

OLD MUTUAL

# OLD MUTUAL LIMITED CLIMATE CHANGE POSITIONING STATEMENT



DO GREAT THINGS EVERY DAY

As a financial services intermediary we recognise Climate Change as a systemic risk which needs to be integrated into the way in which we do business. Being a custodian of the lifetime savings and investments of millions of customers across the African continent means that we must responsibly manage the assets of our customers. Addressing the risks posed by Climate Change forms part of this responsibility and our ambition to demonstrate sustainable value creation for all of our stakeholders.

## RESPONSIBLE BUSINESS IMPERATIVE

Old Mutual is a leading pan-African business, operating in 13 countries across the African continent, and with four main lines of business including: life and savings, asset management, property and casualty as well as banking and lending.

**We recognise Climate Change as a systemic risk that has the potential to impact our entire business value chain.**

We not only consider Climate Change as a threat to the sustainability of our business operations, but also to the very communities and countries in which we operate. Our response to the Climate crisis is guided by our Truly Mutual Strategy, whose purpose is to Champion Mutually Positive Futures Every Day. Operationalised through five interconnected pillars (CARES) and supported by our Responsible Business Framework, we believe that the delivery of this strategy will enable us to become our customers' first choice while building the most valuable business in our industry. The continuity of our business, protection of our stakeholders' interests, and the preservation of the planet for future generations are all critical factors in ensuring that we achieve this ambition.

## A COMMITMENT GROUNDED IN SCIENCE, RISK MANAGEMENT AND A JUST TRANSITION

Our Climate Change response considers the social and economic implications of our actions in line with a just transition, the urgency articulated through the science of Climate Change, as well as our responsibility towards appropriate risk and opportunity management. We are fully committed to the imperatives of a just transition relating to the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities provided for in the Paris Agreement<sup>1</sup>.

We accept the findings of the sixth assessment report issued by the International Panel on Climate Change (IPCC)<sup>2</sup>, which warns that rapid action must be taken to reduce GHG emissions in the coming decades to achieve the Paris Agreement goal of limiting global warming to 1.5°C. The World Economic Forum (WEF), through its Global Risks Report 2022<sup>3</sup>, identified extreme weather, climate action failure, and human-led environmental damage to be among the risks with the highest likelihood of materialising over the next 10 years. Climate action failure and other environmental risks are among the highest impact risks of the next decade.

Integrating climate risks into our existing risk management processes is imperative given the long-term horizons against which we manage risk. Our approach incorporates a measure of flexibility, recognising the unique circumstances of the emerging market economies we operate in.

## PARTNERSHIPS AND AFFILIATIONS

**We inform and guide our approach through our commitment to local and international environmental management guidelines and good international industry practice, including:**

- UN's Sustainable Development Goals (SDGs)
- The National Development plans of the countries we operate in (NDPs)<sup>4</sup>
- CDP
- Principles for Responsible Investment (PRI)
- United Nations Global Compact (UNGC)
- Code for Responsible Investment in South Africa (CRISA)
- The Water Disclosure Project (WDP)
- The Task Force on Climate-related Financial Disclosures recommendations (TCFD)

By working with responsible business partners across our supply and distribution chain, our collective action can effect real-world outcomes that will have a lasting impact on future generations.



1 <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

2 <https://www.ipcc.ch/report/ar6/wg1/>

3 <https://www.weforum.org/reports/global-risks-report-2022>

4 This includes: The National Development Plan (NDP) of South Africa and Namibia, Kenya's Big Four Agenda and Vision 2030, the Zimbabwe National Development Strategy, Nigeria Vision 2020, the long-term National Development Plan for Ghana, Uganda's Third National Development Plan (2020 to 2025), Rwanda's National Strategy for Transformation (2017 to 2024), the Tanzania Development Vision 2025, South Sudan National Development Strategy, Malawi's Growth and Development Strategies (MGDS)



## LOOKING AHEAD

AS CLIMATE RISK MATERIALISES OVER EXTENDED PERIODS, OUR VIEW IS THAT SHORT-TERM ACTIONS WILL BE THE KEY TO LONG-TERM SUCCESS.

We continue to explore the impacts of Climate Change on our business, including through our operations and product offerings, in order to make informed decisions on the way forward. We will continue to drive our Climate Change related activities and commitments in line with our Truly Mutual CARES strategy, taking into account the imperatives of a just transition.

Additionally, we will continue to improve, mature and extend the scope of measurement of our impact on Climate Change, in line with Climate Change science, as well as global and local good practice. Critical to this is the integration of Climate Change perspectives into the way we do business. To this end, we will continue to focus on the ongoing reduction of our own operational emissions, the management of the carbon intensity of our investment portfolio holdings, as well as the potential for us to contribute towards the development of Climate Change product solutions.

Working together with our key partners, stakeholders and alliances, we will accelerate the impetus for action towards the global goal of limiting global warming to 1.5°C, as enshrined in the Paris Agreement<sup>5</sup>. Truly Mutual means contributing to a better society, and through our commitment to taking action on Climate Change, we hope to demonstrate our aspiration of being a business that Truly CARES.

## OUR COMMITMENTS AND AMBITIONS

As the custodian and asset owner of the lifetime savings and investments of millions of customers across the African continent, we are a proud member of the Net-Zero Asset Owner Alliance. We have committed to reducing emissions within the real economy to align with the Paris Agreement goal of limiting global warming to 1.5°C. Our Asset Owner Responsible Investment Climate Change Action Statement detailing our commitments can be found [here](#).

Through our asset management business, our Investment Group's listed equity active stewardship function continues to engage companies responsible for large carbon emissions on their long-term transition strategies. Our Investment Group's Future Matters Responsible Investment Report can be found [here](#). Through our Alternative Investments business, we are a participant in South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPP). We continue our search for mechanisms that would proactively manage environmental risk, including investing in the development of energy-efficient housing and less carbon-intensive investment products. Our Alternative Investments sustainability report can be found [here](#).

Our operational carbon footprint is aligned with the GHG protocol as part of the CDP. We invest in improving building energy performance, considering efficiency measures, retrofits and greening electricity, as well as improvements in water and waste management. We have reported our carbon footprint, in alignment with the GHG Protocol, for a number of years on both Scope 1 and Scope 2 emissions, together with elements of Scope 3 emissions. We intend to expand our scope 3 emissions reporting as our reporting capability and data availability matures.

<sup>5</sup> <https://climateanalytics.org/briefings/coal-phase-out/>

