will be incurred through higher operational cost of electricity and capital cost of mitigation through procurement of energy efficient equipment and infrastructure, particularly for our extensive property portfolio in South Africa where we own and manage over 249 buildings, accommodating over 3,564 tenants. An update on this white paper was released for consultation in May 2013 which contains implications on how the tax might affect Old Mutual. The paper outlines that businesses will be taxed on 40% of their scope 1 emissions with a maximum of 10% exemptions for offsetting. The impact of this on Old Mutual would probably be an increase in cost of all electricity purchased through Eskom, whom the tax would effect the most, increasing their energy prices. The cost for the proposed tax currently sits at R120 (£8.40) per tonne of CO_2e for direct operational emissions. The SA government is still in consultation over this legislation which OMSA is contributing to	Increased operational cost	1-5 years	Direct	Very likely	Medium

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

i) Financial implications before taking action:

RR1-Old Mutual has £262.2bn funds under management (FUM) (as at 31/12/12), all of which could be affected by changes in global climate change legislation

RR2-Carbon taxes will affect our direct operations and investments across the Group. At Group, FUM that could be affected should carbon tax regulation change totals £262.2bn (as at 31/12/12) 1)Old Mutual UK has £22.6bn assets under management (as at 31/12/12) on our platform that could be affected by EU carbon taxes. 2)USAM has £128.4bn FUM (as at 31/12/12) that could be affected

RR3–Old Mutual Wealth has £69.2bn FUM(as at 31/12/12), all of which could potentially be affected in some way by changes in changes to EU cap and trade schemes

RR4–Compliance costs for CRC for Old Mutual are somewhere in the region of £200k–£300K. The cost of taking no action and non-compliance would be five times that cost, criminal charges and reputational damage

RR5–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 estimate a 100% increase in electricity cost would result in just under 10% increase in our operational cost over five years

RR6-Around 80% of our emissions are produced in South Africa, primarily through electricity consumption. The carbon tax could affect some of our investments e.g. OMIGSA has £40.5bn FUM (as at 31/12/12). It could also affect our 249 properties that are managed as part of our portfolio and our direct operational costs for electricity in SA. Additional stress could be placed on OMSA's client base which could lead to job losses and an increase in bad debt. We do however recognise that it could also foster the growth of environmental products, jobs and services (see opportunities)

ii)Management of risks:

RR1-Old Mutual continues to invest in reducing our carbon footprint (e.g. energy efficient lighting retrofits)

Our asset diversification policy and in-house Risk Exposure Aggregation System (REAS) ensures that we don't have a concentration of investment in a particular sector or investment type. We include environmental factors (including climate change) in our investment decisions as part of our ESG assessment of companies

We engage with regulators and policy makers at a local business level to inform and understand the latest climate change legislation and associated risks

We have dedicated Group and business compliance teams who closely monitor new and changing regulatory developments and liaise with their local regulators

RR2-At a business level we manage the carbon tax risk to our direct emissions at Old Mutual Asset Management with the Carbon Taskforce that met every three weeks in 2012 to research ways to reduce our carbon footprint, monitor changes and create awareness throughout our offices

Old Mutual Wealth in Southampton run annual Green Champions awards to help promote and reward employee participation in helping reduce the business' carbon footprint. The business engages with local authorities regularly along with other external partners on climate change issues to help reduce the business' carbon emissions e.g. Southampton Energy Partnership. To manage the risk to our investments we established a Responsible Investment Committee for the Long-Term Savings division in 2011 to help set investment criteria appropriate for Old Mutual. The Committee expanded in 2012 reflecting our ongoing commitment to leveraging Responsible Investment across the Group and we developed the Responsible Investment Guidelines document to help integrate these new decision-making behaviours across the Group

RR3-Our asset diversification policy and in-house Risk Exposure Aggregation System (REAS) 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 assessment of companies. During 2012 we developed governance structures to support a more co-ordinated and consistent approach to responsible investment across the Group. We established a Responsible Investment Committee for the Long-Term Savings division in 2011 to help set investment criteria appropriate for Old Mutual. The Committee expanded in 2012 reflecting our ongoing commitment to leveraging Responsible Investment across the Group and we developed the Responsible Investment Guidelines document to help integrate these new decision-making behaviours across the Group

<u>RR4</u>-Old Mutual UK has a Carbon Reduction Commitment Energy Efficiency Scheme (CRC) Working Group meeting quarterly to manage our CRC responsibilities. The CRC Working Group, chaired by the Head of Responsible Business, reports into the Responsible Business Committee. This Working Group receives support from our legal, finance and compliance teams when needed
Budget is allocated for compliance measures where applicable e.g. resources may be allocated to meet costs of improvements in infrastructure necessary for legislative compliance
<u>RR5</u>-Our Group Climate Change Strategy aims to reduce our carbon emissions and improve our energy efficiency to reduce the effect of fuel increases in SA e.g. at Mutual Park in SA (one of our biggest offices) work has been put in motion to cost up and install solar panels to get the building off the national grid
<u>RR6</u>-In 2012 we continued our contribution to the consultation of the SA Government carbon tax legislation. Nedbank has engaged various national and international organisations and research institutions regarding the proposed domestic carbon tax e.g. the SA government. In 2013 Old Mutual asked an external consultancy to conduct an analysis of how they thought the SA carbon tax might effect the business. This work was fed back to the Group Head of Responsible Business who ensures the risk is escalated through the appropriate channels. Nedbank is working to develop more products and services that will help clients manage and adapt to the impacts of a carbon tax. Old Mutual is investing in renewable energy projects across SA to help contribute to greening the country's electricity generation.
iii) Cost of managing risk:
<u>ALL RISKS RR1, RR2, RR3, RR4 & RR5 & RR6</u>–The development of remedial action plans to mitigate risks is an integral part of Old Mutual'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 independently from the wider risk management costs
<u>RR2</u>–1) Wealth UK has an annual budget of £30,000 to spend on encouraging and funding energy efficient activities 2) The Carbon Reduction Taskforce at USAM has a small budget for awareness raising materials. The cost associated with mitigating the carbon tax risks to our investments is part of our business as usual practices and has no additional costs associated with it
<u>RR4</u>- Wealth UK has an annual budget of £30,000 to spend on encouraging and funding energy efficient activities. The cost of CRC compliance for Old Mutual is somewhere in the region of £200k – £300k
<u>RR6</u>- The direct expenses incurred at this stage relates to the research done to evaluate various electricity generation options. These studies were around £4,000 and the identified equipment in the range of £43,000 per installation. In 2011/12 Nedbank invested £700m in renewable energy projects and OMIGA invested £13.6m through the Government Renewable Energy Project. Nedbank spent a further £35,000 on studies linked to new product offerings and renewable generation

5.1c

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PR1	Other physical climate drivers	Any physical changes to climate or precipitation poses a risk to the physical buildings and locations in which we operate. Changes in precipitation for example can lead to increases in flooding. Fluctuations in climate or extreme weather conditions can damage infrastructure impacting our branch networks in certain regions. Damage to our branch infrastructure can affect	Inability to do business	Current	Direct	More likely than not	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		our ability to serve our client base impacting staff and client access to our branches, service delivery and staff morale					
PR2	Other physical climate drivers	Any physical changes to climate or precipitation poses a risk to the investment properties and buildings that we own that could be damaged by flooding, storms and other extreme weather patterns. Should these properties become damaged by extreme weather the cost of repairing or insuring these buildings poses a significant risk to Old Mutual Property (OMP) and may affect or weaken the value of these properties that we hold as money making investments. Protecting these buildings from extreme weather threat (e.g. making buildings weather or climate change resistance) could further increase OMP's operating and maintenance costs	Increased operational cost	Current	Direct	More likely than not	Low-medium
PR3	Induced changes in natural resources	Changes in the availability and distribution of natural resources due to changes in climatic conditions caused by climate change could seriously affect our investment portfolios across the globe with climate change having the potential to negatively impact the supply chains, and therefore the returns, of businesses in which we have investments. This will primarily impact our Asset Management business but may also affect other investment holdings in our emerging markets businesses	Other: Reduced profit/ return on investment	Current	Indirect (Client)	More likely than not	Medium
PR4	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. Mutual & Federal, our insurance arm see large increases in claims on their crop insurance policies following dramatic changes in weather conditions. Where historically one in eight years 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. Shifting disease vectors may also have an impact on mortality and morbidity rates affecting actuarial tables. As a result, the life assurance business remains sensitive to changes in these trend lines. These risks are particularly relevant to Mutual & Federal and Old Mutual South Africa who offer extensive health and life insurance related products and operate in a part of the world that is likely to be most heavily affected by climate change and	Increased capital cost	Current	Direct	Very likely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		has an expensive health care system that would have to deal with these challenges					

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

i) Financial implications before taking action
PR1 This will mainly impact our OMSA branch network throughout South Africa and our banking arm Nedbank who also have a large branch network. Nedbank makes up 32% of our Group AOP and has 807 branch outlets across Africa that may be affected, Nedbank employs 28,767 people and has an AOP of £828m (as at 31/12/12) which could be affected should our ability to do business be disrupted.
PR2 This will most significantly impact Old Mutual Property, based in South Africa which owns and manages 249 properties with over 3,500 tenants
PR3 This will primarily impact our Asset Management business which represents 7% of Group AOP. This risk may also affect our Long-Term Savings business in emerging markets, the potential losses are not categorised as significant but funds under management in this section of the business that may be at some risk total £52.6bn (as at 31/12/12)
PR4 The business which will incur the most significant cost to an increase in climate change related insurance claims is Mutual & Federal, who provide short-term insurance and operate in Southern Africa with £43m AOP and make up 3% of Group AOP. In 2012 R145,000,000 worth of claims were made by agricultural insurance clients. Agricultural insurance makes up a large percentage of M&F's business which has £746m in gross written premiums (as at 31/12/12)

ii) Methods to manage risks
ALL risks (PR1, PR2, PR3, PR4) We are members of various groups globally that help us share best practice in the financial services sector and emerging knowledge on the impacts of climate change, such as through Nedbank's participation in the United Nations Environment Programme Finance Initiative
PR1 We continue to work to improve the processes and tools in place for managing and improving the energy efficiency of our operations, thereby making us more resilient to fluctuations in increasing fuel costs, climatic pressures on the ambient controls of our buildings and disruptions in utility supplies caused by severe weather events. We are working to reduce the water used in our South African properties that we manage through bleed-off and rainwater harvesting, using treated effluent for irrigation and upgrading toilet facilities with low-flow taps. We provide back-up generators extensively across our African and emerging market operations to counteract any disruptions in energy provision within these regions, which could potentially be caused by climate change events. We have appropriate insurance for our properties to cover ourselves for the cost of any climate change related damage. We simultaneously encourage our staff to reduce their water and energy consumption by encouraging behaviour change and increasing employee awareness around the issue. We drive this agenda internally through Green Committees who work at driving green thinking amongst staff at a local level. Group wide communications include our Responsible Business Newsletter, the Responsible Business Forum and our public environmental targets that similarly help raise employee awareness around climate change. We have emergency recovery plans (Business Continuity Plans) and back-up data across all businesses. Old Mutual plc, for example, has a disaster recovery site where electronic copies of all documents are stored and which can be accessed remotely with the use of a pass code; Head of Group Financial Crime Prevention and Security has overall

responsibility for oversight of business continuity arrangements. It is imperative that all of our branches and staff have access to potable water. In our main branch network, Nedbank, we have embarked on initiatives to reduce the amount of potable water consumed to help relieve the stress on current and future water supply. For example at Olwazini (our Nedbank training centre) a water purification system was installed to turn captured rain water into potable water on site. At Nedbank we are constantly piloting new programmes and executing research to help manage this risk

PR2 We continue to work to improve the processes and tools in place for managing and improving the energy efficiency of our property portfolio operations, thereby helping our tenants more resilient to fluctuations in increasing fuel costs, climatic pressures on the ambient controls of our buildings and disruptions in utility supplies caused by severe weather events. We continually make changes to the buildings we own or lease to help our tenants reduce their carbon emissions and dependency on municipal water supplies and grid supplied electricity. These changes include refitting existing units and building or leasing more environmentally-friendly new builds. We are working to reduce the water used in our South African properties that we manage through bleed-off and rainwater harvesting, using treated effluent for irrigation and upgrading toilet facilities with low-flow taps. We provide back-up generators extensively across our African and emerging market operations to counteract any disruptions in energy provision within these regions, which could potentially be caused by climate change events. We have appropriate insurance for our properties to cover ourselves for the cost of any climate change related damage to leased buildings

PR3 In 2012 we developed governance structures to support a more co-ordinated and consistent approach to responsible investment across the Group. Our approach to Responsible Investment ensures that climate change factors are integrated into our investment decision making practices. We established a Responsible Investment Committee for the Long-Term Savings division in 2011 to help set the investment criteria appropriate for Old Mutual. The Committee expanded in 2012 reflecting our ongoing commitment to leveraging Responsible Investment across the Group and we developed the Responsible Investment Standard document to help integrate these new decisions making behaviours across the Group. Our asset diversification policy and in-house Risk Exposure Aggregation System (REAS) ensures that we do not have a concentration of investment in a particular sector or investment type. We also include environmental factors (including climate change) into our investment decisions as part of our ESG assessment of companies. Our asset diversification policy and in-house Risk Exposure Aggregation System (REAS) mitigates risk of local 'trauma', including that caused by climate change, by ensuring that we do not have a concentration of investment in a particular sector or investment type

PR4 Our Group-level liability risk policy sets out the internal controls and processes that we must follow in long-term and short-term insurances. To mitigate the risks we face from natural and non-natural disasters, regardless of the cause, we have a catastrophe stop and loss and excess of loss reinsurance treaty in place which covers claims from an incident occurring within a specified period between a range of specified limits. We also use actuarial models to calculate premiums and monitor claims patterns using past experience and statistical methods, to limit our exposure to large single claims and catastrophes. At Mutual & Federal we have eight weather eventualities on our business level risk log and investigate the derivatives of each of our investments as standard business practice and reinsure all of our insurance policies to help mitigate and spread the associated risks. At Mutual & Federal in 2012 we collaborated with the University of Pretoria on a research project that examined the effects fluctuating weather patterns are having on South African and Pan-African agriculture

Costs of risk mitigation

PR1, PR2, PR3, and PR4 The development of remedial action plans to mitigate risks is an integral part of Old Mutual'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 independently from the wider risk management costs.

PR1 At Nedbank, the costs associated with executing research, piloting water saving and treatment programme and talking to a variety of experts is estimated at costing £525,264 per year

PR4-At Mutual & Federal the cost of reinsuring all of the policies held is integrated into our business as usual practices

5.1e

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OR1	Reputation	Climate change is widely recognised as the greatest environmental challenge 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 neutral bank in South Africa	Inability to do business	Current	Direct	Unlikely	High
OR2	Changing consumer behaviour	Poor or instable economic and social situations caused by severe climate change impacts could reduce the ability of potential customers to take advantage of our products. E.g. In Old Mutual Namibia after a serious drought many farmers, who are invested in savings and investment products with us, lapsed or cancelled their products with us affecting our business returns	Reduced demand for goods/services	Current	Direct	Unlikely	High
OR3	Induced changes in human and cultural environment	We work hard to attract, engage and develop the best people and climate change could seriously impact on the health and availability of our employees. Potential water scarcity, food shortages and threat of disease could lead to migration and loss of health. Disruption to transport links caused by severe weather could have an onward impact on our people and their ability to get to work	Inability to do business	Current	Direct	Unlikely	High

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

i)Financial implications:
OR1-Our reputation improves our ability to attract customers, employees and investment, to motivate employees and suppliers, and to differentiate us from our

competitors, the potential cost of the damage to Old Mutual reputation is difficult to quantify. The Old Mutual brand is externally valued (http://brandfinance.com) at £3.1bn. Even a 1% decrease in this value would be the equivalent of a £31m loss for Old Mutual. At Nedbank the cost of remaining a thought leader on climate change is linked to the need to remain carbon neutral, this comes at a cost of £3,501,760, a year without this spend Nedbank's reputation and integrity would be at risk

OR2-These risks are currently not quantified at a climate change specific level

OR3-These risks are currently not quantified at a climate change specific level

ii)Management of risks:

OR1

The management of our reputation through our social and environmental impacts is a central part of what it means for us to be a responsible business and deliver long-term sustainable success. Maintaining our reputation means not only taking action to mitigate our own climate change impacts but creating new products to meet customer demand and committing to a broader role in helping tackle the global challenges that climate change presents. The following points illustrate some of the key things we do to help build a reputation of being our customers most trusted partner through managing our climate change risks and exploiting the opportunities it creates:

- We have integrated climate change into our business strategy through the Responsible Business Strategy
- We have a Responsible Business Policy that has been rolled out across the Group and a Group Climate Change Strategy with targets to reduce the GHG emissions from our operations
- We talk to our stakeholders. Understanding what matters to them is always important, including discussing issues around climate change e.g. At Nedbank we have a partnership with WWF-SA that spans more than 20 years and have ongoing relationships with various research institutions like the University of Cambridge and the Sustainability Institute of the University of Stellenbosch
- We use external guidelines and frameworks - such as the FTSE4Good Index, JSE's Socially Responsible Investment Index and the United National Global Compact - to help inform our approach to governance and risk
- We use internal Guidelines for Responsible Investment and continue to embed these investment practices across our Group
- We offer services and products that specifically enable our customers to avoid or offset GHG emissions such as the The Nedbank Green Affinity, Savvy Account and Solar Water Heater Programme and the BGreen Savings Bond

OR2

- We offer innovative products to suit different clients and different client needs, enabling us to find opportunities even in challenging market conditions, including those caused by climate change. We closely monitor lapse rates and persistency information, adapting our business approach as necessary. Old Mutual is diversified across territories and product lines minimising the impact of changes in any specific sector or territory. As a long-term savings, protection and investment business we are focused on helping people plan ahead and provide for unforeseen expenses and circumstances. As part of this we provide financial education to our customers and wider society to help them with this.

OR3

- Employee well-being programmes are implemented in businesses across the Group. They offer counselling and information services to employees to help them manage periods of stress and illness. These services should help our employees cope with the changes they experience as a result of climate change, increases in illnesses that may arise and the trauma potentially experienced due to extreme weather events
- Where possible and appropriate we also provide employees with the equipment and systems necessary to work remotely. This has obvious business benefits but also provides the capacity to continue to operate remotely through secure web access should extreme or severe weather conditions caused by climate change prevent physical access to our offices for employees

iii)Costs of risk mitigation

OR1- The costs of these actions differ from year to year and are part of our business as 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.
OR2 & OR3-There is no additional cost to managing these risks and they do not represent a material cost to the business.

5.1g

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

5.1h

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

5.1i

Please explain why you do not consider your company to be exposed to 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

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) 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

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
OPR1	General environmental regulations, including planning	Global legislation at international, national and local levels will require business and Old Mutual's current and potential customers to reduce the carbon intensity and carbon costs of their business. New services will be needed to help people meet the demands of new regulations. The increased demand and need for low-carbon energy to mitigate greenhouse gas emissions provides a business opportunity for our project developers and investors through the creation of new investment markets. The HSBC Climate Change Centre of Excellence estimated in 2009 that over US$470 billion of fiscal stimulus has been earmarked by governments to climate change investment themes. Cap and Trade schemes will create the need for offsetting and advisory services that could be provided by our businesses. Nedbank has already created a Carbon Team to explore these possibilities and expects to generate project funding in excess of US$100 million over the next two to five years. New products and services are already being developed in our banking retail arm as we prepare to offer advanced products and services to our client base	New products/business services	Current	Direct	Very likely	Medium-high
OPR2	Fuel/energy taxes and regulations	Fuel/energy taxes and regulations - Efficiency gains are available through reducing energy consumption in light of potential increases in	Reduced operational costs	Current	Direct	Virtually certain	Low-medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		regulation surrounding energy consumption and emissions. For example, increased building regulations will lead to more efficient building stock that will directly reduce our operational costs and potentially increase the value of energy efficient building investment portfolios.					
OPR3	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. This presents several opportunities to Old Mutual starting with playing an active role in the proposed carbon tax development. There is the opportunity for us to increase our investments in the renewable energy sector, in companies that are responsibly managing their carbon risks and low carbon business with the view that we will see an increase in these investment returns.	Investment opportunities	Current	Direct	Very likely	Medium-high

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

Financial implications of opportunity:
<u>OPR1 –</u> HSBC's Climate Change Centre for Excellence estimates that the global market for low-carbon solutions will triple to over US$2.2trn by 2020. Nedbank has already created a Carbon Team to explore these possibilities and expects to generate project funding in excess of $100 million over the next two to five years
<u>OPR2 –</u> The electricity price increases announced in South Africa for 2012/2013 from 41.31c perkWH in 2010/2011 to 65.06c per kWH may lead to an increase in electricity costs for Old Mutual of approximately £10,500,000 but by making efficiency gains and reducing electricity consumption by 20% this operational cost could be reduced saving Old Mutual SA nearly £6,000,000
<u>OPR3-</u> In 2012 Old Mutual Emerging markets had £52.6bn funds under management (as at 31/12/12) of which a proportion of this figure could be invested in renewable energy projects. In 2010 Eskom (the SA national electricity supplier) was responsible for 225 MtCO2e, if a carbon tax was levied on this then the tax on their emissions could amount to R36bn, if Old Mutual saw only 5% of this tax flowing through our financial service offerings and made a 1% profit, the total profit for Old Mutual could be around R18m

Methods to manage:

OPR1 –

New services will be needed to help people protect themselves from the risks of climate change (e.g. crop or building insurance) as well as for those who are actively seeking to make a positive contribution to the challenge of climate change (e.g. through investing in social or environmental focused funds). Below are examples of the range of products and services that are designed to attract eco-conscious customers and capture the opportunities available to Old Mutual through climate change:

- Old Mutual Investment Group South Africa (OMIGSA) has a wide range of social, environmental and transformation related funds. In 2012 we had over £2.9 billion funds under management (as at 31/12/12) in specifically social, environmental and transformation related investment - including OMIGSA's Futuregrowth Fund and the African Infrastructure Investment Managers Fund
- At Nedbank we offer an Affinity card which appeals to the eco-conscious customer by offering the opportunity to donate to climate change related projects at no additional cost to the customer. Please see the Nedbank CDP submission for more details
- Nedbank Capital has a dedicated Carbon Finance Team that provides carbon advisory and footprinting services, identification and development of Clean Development Mechanism projects and carbon trading
- Nedbank Wealth Become Programme – Nedbank Wealth offer a world-class life insurance offering, complemented by a holistic health and wellbeing programme called 'Become'. In addition to personal wellness, the programme provides members with access to information on how they can contribute to the wellbeing of the planet
- Greenbacks 'green stream' – following demand from clients, the Greenbacks loyalty programme was enhanced through the addition of a 'green stream', allowing members of the programme to redeem their loyalty points for goods that are environmentally friendly. To date more that 3% of the total number of client redemptions have been for 'green' products
- Through Mutual & Federal, which also offers various business specific schemes such as crop insurance products for farmers, we also make use of brokers who belong to the Agri Guild to give advice on risk management
- As a long-term savings, protection and investment business we are focused on helping people plan ahead and provide for unforeseen expenses and circumstances, including those that arise due to the physical impacts of climate change

OPR2-

As energy taxes increase the energy costs of running our property portfolios and offices they also provide financial incentive to reduce our energy consumption, becoming more energy efficient and make potential financial and energy savings. We have been working to improve the processes and tools in place for managing and improving the energy efficiency of our operations, enabling us to capitalise on this opportunity:

- We have a Group Climate Change Strategy which aims to improve the completeness and accuracy of our emissions data, sets a Group target for carbon reductions, and will create initiatives to engage all our stakeholders
- We have made changes to the buildings we own or lease to reduce our carbon emissions. These changes include refitting existing units and building or leasing more environmentally-friendly new ones
- At a business level, Old Mutual Property has a green building strategy and which provides us with a structured approach to improving the environmental sustainability of the buildings in our existing portfolio and the ones we are constructing

OPR3-

At Group level our Responsible Investment guidelines, that were written in 2012, are helping to embed ESG decision making practices across the Group. Our Responsible Investment Committee help deliver and push the integration of ESG investments across the Group, the Committee expanded in 2012 reflecting our continued commitment to leveraging Responsible Investment across our business and driving investment in sustainable and renewable energy sectors. More specific actions are also being taken by the Group and locally to manage this opportunity:

- In 2012 the Responsible Investment Committee delegated responsibility to loval regions to roll out Responsible Investment activities across the Group
- In 2012 we integrated ESG data and ratings into the electronic tools used daily by our listed analyst portfolio managers

Costs of action:
OPR1- The development of new products and business services is part of Old Mutual's everyday practice, there are no additional costs outside of our business as normal associated with this opportunity
OPR2- Separate budgets are set aside to help Old Mutual reduce our carbon emissions across our business. In 2012 over £600,000 was spent by Old Mutual Property alone to make energy efficiency gains and £200,000 was spent on energy efficiency technology to help reduce energy consumption in 2012 at Old Mutual South Africa's biggest office Mutualpark
OPR3- In 2012 Old Mutual invested £13.6m in the South African Government's Renewable Energy Programmes, the carbon tax in South Africa may open up similar investment opportunities for Old Mutual in the future. Standalone studies of the opportunity the SA carbon tax presents have been conducted by Nedbank and have been carried out on an ad hoc basis. In 2012 these costs were approximately £21,000

6.1c

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PO1	Change in mean (average) precipitation	The increase in extreme weather conditions caused by climate change is likely to lead to significant increases in the scale and frequency of significant financial costs to customers as a result of damage to infrastructure, disruption of utility services (for example access to water), damage to property and crops, disruption of supply chains and distribution of natural resources. Insurance products can offer a method of spreading the risks associated with these impacts and as the impacts of climate change grow, so too is the likely demand for insurance products. The businesses able to maximise these opportunities are Old Mutual Specialised Finance, Old Mutual Life Assurance company of South Africa Limited, Nedgroup Life Assurance Company Limited and Old Mutual Financial Life Insurance company (OMFLIC) which provide long-term insurance and Nedgroup Insurance Company Limited and Mutual & Federal, which provide short-term insurance.	New products/business services	Current	Direct	Very likely	Medium

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

Financial implications of opportunity
PO1 - The development of new products and services is built into our business as usual practices, there are no direct financial implications associated with the development of this opportunity. In 2012 our Group adjusted operating profit was £1,614m which could increase should new products and new business services be developed
Methods to manage:
PO1 –
As a long-term savings, protection and investment business we are focused on helping people plan ahead and provide for unforeseen expenses and circumstances, including those that arise due to the physical impacts of climate change, as demonstrated by the list of customer offerings listed below:

- Investments and savings products that can help grow our customers' money or draw an income – depending on their needs.
- Risk cover provides financial security for customers in the event of disease, disablement, death or retrenchment
- Medical cover ensuring that our customers have access to the best medical care available
- Life cover protects customers and their families from financial loss as a result of death and disability
- Funeral cover to remove the burden of administration and expense in the event of a death in the family
- Through Mutual & Federal, which also offers various business specific schemes such as crop insurance products for farmers, we also make use of brokers who belong to the Agri Guild to give advice on risk management.

Costs of action:
PO1 -The costs associated with these actions are not currently measured at a climate change specific level but do not represent a material additional cost to the business. At Nedbank the development of business opportunities associated with changes in mean precipitation were also absorbed as part of the existing business structures with the cost of this opportunity already being absorbed. The estimated costs for this business as usual practice at Nedbank was £35,000 in 2012

6.1e

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OO1	Reputation	Our reputation improves our ability to attract customers, employees	Increased	Current	Direct	Very likely	Medium-

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		and investment, to 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.	stock price (market valuation)				high

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

Financial implications of opportunity

OO1 - The financial impact of reputation damage is difficult to quantify but perhaps most easily understood in terms of risk to the brand equity component of enterprise value. This is estimated at £3.1 bn and even a 1% decline in the brand value as a result of reputational mismanagement could result in a loss of millions of pounds

Methods to manage:

OO1 –

We have taken the following actions that demonstrate to different stakeholder groups the ways in which we are tackling climate change and acting as a responsible business and maximise the reputational opportunities that climate change represent. Our number one priority is to communicate to each of our stakeholders the actions we have taken to mitigate our carbon impact:

- All stakeholders: We communicate to each of our stakeholders through the annual Group Responsible Business Report, the Responsible Business section of our Annual Report and the Responsible Business section of our Group website
- Employee engagement: As well as promoting behaviour change at work to help us reach our own environmental targets, we have also run programmes throughout the Group to help employees take action at home. For example, Nedbank promotes environmental awareness is through an annual Deep Green Day and we use our Group-wide intranet to engage employees on environmental issues more broadly
- Supplier engagement: Businesses are signed up to our new Responsible Business Policy which includes commitments to factors into procurement decisions, wherever practical, the environmental and social impacts of our suppliers and to work with suppliers to create awareness and progress understanding of their social and environmental impacts. Nedbank have a nine-point procurement scorecard as a requirement for prospective suppliers. Skandia UK now include a requirement in all Requests for Proposals that suppliers have a corporate responsibility policy that matches, or exceeds, the Group policy.
- Policy makers engagement: We have made a number of commitments and undertaken activities across the Group which demonstrates our commitment to deal with climate change and engage with policy makers. For example:
    - Nedbank sponsored the World Climate Summit and Climate Action Event, many group executives spoke, sharing the stage with President Jacob Zuma and other dignitaries.
    - The Nedbank Group Kingsmead building played host to a number of key events, addressing critical issues around energy, water and food security.

- Nedbank Group's partnership with Cambridge Programme for Sustainable Leadership resulted in the popular COPpuccino sessions, which brought together thought leaders and analysts to give a business perspective on each day's proceedings at COP18
- At a Group level we became a signatory of The 2°C Challenge Communiqué – an international coalition of business leaders calling on governments to take action at a national level to ensure a successful transition to a climate-resilient economy
- Old Mutual Investment Group, South Africa (OMIGSA) was actively involved in the drafting of the Code of Responsible Investing in South Africa (CRISA) throughout 2012. Jon Duncan, Head of Sustainability Research and Engagement at OMIGSA, was an active member of the Drafting Committee

Costs of action:
OO1 - The costs associated with these actions are not currently measured at a climate change specific level but do not represent a material additional cost to the business as they are integrated into our business as usual practices to communicate to our stakeholders. Part of this broader strategy includes budget set aside to internally manage this reputational opportunity, initiatives undertaken and external communications of them

6.1g

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

6.1h

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

6.1i

Please explain why you do not consider your company to be exposed to 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

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Fri 01 Jan 2010 - Fri 31 Dec 2010	16397	749584

7.2

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)

7.2a

If you have selected "Other", please provide details below

7.3

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

Gas	Reference
CO2	Other: 2012 Guidelines to Defra / DECC GHG Conversion Factors for Company Reporting
CH4	Other: 2012 Guidelines to Defra / DECC GHG Conversion Factors for Company Reporting
Other: HCFC 22 (R22 refrigerant)	Other: 2012 Guidelines to Defra / DECC GHG Conversion Factors for Company Reporting
Other: R404a	Other: 2012 Guidelines to Defra / DECC GHG Conversion Factors for Company Reporting
Other: R507a	Other: 2012 Guidelines to Defra / DECC GHG Conversion Factors for Company Reporting

7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

7.1 - Selling of businesses since 2010 has led to a reduction in the base year emissions, as these have been removed from the original calculations. Spreadsheet detailing this data attached.

7.4 - Spreadsheet detailing Factors attached.

Attachments

https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/Base Year Changes 220513.xlsx
https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/2012 Factors for CDP.xls

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

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

Equity share

8.2

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

10199.92

8.3

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

655637.56

8.4

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

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
South Africa Branches	Scope 1 and 2	These premises are rented making data collection difficult. We are working to start data collection from these sites and generate estimates where accurate data is not an option. Information has not been collected due to local reporting and data collection barriers, primarily around collecting energy consumption data from rented premises where the landlord does not pass on energy consumption data to Old Mutual
Property Portfolios	Scope 1 and 2	Data has not been collected from Malawi property portfolios due to the undeveloped nature of data collection systems in these parts of the business. These portfolios are not material to Old Mutual's total emissions.
Skandia International	Scope 1 and 2	Data has not been collected from a number of our Skandia International locations such as Dubai, Hong Kong, Singapore, Luxembourg and Switzerland where employee numbers are very low. Emisons from this part of the business are not material to Old Mutual's total emissions.
Selected Nedbank electronic banking services like ATM, SST and POS	Scope 2	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	Scope 2	Electricity consumed by approximately 60 (0.2% of FTE count) are not included as these individuals are Financial Advisors that work from home offices and this consumption is currently 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	Scope 2	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 estimate the exclusion at less 0.4% of total electricity use.
Nedbank non-SA countries	Scope 1 and 2	Nedbank calculate carbon emissions from their operations outside South Africa using a different methodology to the one used by Old Mutual Group. Until we can better align the data it has been excluded from the Group CDP submission.

8.5

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 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Data Management	Some parts of the business experience problems with reporting emissions from air conditioning units and as a result were not reported or included in emissions calculations. We are working to improve this gap in data collection with increased training and monitoring of data reporting.	More than 2% but less than or equal to 5%	Data Gaps Assumptions	Some parts of the business had problems gaining energy consumption data from landlords where Old Mutual is a tenant and estimates were made. For example, for US Asset Management affiliate head offices.

8.6

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

Third party verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 0% but less than or equal to 20%

8.6b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	AA1000AS	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/NedbankIntegratedReport2012AssuranceStatement.pdf

8.6c

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

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Third party verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 0% but less than or equal to 20%

8.7b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	AA1000AS	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/NedbankIntegratedReport2012AssuranceStatement.pdf

8.8

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

No

8.8a

Please provide the emissions in metric tonnes CO2

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

9.1

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

Yes

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
Austria	90.71
Bermuda	0
Botswana	4.19
China	32.12
Colombia	17.94
France	0
Germany	76.14
India	34.46
Ireland	0
Isle of Man	0
Italy	0
Kenya	61.01
Malawi	11.93
Mexico	61.47
Namibia	2001.2
Poland	213.41
South Africa	3230.64
Swaziland	56.44
United Kingdom	2861.46
United States of America	3.28
Zimbabwe	1443.52

9.2

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

By business division
By activity

9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)
Bermuda Business	0
Long Term Savings	8870.69
Nedbank	466.15
Mutual & Federal	792.37
US Asset Management	70.71

9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)

9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Employee Locations	7775.47
Property Portfolio	2424.45

9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

10.1

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

Yes

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Austria	13.3	63.75	

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Bermuda	133.96	231.09	
Botswana	45.55	62.92	
China	163.3	201.40	
Colombia	139.1	651.21	
France	29.29	307.32	
Germany	411.41	900.85	
India	12425.37	9921.88	
Ireland	10.21	18.28	
Isle of Man	1004.83	1931	
Italy	85.64	186.83	
Kenya	70.47	97.35	
Malawi	76.88	106.21	
Mexico	355.70	622.46	
Namibia	2395.91	3309.64	
Poland	210.63	302.15	
South Africa	614155.11	633110.43	
Swaziland	23.82	45.78	
United Kingdom	9218.74	19202.60	1486.86
United States of America	2952.87	5094.05	
Zimbabwe	11715.47	16183.37	

10.2

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

By business division
By activity

10.2a

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

Business division	Scope 2 emissions (metric tonnes CO2e)
Bermuda Business	133.96
Long Term Savings	562299.23
Nedbank	84712.40
Mutual & Federal	5284.45
US Asset Management	3207.52

10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)

10.2c

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

Activity	Scope 2 emissions (metric tonnes CO2e)
Employee locations	173028.58
Property Portfolio	482608.98

10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Page: 11. Energy

11.1

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

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

11.2

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

Energy type	MWh
Fuel	22229.99
Electricity	691063.71
Heat	1486.86
Steam	0
Cooling	0

11.3

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

Fuels	MWh

Fuels	MWh
Diesel/Gas oil	11866.31
Motor gasoline	6622.63
Natural gas	3741.05

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
Non-grid connected low carbon electricity not owned by company, no instruments created	1486.86	At one of our buildings at Skandia in the UK uses the local district heating scheme using geothermal energy to generate heat. This is provided through the Southampton Geothermal Heating Company owned by the City Council.

Page: 12. Emissions Performance

12.1

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

Increased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	2.79	Decrease	Old Mutual implemented a number of emissions reduction activities across the Group during 2012. These activities included retrofitting of Old Mutual Property buildings to make the buildings more efficient as well as introducing behavourial projects such as videoconferencing facilities across the Group and reducing internal mailing services at Nedbank.
Divestment	0		
Acquisitions	0		
Mergers	0		
Change in output	0		
Change in methodology	0		
Change in boundary	1.1	Increase	As we expand and improve our data collection processes we are able to collect data from sites not previously captured. In 2012 we were able to collect energy consumption data from a number of South Africa branches that have not previously been included. Additional data was also collected from a number of sites in Zimbabwe.
Change in physical operating conditions	0		
Unidentified	0.52	Increase	The reason for a small proportion of the increase in absolute emissions cannot be identified and could be as a result of fluctuation of weather patterns between 2011 and 2012 or improvements to data collection processes.
Other	1.21	Increase	The largest increase in emissions occured at Old Mutual Property in South Africa which increased its emisisons by 1.82% from 430,725tCO2e in 2011 to 438,547tCO2e in 2012. This is largely as a result of increased occupancy levels in these properties.

12.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
33.64	metric tonnes CO2e	unit total revenue	49.24	Decrease	Financial services companies generally don't have a straightforward turnover figure that is correlated to emissions. Therefore, no explanation is available for this decrease in emissions intensity. Gross Earned Premiums and report in millions of pounds sterling against scope 1 and 2 metric tonnes of CO2e would make a better financial metric. In 2012 the tCO2e/Gross Earned Premium was 178.74 which is a decrease of 1.2% from 2011. However,Old Mutual believes that the emissions intensity targets it has set per employee and per metre squared are more relevant ways to measure energy efficiency. Note on data: 2011 tCO2e 648,403.32, 2012 tCO2e 665,837. Gross Earned Permiums 2011 £3,584m, 2012 £3,725m. Total Revenue 2011 £9,784m, 2012 £19,793m

12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
3.92	metric tonnes CO2e	FTE employee	9.35	Increase	We increased the data collection at a number of our sites in 2012 (particularly in Zimbabwe and South Africa) which have added to an increase in the energy data reported with no corresponding increase in employee numbers. Note on data: This figure looks at our employee locations only and excludes data from our property portfolios. 2011 tCO2e 166,653, 2012 tCO2e 180,804. Employees 2011 46,2882, 2012 46,142.

12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.22	metric tonnes CO2e	square meter	1.59	Increase	There was a focus in 2012 on increasing the occupancy of the buildings let through the Old Mutual Property portfolio in South Africa. This has resulted in an increase in energy consumption with no corresponding change in meter squared. Note on data: 2011 477,539 tCO2e, 2012 485033 tCO2e. 2011 2,177,959 m2, 2012 2,177,615 m2

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

Yes

13.1a

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	Sun 01 Jan 2012 - Mon 31 Dec 2012	0	132000	124470.4	Other: All facilities occuped by Nedbank - owned, managed, leased etc.

13.1b

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. It is always the aim to reduce the footprint as far as possible before offsetting the residual footprint. Nedbank's self-imposed carbon neutral status leads to internalising the cost of greenhouse gas pollution. By implication the management of the cost then results in lower Nedbank's carbon footprint.

13.2

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

Yes

13.2a

Please complete the table

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 retired	Purpose, e.g. compliance
Credit Purchase	Forests	Project name: The Kasigau Corridor REDD Project - Phase I Project site: Rukinga Sanctuary, Kenya Description: Nedbank is delighted to continue its association with this project in 2012. In 2011 it became the world's first Reducing Emissions from Deforestation and Forest Degradation (REDD) project to issue carbon credits. The project is successfully preventing the deforestation of Kenya's Kasigau Corridor while delivering significant economic, social and cultural benefits to local communities.	VCS (Voluntary Carbon Standard)	44000	44000	Yes	Voluntary Offsetting

Further Information

13.1a - Old Mutual have a 55% share in Nedbank. The stated amounts for allowances purchased and verified emissions in metric tonnes CO2e reflect this share. The total amount for each is - 240000 allowances purchased, and 226309.81 verified emissions in metric tonnes CO2e

13.2a - Old Mutual have a 55% share in Nedbank. The stated amounts for Number of credits (metric tonnes of CO2e) and Number of credits (metric tonnes CO2e): Risk adjusted volume reflect this share. The total amount for Number of credits (metrics tonnes of CO2e) are 80000, and 80000 for the number of credits (metric tonnes CO2e): Risk adjusted volume.

Page: 14. Scope 3 Emissions

14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	1931.58	Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition). This data applies to Nedbank only.	100%	The emissions from this section are associated with the purchase and use of paper for printing and other office use.
Capital goods	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		If applicable, all emissions from these sources were captured in other sections.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		If applicable, all emissions from these sources were captured in other sections.
Upstream transportation and	Not relevant, explanation		Greenhouse Gas Protocol: A Corporate Account and		If applicable, all emissions from these sources were captured in other sections

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
distribution	provided		Reporting Standard (Revised Edition)		
Waste generated in operations	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		All emissions from these sources were captured in other sections. Solid waste generated does not fall within any greenhouse gas scope.
Business travel	Relevant, calculated	20219.98	Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)	100%	Business travel across Old Mutual Group is carefully monitored due to its direct impact on cost for travel incurred. This value covers all flights and rail journeys completed for business travel.
Employee commuting	Relevant, calculated	12477.52	Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)	65%	Value from employee commuting survey carried out by Nedbank, with a 65% response rate. Old Mutual owns 55% of Nedbank, which this figure reflects.
Upstream leased assets	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		If applcable, all emissions from these sources were captured in other sections.
Investments	Relevant, not yet calculated		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Old Mutual are working on the best methodology to capture this data concerning their investment portfolio.
Downstream transportation and distribution	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Given the nature of the business, Old Mutual does not directly transport or distribute goods. Any distribution that does occur is accounted for under Scope 1 emissions. There is therefore no emissions arising from 'downstream transportation and distribution'.
Processing of sold products	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Given the nature of the business, Old Mutual does not directly sell any products. There is therefore no emissions arising from 'processing of sold products'.
Use of sold products	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Given the nature of the business, Old Mutual does not directly sell any products. There is therefore no emissions arising from 'sold products'.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
End of life treatment of sold products	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Given the nature of the business, Old Mutual does not directly sell any products. Therefore, there is no end of life treatment for sold products.
Downstream leased assets	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		If applicable, all emissions from these sources were captured in other sections.
Franchises	Not relevant, explanation provided		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		There is no franchising within Old Mutual.
Other (upstream)	Not evaluated		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Not applicable
Other (downstream)	Not evaluated		Greenhouse Gas Protocol: A Corporate Account and Reporting Standard (Revised Edition)		Not applicable

14.2

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

Third party verification or assurance complete

14.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 0% but less than or equal to 20%

14.2b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	AA1000AS	https://www.cdproject.net/sites/2013/07/13807/Investor CDP 2013/Shared Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/Investor-14.2b-VerificationDetails1/NedbankIntegratedReport2012AssuranceStatement.pdf

14.3

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

No, this is our first year of estimation

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment

14.4

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

14.4a

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

Details of methods of engagement:
At Nedbank we hold an annual vendor conference where environmental and broader sustainability issues are raised and discussed with vendors.
In OMSA we have written requirements into our supplier contracts a clause for vendors to quarterly provide their environmental policy which should include measurable targets.
At Nedbank we offer the following services and products that specifically enable our customers to avoid or offset GHG emissions:
• A dedicated Carbon Finance Team that provides carbon advisory and footprinting services, identification and development of Clean Development Mechanism projects and carbon trading
• A green exchange-traded fund on the JSE ranking South Africa's top 20 listed companies in terms of sustainability, using data from the Carbon Disclosure Project. In 2012 the fund continued to encourage JSE listed companies to consider and review their carbon disclosure and improve their overall environmental performance
• Internet banking and cell phone banking services that reduce travel to branch outlets. In 2012 our Banking business launched a series of new accessible banking apps to make mobile banking easier and more convenient to use for our customers
• Expansion of Automated Teller Machine(ATM) and Self Service Terminals(SST) network – cutting down on the required client transport
• Expansion of personal loan kiosks, branch-in-a-box innovation and mobile branches to help our harder to reach or rural customers
• Electronic client statements and client option for receipt-free transactions at ATM's and SST's which reduces paper use by clients. Estimation of avoided emissions including timescale over which emissions are avoided or baseline year: Nedbank have calculated the reduction of emissions from reduced client travel due to electronic services at an estimated 6,000tCO2e per annum. The biggest benefit from these initiatives is expected in rural communities, where access to banking services is frequently remote and very inconvenient
Strategy for prioritizing engagements:
Throughout the year the Nedbank 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 GHG emissions per tonne of paper could be reduced for the paper sourced by Nedbank.

14.4b

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	Comment
300	90%	This information applies to Nedbank only.

14.4c

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	At Nedbank we us the details in our supplier scorecards.

14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title