OLDMUTUAL

CLIMATE REPORT 2024

For the year ended 31 December 2024

DO GREAT THINGS EVERY DAY

About our report

Our Climate Report enables readers to assess our progress in our climate adaptation journey. This report is of interest to all our stakeholders.

Our 2024 reporting suite

Old Mutual 2024 reporting suite

Integrated Report

Our Integrated Report provides a balanced view of our value creation story, and shares our strategic journey to becoming our customers' first choice to sustain, grow and protect their prosperity. Although primarily aimed at our providers of capital, it will be of interest to all stakeholders invested in understanding our unique value creation story.

Corporate Governance Report

Our Corporate Governance Report is an overview of Old Mutual's approach to corporate governance. The report focuses on how we do business based on sound governance practices which, in turn, are informed by the highest ethical standards, integrity, transparency and accountability. The report will interest investors, regulators and analysts.

Remuneration Report

Our Remuneration Report gives insight into how we address remuneration-related activities and discloses and reflects how our remuneration purposefully aligns performance outcomes with shareholder interests while balancing our need to be an attractive employer. The report is of interest to investors, employees, regulators and analysts.

Sustainability Report

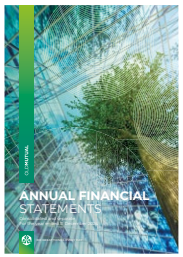
Our Sustainability Report reflects on our sustainability journey, sharing insights into how we manage our most significant environmental, social and governance (ESG) risks and opportunities. The report will interest investors, analysts and a wide range of stakeholders.

Climate Report

Our Climate Report contains information about the Group's climate-related activities, policies, governance, strategy, risk management, metrics and targets. The report provides information that enables stakeholders to assess our progress in our climate adaptation journey. The report will interest all our stakeholders.

Tax Transparency Report

Our Tax Transparency Report concisely outlines our tax philosophy and communicates how our tax strategy integrates with the Group strategy. The report also demonstrates our commitment to being a responsible taxpayer, guided by global best practice frameworks. The report will interest regulators, investors and analysts.



Annual Financial Statements

Our Annual Financial Statements contain information relating to the Group's financial position and performance. The consolidated and separate financial statements were audited in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008 (as amended) (Companies Act). The report is of interest to investors, analysts, regulators and other stakeholders.

Approval

The Board of directors (the Board) of Old Mutual Limited (Old Mutual or the Group) acknowledges its responsibility for ensuring the integrity of the Climate Report 2024 (this report). In the Board's opinion, this report addresses all the material initiatives and activities related to climate change throughout the Group. This report was approved by the Board for release on 18 March 2025.

Scope and boundary

This report covers the climate change activities of the Group for the period 1 January 2024 to 31 December 2024. It provides an overview of key environmental initiatives related to climate change risks during the period.

Guiding frameworks

The report's content is guided by:

- The Task Force on Climate-related Financial Disclosures (TCFD) framework
- The Global Reporting Initiative
- The King Report on Corporate Governance™ for South Africa, 2016 (King IV)[1]
- The requirements of the Johannesburg Stock Exchange's (JSE) Sustainability Disclosure Guidance (IFRS S1) and Climate Disclosure Guidance (IFRS S2)

Assurance

Management reviewed the reporting content to ensure accuracy and the Board and Responsible Business committee provided oversight. Group internal audit followed a limited assurance process regarding numeric disclosures.

Greenhouse gas (GHG) emissions data is collated by the Old Mutual Property, Group sustainability and facilities teams. This data is externally verified by an independent carbon specialist, in accordance with the ISO 14064-3:2019 Standards for GHG verifications.

For details, see the verification report

Report navigation

Our stakeholders

- Investors
- Customers
- Employees
- Intermediaries
- Communities
- Regulators

Navigation tools

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- More information available within this document
- Other reports within the reporting suite

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Design theme

Our 2024 annual reporting suite is designed to fully embrace our digital integrated financial services (IFS) strategy. We utilise vibrant digital and dynamic colours, paired with a minimalist and intentional design, to enhance user experience across our digital platforms. Central to our design are circular references, symbolising a focal point of influence – a catalyst that sparks movement, drives transformation, fosters growth and creates ripples of change across our footprint. These dynamic shapes represent our organisational resilience and the enduring impact of the positive transformations we inspire.

Understanding our Climate Report

The refined Group sustainability strategy was approved by the Responsible Business committee, a sub-committee of the Board, in August 2024. It reflects a move to embed sustainability across our operations to accelerate impact by integrating commercial objectives with our sustainability commitments. Climate action is one of three key impact areas in the sustainability strategy.

This Climate Report remains structured according to TCFD guidance. The TCFD framework has four additional guidance categories for the financial sector and Old Mutual operates under all of them, with the exception of banking, which remains a work in progress:

- Insurance companies (underwriting) – our short and long-term insurance businesses, including public and private sector pension plans, endowments and foundations
- Asset owners[1] (investing) – specifically across our proprietary portfolios
- Asset managers (asset management) – Old Mutual Investment Group publishes its own TCFD-aligned reports
- Our Banking and Lending line of business comprises retail and institutional business and our progress includes:
  - → Incrementally incorporating climate change into the business agenda, where relevant
  - → Applying the TCFD guidelines when we start reporting on Banking and Lending's climate journey

Background

We provide our leadership's response to climate change and contextualise our approach.
We outline the global climate context, the scientific basis on which we base the Group's investment and underwriting decisions, and the responses to climate change in the regions where we operate.
We outline Old Mutual's response to the climate crisis, guided by our Climate Change Positioning Statement, published in March 2022, and the climate action pillar of our sustainability strategy.

	Governance	Risk management	Strategy	Metrics and targets
Group In these sections, we cover Old Mutual Limited and the Group entities, including our insurance businesses, and excluding our asset owner activities (which are in Asset owner considered below).	This explains how we govern climate change and how we incorporate it into Board committee mandates, as well as investment and subsidiary governance structures. We outline how we operationalise governance in the Group and in management-level committees. Refer to pages 18 to 19 for more information	We outline the Group's processes for identifying, assessing and managing climate change risks, and how we integrate these risks into our Group risk management framework. Refer to page 23 for more information	We provide an overview of the Group sustainability strategy and the climate action pillar. Refer to page 29 for more information We set out the climate-related risks we identified as part of the risk management process and show how we use the TCFD framework to assess how these impact our business. Refer to page 23 for more information We provide an overview of scenario planning and modelling for climate resilience in our South African life and short-term insurance businesses. Refer to pages 33 to 38 for more information We share our climate-related opportunities. Refer to page 39 for more information	We detail our Scope 1 and 2 and relevant Scope 3 GHG emissions as disclosed to the CDP (formerly the Carbon Disclosure Project), excluding our asset owner GHG metrics. Refer to pages 55 to 58 for more information
Asset owner In these sections, we cover our businesses' investment activities where we invest on our own behalf as a shareholder or on behalf of policyholders through mandates with our asset managers.	We show how our asset owners' and asset managers' governance structures incorporate climate risks into their investment decision-making processes. Refer to pages 20 to 21 for more information	We outline our process for identifying, assessing and monitoring climate change as an investment risk, including identifying carbon metrics to aid the understanding of our portfolio's carbon profile. We outline our engagement with our appointed asset managers in South Africa and Old Mutual Africa Regions. Refer to pages 25 to 27 for more information	We highlight our commitments to net zero, stakeholder engagements and the Just Transition to a green economy, including our commitments to reduce GHG emissions across our investment portfolios. Refer to pages 41 to 48 for more information We highlight how climate-related risks and opportunities are factored into relevant investment strategies, our approach at an asset class level and our engagement activity with investee companies. Refer to pages 25 to 27 for more information	We show the outcomes of the metrics identified as part of our risk management process at an asset class level. We disclose our Scope 3 Category 15 financed emissions and unpack our progress against our engagement targets. Refer to pages 60 to 65 for more information

Progress update

We summarise our progress against our commitments since 2023 in line with the TCFD pillars.

Refer to pages 69 to 70 for more information

1 *All asset owner disclosures are in respect of assets under management (AUM) within the scope of our fiduciary duty for our South African life business, Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA). This includes all with profit policyholder and shareholder assets, collectively referred to as our proprietary investment portfolios. We invest our proprietary investment portfolios in various asset classes that align with our strategic asset allocation*

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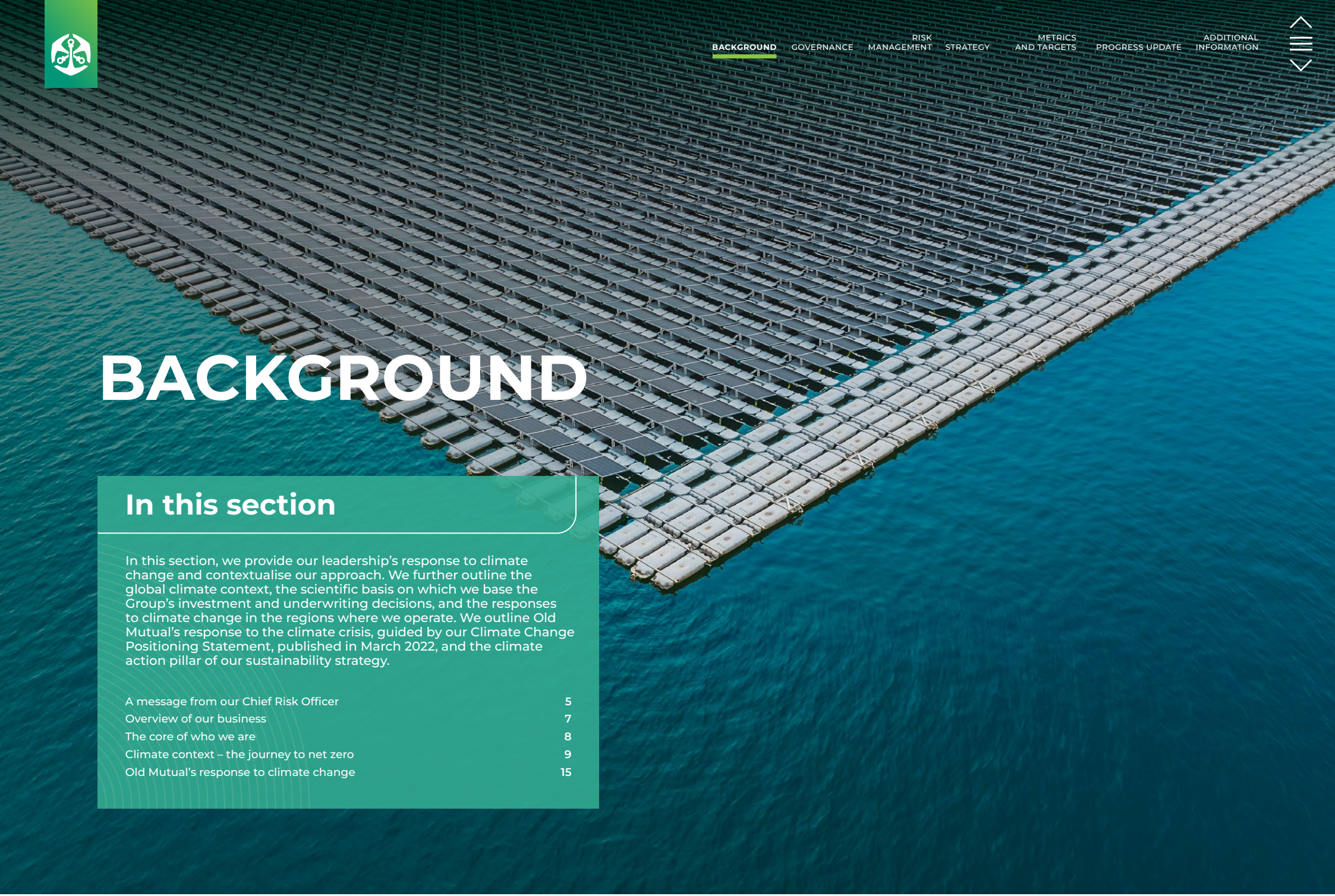

BACKGROUND

In this section

In this section, we provide our leadership's response to climate change and contextualise our approach. We further outline the global climate context, the scientific basis on which we base the Group's investment and underwriting decisions, and the responses to climate change in the regions where we operate. We outline Old Mutual's response to the climate crisis, guided by our Climate Change Positioning Statement, published in March 2022, and the climate action pillar of our sustainability strategy.

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A message from our Chief Risk Officer

Richard Treagus
Chief Risk Officer

With 2024 recorded as the hottest year on record, the reality of the climate crisis has never been clearer.

Global temperatures are on track to exceed the critical threshold of 1.5 °C, with the Intergovernmental Panel on Climate Change (IPCC) estimating that the most likely emission scenario will lead to temperatures that are 2.7 °C higher than pre-industrial levels by the end of the century. This escalation in temperature highlights the pressing need for immediate action to combat climate change and protect our planet for future generations.

While an increase of a degree or two may not seem alarming, the effects of global warming are profound. The term 'global weirding' has emerged to describe the increasingly severe and unpredictable weather patterns already being experienced worldwide. Extreme weather events are becoming more frequent and intense, and less predictable, highlighting the need for urgent and collective action to address climate change.

As noted in a report titled *Planetary Solvency – finding our balance with nature*[1] from the University of Exeter and the Institute and Faculty of Actuaries, society takes the gift of a reasonably stable natural environment for granted. Environmental risks and impacts have not been a key consideration in current economic models because policymakers have long taken the environmental context to be stable. Further, our economic models are underestimating the cost of this no longer being the case. As stated in the report: "The risk of Planetary Insolvency looms unless we act decisively. Without immediate policy action to change course, catastrophic or extreme impacts are eminently plausible, which could threaten future prosperity."

Other deeply concerning conclusions of this report are that climate change impacts are materialising at lower temperatures than estimated, and that breaching 1.5 °C risks triggering multiple climate change tipping points – with every fraction of a degree increasing the risk.

We have already surpassed the safe limits on climate change, and sustained behavioural change is urgently needed in every aspect of our lives, from consumption patterns to investments. A fundamental shift is required to the structure of the global economy and in international cooperation if we are to limit our impact and avoid transgressing tipping points from which there will be no return.

The financial implications alone require a transformation of the global economy. The Global Landscape of Climate Finance 2024: Insights for COP29 report, published by the Climate Policy Initiative (CPI), found that climate finance currently only represents 1% of global gross domestic product (GDP), far short of what is needed. Emerging markets and developing economies may need around 6.5% of their GDP by 2030 to meet climate goals. The report further details the cost of inaction, estimating that projected economic losses by 2100 will be five times greater than the climate finance that is needed by 2050 to stay within a 1.5 °C warming scenario[2].

During COP29, held in Baku, Azerbaijan, significant progress was made in terms of funding commitments to address climate change. The conference agreed to triple the annual climate finance to developing countries from the previous goal of $100 billion to $300 billion by 2035. Efforts were also secured to scale up finance from both public and private sources.

But we note with concern the subsequent decision by the United States (US) to withdraw from the Paris Agreement. As the largest economy and second largest contributor to GHG emissions, this sets the world back on the critical commitments made under the Paris Agreement. This places an increased need on all nations, companies and individuals to maintain their commitments to combating climate change; it is certainly a commitment that Old Mutual is actively working towards.

Climate change is considered a top risk for Old Mutual. It amplifies almost every other risk we face as a business. Its impacts on the insurance industry are already being experienced, and we are taking proactive steps to reduce the risks and pursue opportunities to play our part in climate action.

Principally, we drive climate action through responsible investment – in the way we invest the savings and wealth entrusted to us by our customers and our proprietary capital. Although we are decarbonising our direct operational environmental footprint, this is significantly smaller than the indirect impact of our investment activities.

As a regional leader in responsible investing and a significant investor in renewable energy and the green economy on the continent, we have demonstrated our commitment to advancing sustainable development in Africa. Our Group sustainability strategy aims to further strengthen our leadership position in ESG investments by offering sustainable product alternatives for our customers (for example, the Old Mutual MSCI Emerging Markets ESG Leaders Index Strategy Fund launched in 2023) and attracting international capital to support transformative investment opportunities across Africa.

Combating climate change through responsible investing has two main levers – aligning investments to our net zero commitment as part of the United Nations (UN) convened Net Zero Asset Owner Alliance (NZAOA) and investing in renewable energy and infrastructure that enhances climate resilience.

One can think of these two levers as 'stop' or 'go' approaches. In terms of 'stop', our focus is on reducing investments in heavy carbon emitters - our new 2024 oil and gas position paper retains our hard exclusion on upstream oil and introduced a hard exclusion on midstream oil for new investments. However, while 'stop' is indeed important, it is 'go' that is critical in actively investing in the green economy.

We play an important role in deploying investments into long-term infrastructure development in renewable energy projects. This is achieved through our smooth bonus products such as the Absolute Growth Portfolio, which is geared towards long-term investing by directing a significant portion of funds into infrastructure investments. Also, Old Mutual Alternative Investments continues to deploy capital into renewable energy projects.

See page 66 for details on Old Mutual Alternative Investments

However, the scale of investment required to meet targets is formidable and beyond any single entity. As a committed private capital aggregator that invests in renewable energy and the green economy, we urge all institutions to play their part in prioritising this urgent work, and working together to combine funding where the scale of investment demands this.

The system of carbon taxes and carbon credits is vital to shift the current status quo where the enormous liability to the world of carbon emissions is not being paid for. However, with most nations sitting with weak balance sheets and high debt levels, there is little resilience in government finances to make the public investments required to drive change. Thus carbon taxes and carbon credits are pragmatic tools to ensure that carbon emitters pay for their emissions. The concept of net zero itself suggests that there will still be carbon emitters, but emitters must pay for the cost to the world of their activities. This in itself will fast-track behavioural change to 'stop' while raising the capital required to invest in the green economy – the critical "go" required to avoid a world inhospitable to life as we know it.

1 https://actuaries.org.uk/document-library/thought-leadership/thought-leadership-campaigns/climate-papers/planetary-solvency-finding-our-balance-with-nature/
2 https://www.climatepolicyinitiative.org/press-release/global-landscape-of-climate-finance-2024/

A message from our Chief Risk Officer *continued*

Our analysis on the impacts of climate risk on our life insurance business in South Africa (OMLACSA) shows that river flooding, particularly in the northern and the eastern parts of South Africa, and wildfire and extreme heat in the western part of the country are the perils that pose greatest risk. We sought to understand their likely impact on our balance sheet and develop responses to manage their impacts on both assets and liabilities.

See pages 34 to 35 for details on the OMLACSA climate risk project

Turning to our short-term insurance business, Old Mutual Insure developed climate change risk models for each of the main types of peril. This data is critical in enhancing our risk management and pricing capabilities, and in working with our customers to reduce their risk profile. It not only enables us to price correctly for increased risks but also directs our focus on interventions that serve to mitigate and manage disasters.

See pages 36 to 38 for details on Old Mutual Insure's scenarios

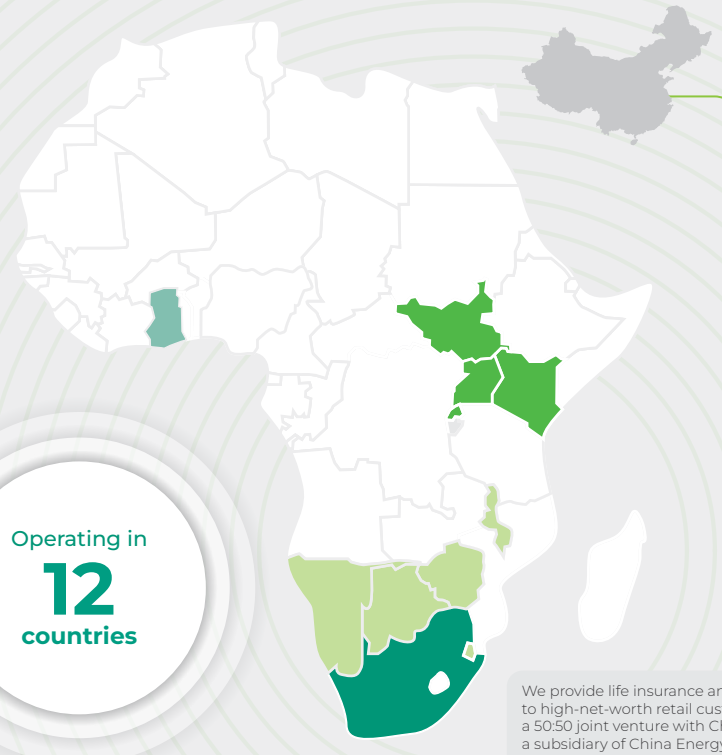
We continue advancing our reporting on climate change and enhancing our data and metrics. Our focus is currently on the Group's core markets which will expand over time to include our growth markets.

Our view towards the future is underpinned by understanding climate risk and how we can take on the risks of our customers, both in short-term insurance and in life insurance. Old Mutual must remain healthy and protective of our customer base. We will continue to deploy investments into the green economy, helping transform society over the long term by reducing exposure to climate-related risks. Through this we are also able to engage further with our customers about climate change, creating more awareness about green investments but also building a mindset that individuals can make a difference. Our customers can be confident that by investing in our portfolios, they are investing with an insurer that is taking active steps in climate action.

Climate change is undeniably the defining issue of our time. Our actions today will shape how future generations view us, and the futures of generations to come hang in the balance. We urge individuals, the public and private sector to avoid complacency and recognise that the choices we make in terms of consumption and investments have a significant cumulative and systemic impact. Together, we can create a positive and lasting change for a sustainable future.

Richard Treagus
Chief Risk Officer

Overview of our business



Operating in **12** countries

We provide life insurance and investment solutions to high-net-worth retail customers in **China** through a 50:50 joint venture with China Energy Capital Holdings, a subsidiary of China Energy (a state owned enterprise).

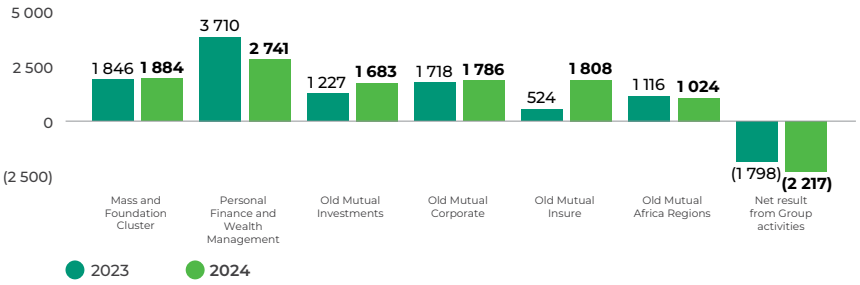
CORE BUSINESSES		GROWTH ENGINES		
South Africa	Southern Africa	East Africa[1]	West Africa[1]	Asia
South Africa	Namibia / Botswana / Eswatini / Malawi / Zimbabwe	South Sudan / Kenya / Uganda / Rwanda	Ghana	China
Tied advisers **6 406**	Tied advisers **1 152**	Tied advisers **1 627**	Tied advisers **378**	Tied advisers **4**
Employees[2] **22 738**	Employees[2] **3 559**	Employees[2] **1 289**	Employees[2] **181**	Employees[2] **349**
Customers[3] **7.5 million**	Customers **3.7 million**	Customers **2 million**	Customers **0.3 million**	Customers **0.2 million**

1 Old Mutual Africa Regions finalised the sale of its shareholding in the Nigeria and Tanzania businesses during 2024
2 The values disclosed exclude 10 employees residing in Guernsey and Isle of Man
3 Customer numbers for South Africa include the policy count for Old Mutual Insure

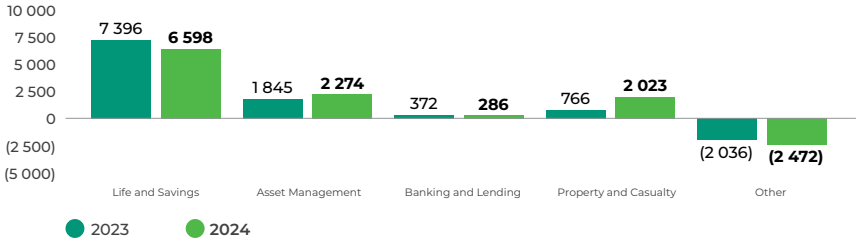
Old Mutual is a premium African financial services Group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 12 countries.

Old Mutual primarily operates in South Africa and other African regions, with a niche business in China. We are well positioned in the insurance market, supported by a large customer base, a valuable and trusted brand, and most of our core businesses hold leading market positions while making investment in our growth engines and markets. We structured our operating segments to deliver our products and services to our customers in a way that meets their unique needs.

Segmental results from operations (R million)



Results from operations by line of business (R million)



Total results from operations
R8 709 million
(2023: R8 343 million)

Old Mutual is listed on five stock exchanges

- South Africa
- Namibia
- Malawi
- Zimbabwe
- United Kingdom

The core of who we are

We want to be our customers' first choice to sustain, grow and protect their prosperity, which is anchored in our purpose. With this in mind, we aim to be our customers' preferred partner for financial wellness and help them achieve their lifetime financial goals.

We believe that creating value for customers also drives value creation for our shareholders – we do this by delivering solutions against our integrated financial services and interconnected strategy. We offer comprehensive solutions across Africa to meet our customers' needs at every life stage. We accompany them on their life journey as a trusted steward through multiple channels, platforms and comprehensive financial products and services, anchored in rewards that promote behaviours linked to holistic financial wellness. We conduct business responsibly to deliver a sustained positive impact across all our stakeholders: customers, employees, intermediaries, investors, regulators and the communities in which we operate.

We sustain, grow and protect our customers' prosperity

through our lines of business...

...by offering holistic solutions and financial advice...

Banking and Lending

- Transactional banking
- Personal loans
- Business loans

Savings and Investments

- Long and short-term savings

Asset Management

- Wealth management
- Investment solutions

Life Insurance

- Life insurance and critical illness, disability and funeral cover
- Retirement, annuities and endowments
- Medical insurance

Property and Casualty Insurance

- Property, specialty and credit risk insurance

...and harnessing our key differentiators

- Strong brand and established track record
- Strong, diversified distribution channels and customer touchpoints
- Holistic product proposition
- Old Mutual Rewards programme
- Largest specialised fixed income and credit manager in South Africa

Catering to our customers' lifetime financial needs

We deliver our solutions through our distribution channels

We embrace a human-led, technology-enabled distribution model. We deliver personalised advice and solutions using real-time data and insights through our extensive distribution network and strong digital engagement to ensure our customers and advisers can interact with us in a way that is most convenient for them. Our face-to-face and digital channels provide customers more choice as we move towards delivering a consistent omni-channel experience.

36 039 tied and independent intermediaries
(2023: 38 384)[1]

As the backbone of our business, our intermediaries help us deepen the relationships we have with our customers in various segments. They deliver advice through a multi-channel approach across an advice spectrum – ranging from single need analysis to a full spectrum of advice – to ensure we provide solutions for all customer needs.

1.7 million active digital users
(2023: 1.4 million)

The MyOldMutual ecosystem, available via our online web portal and Old Mutual application, encompasses a digital hub that seamlessly marries a great digital experience with an empathetic, human experience across a comprehensive set of customers' financial needs.

816 retail branches
(2023: 796)

Our retail branches facilitate a seamless customer experience by providing direct access to products, servicing and advice. Our branches recruit intermediaries from the communities in which we operate. Branded ATMs support our retail branch network to improve access and convenience for customers.

47 136 worksites
(2023: 48 331)

Worksites enable us to take an advice-led approach by offering solutions to our customers in their workplace as an extension of the employee value proposition. Our worksites have skilled financial advisers who assist our customers with preserving their wealth and achieving better retirement outcomes.

1 Total intermediaries for 2023 have been restated to include independent intermediaries from Genric Insurance Company and ONE Financial Services. A consolidation adjustment has been incorporated to account for tied advisers shared between OMLACSA and Old Mutual Insure

Climate context – the journey to net zero

The scientific basis

We base our investment and underwriting decisions on the latest climate science, ensuring that we consider the most recent climate projections and need for climate change mitigation.

The IPCC is the UN body responsible for assessing the science related to climate change. The IPCC prepares comprehensive assessment reports about the state of scientific, technical and socioeconomic knowledge on climate change, its impacts and future risks, and options for reducing the rate at which climate change happens. The IPCC also produces special reports on topics agreed to by its member governments, as well as methodology reports that provide guidelines for the preparation of GHG inventories.

The latest report is the sixth assessment report, comprising three working group contributions and a synthesis report[1]. A special report – Global Warming of 1.5 °C[2] – has stated with medium confidence that 20% to 40% of the global human population live in regions that, by the decade 2006 to 2015, had already experienced warming of more than 1.5 °C above pre-industrial levels in at least one season. However, it adds with high confidence that further warming beyond the 1 °C already experienced would likely be less than 0.5 °C over the next two to three decades if all anthropogenic emissions (including aerosol related) were reduced to zero immediately. Therefore, it is geo-physically avoidable for warming of less than 1.5 °C. Whether this will occur depends on future rates of emission reductions.

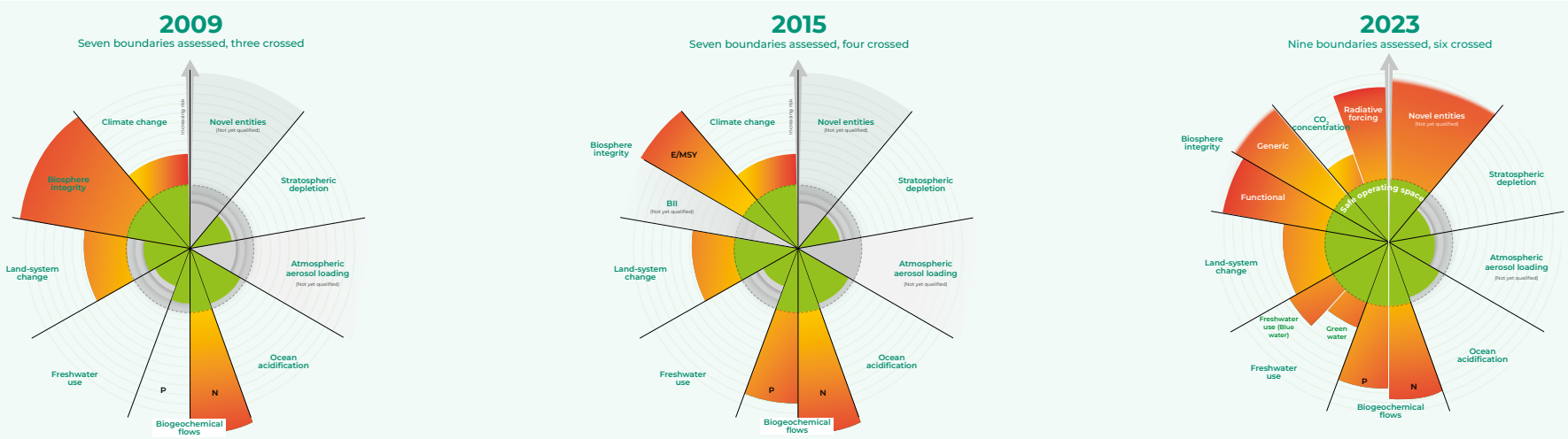
The World Economic Forum's 2024[3] Global Risks Report, based on IPCC findings, predicts that we will breach the 1.5 °C temperature increase threshold at current emission rates. While these impacts were initially projected to occur further in the future, the reality is that we are already seeing their effects much sooner than anticipated. The evidence now suggests that, with the accelerating pace of emissions, we are moving towards a 3 °C world. This rapid trajectory is having profound and immediate consequences for planetary systems.

Africa is already experiencing significant changes due to the warming climate, with disruptions to weather patterns, food security and health outcomes being observed more intensely than expected. The anticipated impacts, based on projections of a 1.5 °C temperature increase, are now unfolding, including:

- **Changing weather patterns:** Africa is already facing more frequent and severe heatwaves, which are leading to longer and more intense droughts, particularly in regions like the Sahel and Southern Africa. Rainfall patterns are also shifting, causing some areas to experience more erratic and intense rainfall, resulting in flooding, while others are enduring extended dry spells
- **Impact on food security:** Crops such as maize, wheat, and sorghum are seeing notable declines in yield. Livestock productivity is also being impacted by heat stress and reduced water and forage availability
- **Morbidity and mortality:** Extreme climate conditions are major drivers of malnutrition in Africa, as they increase susceptibility to diseases and other health problems. Floods and droughts can lead to both communicable and non-communicable diseases. Additionally, Climate change exacerbates health risks, with increased heat-related illnesses and deaths. For example, higher temperatures have been linked to increased heat-related deaths in parts of West, East, and North Africa

These early signs underscore the urgent need for adaptive and mitigation strategies to protect vulnerable populations and safeguard sustainable development in Africa. The continent's abundant renewable energy potential provides a vital opportunity to implement proactive climate solutions, positioning Africa to thrive through effective climate adaptation in this rapidly changing environment.

Beyond climate change in isolation, the Stockholm Resilience Centre at Stockholm University introduced the concept of nine planetary boundaries[5], which are the safe limits for human pressure on the nine critical processes that combine to maintain a stable and resilient Earth. As illustrated below, three of the seven assessed boundaries had been transgressed by 2009. By 2023, this increased to six of the nine assessed boundaries transgressed. The Stockholm Resilience Centre notes that the nine boundaries are interdependent, meaning that crossing one boundary will affect others. Crossing boundaries also increases the risk of generating large-scale abrupt or irreversible environmental changes, making the boundaries collectively a critical threshold for increasing risks to people and the ecosystems we are part of.



Source: Azote for Stockholm Resilience Centre, Stockholm University. Based on Richardson et al. 2023, Steffen et al. *2015, and Rockström* et al. *2009*

The references for this section can be found on page 72

Climate context – the journey to net zero *continued*

Scientific evidence indicates changes in the climate system and the need for climate management.

The IPCC is responsible for researching and producing scientific data that assists countries in making policies on climate matters[6].

The research indicates that:

To avert extreme climate change, the IPCC stresses that the global temperature rise must not exceed 1.5 °C by 2100[10].

As a critical threshold, surpassing a 2 °C rise in global temperatures will result in unpredictable, dangerous and cascading effects.

Climate science defines a carbon budget as a maximum amount of cumulative net global anthropogenic carbon dioxide (CO_2) emissions that would, with some probability, limit global warming to a given level (commonly 1.5 °C to 2 °C).

According to the IPCC, the remaining carbon budget, with a 50% likelihood of limiting global warming to 1.5 °C, is 580 gigatonnes of CO_2 ($GtCO_2e$). Staying within a remaining carbon budget of 580 $GtCO_2$ implies that CO_2 emissions will reach carbon neutrality in about 30 years[2]. A 2023 study found that the remaining carbon budget now stands at 250 $GtCO_2e$[7]. Based on the current rate of emissions of 40 $GtCO_2e$ per annum, the carbon budget will be exceeded in fewer than six years. This means that even if we achieve net zero emissions by 2050, we are likely to overshoot 1.5 °C, making it critical to increase decarbonisation efforts as early as possible.

Global response

Governments and organisations have committed to combat climate change and join the journey to net zero.

Nations and leaders of various countries have committed to reducing GHG emissions through international agreements, including the Paris Agreement. This acts as a global catalyst for climate change action[8]. Greater consideration is being made for net zero transition pathways to consider equity, given the expected impact of climate change, especially on developing nations. As outlined by the IPCC, ethical considerations, and particularly the principle of equity, are central as many of the impacts of warming up to and beyond 1.5 °C, and some potential impacts of mitigation actions required to limit warming to 1.5 °C, fall disproportionately on the poor and vulnerable[2].

The Paris Agreement was adopted at the 21st Conference of the Parties (COP) to the UN Framework Convention on Climate Change (COP21) in 2015. Its central aim is to strengthen the global response to the threat of climate change by keeping the global temperature rise to less than 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 °C.

The Paris Agreement was negotiated and adopted by parties (countries) who are signatories to the UN Framework Convention on Climate Change. As part of the agreement, anthropogenic GHG emissions need to be reduced to achieve the global temperature goal and reach net zero emissions by 2050.

Nationally Determined Contributions (NDCs) are non-binding climate action plans to cut national GHG emissions and adapt to the adverse impacts of climate change. NDCs embody efforts by each country to reduce national emissions. As such, they are at the heart of the Paris Agreement and meeting its long-term goals. Article 4, paragraph 2 of the Paris Agreement requires each party to prepare, communicate and maintain successive NDCs. Parties pursue domestic mitigation measures to achieve the objectives of their respective plans.

According to the latest NDC synthesis report[9], the submitted NDCs cover 95% of total global emissions. Of the 195 parties to the Paris Agreement, 153 submitted new or updated NDCs, with 34 parties having submitted new or updated NDCs since September 2023. The full implementation of the latest NDCs implies a possibility of global emissions peaking before 2030, with the lower bound of the 2030 emission level estimated to be up to 8.6% below the 2019 emission level and 6.0% below the lower bound of the estimated 2025 emission level. However, to achieve this peaking, the conditional elements of the NDCs need to be implemented. This depends mostly on access to enhanced financial resources, technology transfer and, technical cooperation, and capacity-building support, the availability of market-based mechanisms; and the absorptive capacity of forests and other ecosystems.

The references for this section can be found on page 72

In 2024, several countries made significant strides towards addressing climate change through government responses. In the US, the Biden administration advanced the Inflation Reduction Act of 2022, increasing investments in renewable energy, electric vehicles and carbon capture technologies. The US government also implemented stricter emissions regulations for power plants and vehicles. There is concern that progress in these areas may be reversed under the new Trump administration. The European Union (EU) continued to strengthen its Green Deal, aiming for carbon neutrality by 2050. It introduced more ambitious targets in 2024 for reducing GHG emissions by 2030, and increased funding for renewable energy projects across its member states. China announced new commitments to peak carbon emissions before 2030 and reach carbon neutrality by 2060. The Chinese government expanded investments in solar and wind energy and began transitioning to electric public transportation. India launched a comprehensive national climate action plan, emphasising renewable energy, afforestation and enhancing resilience to climate impacts. The Indian government aimed to meet its ambitious renewable energy targets ahead of schedule. In Brazil, following a change in leadership, the country re-engaged with international climate agreements and pledged to end illegal deforestation in the Amazon by 2030.

These responses reflect a growing recognition of the urgency of climate action, with many countries focusing on a mix of regulatory measures, investment in green technologies and deepening international cooperation.

COP28 served as a global stocktake event to monitor progress toward the Paris Agreement goals, showcasing pathways for action and implementation. At COP29 in November 2024, developed nations agreed to channel at least $300 billion annually into developing countries by 2035 to support climate adaptation and mitigation efforts. However, this fell short of the $1.3 trillion per year that developing countries had called for. Significant progress was made with the finalisation of all elements of Article 6 of the Paris Agreement, which provides the framework for scaling up carbon markets and trading across countries. Nearly 10 years after the Paris Agreement was signed, the implementation of Article 6 is expected to drive substantial increases in international carbon market activities, enabling countries to meet their climate targets more effectively. However, countries were unable to reach an agreement on how to implement the outcomes of the global stocktake, deferring the decision to COP30.

At the upcoming COP30, parties will be required to submit their updated NDCs based on the latest global stocktake. More countries are expected to enhance their NDCs to align with the Paris Agreement's goal of limiting global warming to 1.5 °C above pre-industrial levels. Further discussions and developments are expected on financing climate action, with increased climate finance mobilised, particularly for developing countries, to support mitigation and adaptation efforts. Adaptation measures, particularly in regions most affected by climate change, will focus on sharing best practices and facilitating funding for adaptation initiatives.

As an increasing area of focus, discussions on the relationship between climate action and biodiversity conservation will likely serve to recognise that protecting ecosystems can enhance resilience to climate impacts. Greater participation from businesses, civil society, and local governments will ensure a society-wide approach to climate action.

Climate context – the journey to net zero *continued*

African response

Although Africa only contributes 3.8% of global emissions, it stands out disproportionately as the most vulnerable region in the world to the climate crisis[10].

In a global context, transitioning to a low carbon economy should not impose unfairly distributed costs. Transitions should be well designed to ensure the net zero transition offers economic opportunities and generally improves livelihoods equitably while limiting risk. Africa's main challenge is the trade-off between economic development and the Just Transition. In Africa, the working age population exceeds the number of employed individuals. This needs to be harnessed through carefully planning the Just Transition to a green economy while considering social factors and economic impact.

The prediction that most African countries will enter unprecedented high temperatures earlier in this century compared to more developed countries emphasises the urgent need to focus on climate adaptation measures in Africa. This is particularly applicable to Africa's rapidly growing cities, which are considered high risk.

To manage compounding risks, Old Mutual focuses on the governance for climate-resilient development in the markets where we operate, with an understanding of each country's NDCs.

A critical concept in Africa's context is the Just Transition, broadly defined as the transition from energy sources that are not environmentally friendly (like coal) to cleaner energy sources, like wind or solar photovoltaic (PV) power at a pace that minimises the negative impact on vulnerable sectors of the economy. The table on page 13 shows the status of net zero pledges in the countries where we operate and a summary of their Just Transition plans.

According to the CPI[11], climate financing in Africa is dramatically below the levels needed to implement NDCs. The CPI estimates Africa's climate finance needs at an average of $250 billion annually from 2020 to 2030, with only $29.5 billion of total annual climate finance achieved in 2020. In 2021 to 2022, average annual climate finance flows reached almost $1.3 trillion. However, flows continued to fall short of needs, particularly in developing and low-income economies, where less than 3% of the global total ($30 billion) went to or within least developed countries and 15% went to or within emerging markets and developing economies, excluding China. As the CPI stated: "Mobilising the full range of financing tools will be required, including both public and private funding across all asset classes, if we are to obtain the vast finance amounts needed[12]". The COP29 increase to $300 billion annually into developing countries by 2035 to support climate adaptation and mitigation efforts has been welcomed, but remains short of estimated financing requirements.

Over the past decade, the levelised cost of electricity for solar PV and onshore wind decreased by approximately 89% and 70%, respectively[13]. In contrast, the levelised cost of electricity from coal decreased by 2% while nuclear increased by 26%. Lower renewables costs are manly driven by economies of scale, more competitive supply chains and advances in technology. Falling costs are expected to make it easier for African countries to invest more in renewables to support the Just Transition. Another key benefit supporting the Just Transition is that the renewable energy sector is projected to increase employment worldwide to more than 38 million people by 2030 in what is referred to as a 'green jobs boom'[14].

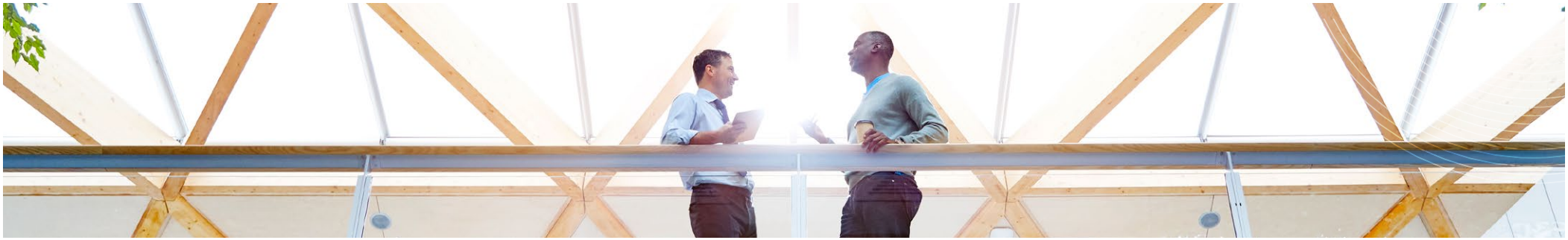
Old Mutual is a signatory to the Nairobi Declaration on Climate Change, which was passed at the Africa Climate Summit held in Kenya in September 2023[16]. The declaration highlights the critical role of investments and finance in the Just Transition to a lower-carbon economy, underscoring Africa's potential as a key player in the global climate solution.

In many countries globally, the need for increasing energy security provides strong motivation for accelerating the deployment of renewable energy. Supply disruptions and soaring energy prices have brought energy security to the fore, with many countries focusing on local or alternative energy sources to reinforce their energy security. In South Africa, according to a Fitch Connect forecast, the vast majority of expanding power capacity will come from non-hydro renewable sources, which will increase from a 9.3% share of total power generation in 2023 to 17.0% by 2032[15]. These changes are considered a tipping point for accelerating the Just Transition to clean energy.

During 2024, several African countries took significant steps to address climate change, focusing on mitigation and adaptation strategies. South Africa launched its updated NDC, committing to a more ambitious reduction in GHG emissions by 2030. The government also invested in renewable energy projects and initiated plans to phase out coal dependency, supporting a Just Transition for affected communities. Kenya expanded its commitment to renewable energy, aiming to generate 100% of its electricity from renewable sources by 2030. The Kenyan government also enhanced its climate resilience initiatives, focusing on agriculture and water management to adapt to climate impacts. Ghana launched its National Adaptation Plan, prioritising climate-smart agriculture, coastal management and water resource conservation. The government also focused on enhancing capacity-building initiatives to empower local communities in climate resilience. Tanzania increased efforts to implement its National Climate Change Adaptation Strategy, focusing on ecosystem restoration, water resource management and sustainable agriculture to combat climate impacts.

These responses point to the growing recognition of the need for climate action across Africa, with many countries focusing on renewable energy, adaptation strategies, and sustainable development to mitigate the impacts of climate change.

Refer to page 72 for the references for this section



Climate context – the journey to net zero *continued*

South African response

South Africa's Low-Emission Development Strategy 2050 includes moving the country towards a goal of net zero carbon emissions by 2050.

The dependency on fossil fuel-based energy generation in South Africa, combined with the country's continued fossil fuel investment and Just Transition strategies, are curbing the pace and progress of reaching the goals stipulated by COP21 and COP26[17].

There is an increasing call for wealthy, high-emitting countries to support developing countries to finance their transition, referred to as the fair share contribution. South Africa's Just Energy Transition Investment Plan (JET IP) was prepared by the government and launched at COP27 in 2022. The JET IP identified $98 billion in financial requirements over five years to begin South Africa's 20-year Just Transition[17]. The JET IP focuses on creating jobs in new sectors such as renewable energy, green hydrogen, electric vehicles and manufacturing. An initial package of $8.5 billion was secured at COP27 for the roll out of the first phase of the plan.

The funding package includes grants, concessional loans and investments and risk-sharing instruments. The International Partners Group, chaired by the United Kingdom and comprising France, Germany, the United Kingdom and the United States, will mobilise the initial $8.5 billion.

South Africa's Presidential Climate Commission was formed in 2020 to provide independent and transparent advice on South Africa's climate change response and monitor progress towards mitigation and adaptation goals and the Just Transition[18].

In 2021, **South Africa updated its first NDC, improving on its 2030 target range**. While this marks an improvement in ambition from previous targets, the updates do not align with South Africa's stipulated fair share targets. Supporting domestic policies and their implementation will help to achieve these targets.

In March 2022, **South Africa adopted the Green Finance Taxonomy** aligned to the EU Taxonomy. Having an internationally aligned Green Finance Taxonomy could attract consumers and investors seeking green economy investments, opening the market for green economic growth. The Green Finance Taxonomy provides a common language and clarity around which activities qualify as 'green' or 'sustainable' to avoid green washing, while helping investors make informed decisions on which activities are most important for the Just Transition[19].

The Carbon Border Adjustment Mechanism is a tariff on the import of carbon-intensive products into the EU that was signed by the EU parliament in 2023. South Africa is particularly exposed to Carbon Border Adjustment Mechanism due to the relatively high embedded emissions in export products from specific sectors, with only small importers receiving an exemption. While this presents a risk that needs to be carefully managed, it also offers a significant opportunity in the medium to long term. As the Carbon Border Adjustment Mechanism expands to include more products, South Africa has a chance to align its climate policies with international standards, accelerating its transition to a low-carbon economy. By embracing this shift, the country can not only mitigate the risks associated with Carbon Border Adjustment Mechanism but also position itself as a leader in sustainable, low-carbon industries, enhancing its global competitiveness and climate commitments.

On 23 July 2024, President Cyril Ramaphosa signed the Climate Change Act, 22 of 2024 (Climate Change Act)[20] into law. This landmark legislation aims to guide South Africa towards a low carbon, climate-resilient future. The Climate Change Act focuses on:

- Developing an effective climate change response
- Ensuring a Just Transition to a low carbon economy
- Enhancing climate resilience in the context of sustainable development

Within one year of the Climate Change Act's commencement, the Minister of Forestry, Fisheries and the Environment is required to develop adaptation objectives and scenarios based on the latest scientific data. These will include indicators to measure progress. Within two years, a comprehensive national adaptation strategy and plan must be developed. This strategy aims to strengthen South Africa's economic, environmental and societal resilience against climate change impacts. Following the national plan's development, relevant sector ministers must assess the most at-risk communities and ecosystems. They will then develop and implement sector-specific adaptation strategies within two years[21].

On 25 July 2024, the Presidential Climate Commission launched its first South African State of Climate Action Report. The report provides a detailed analysis of the impact of climate change in South Africa and assesses the country's progress towards limiting global warming to 1.5 °C. It highlighted areas of success and those needing improvement, focusing on the livelihoods of those most affected by the Just Transition[22].

Refer to page 72 for the references for this section

Climate context – the journey to net zero *continued*

Net zero plans and Just Transition approaches in Africa

Country	Net zero target	Key points of energy plans[23, 24, 25]
South Africa	Yes	South Africa's JET IP for 2023 to 2027 sets out the scale of need and the investments required to achieve the decarbonisation commitments in its NDC. The JET IP supports South Africa's goal of achieving a low carbon economy and a climate-resilient society through the following interventions: • Creating decent jobs in new sectors • Increasing our energy security and ending rolling blackouts • Addressing the risks of climate change and green economy positioning • Boosting economic growth through investment in new markets South Africa is investing heavily in renewable energy sources, particularly solar and wind power. The country aims to increase the share of renewables in its energy mix to 40% by 2030. The government is implementing carbon pricing mechanisms to incentivise emissions reductions, including a carbon tax that was introduced in 2019 and which is being gradually increased.
Ghana	Yes	Ghana's Energy Transition and Investment Plan provides a pathway to help the country achieve net zero energy-related carbon emissions by 2060 by deploying low carbon solutions across key economic sectors, including oil and gas, transportation and power. Four main decarbonisation technologies will anchor an orderly Just Transition: renewables, low carbon hydrogen, battery-powered electric vehicles and clean cooking stoves, which cover over 90% of the 2060 abatement. The plan is projected to generate significant economic benefits, including the creation of 400 000 net jobs. It represents a $550 billion investment opportunity for sustainable development[26].
Kenya	Yes	Kenya has a robust climate change legal policy framework, centred around its Climate Change Act. Energy consumption is dominated by biomass, which provides 68% of energy nationally. Access to affordable electricity at 97.5% (urban) and 68.2% (rural) remains a key challenge. The share of bioenergy is expected to shrink to 15% by 2040 due to geo-thermal resources and oil.
Malawi	Yes	Malawi aims to create a diverse energy generation mix that incorporates cost-effective green sources to enhance its energy security in the face of climate impacts and escalating global fossil fuel prices. The Malawi Integrated Energy Plan encompasses on-grid and off-grid solutions, with an estimated cost of around $3.6 billion. Malawi is rich in minerals needed to supply low carbon technologies, such as graphite, rare earth elements, niobium and titanium mineral concentrates. These could anchor Malawi's development goals while advancing global decarbonisation efforts. The government is drafting legislation to regulate carbon credit trading. Details on the implementation plan are currently unclear.
Namibia	Yes	At a conservative estimate, economic sectors that contribute at least 15.5% to Namibia's GDP are highly vulnerable to climate change. The poorest communities are most reliant on agriculture and most at risk. Climate adaptation rather than mitigation needs to take priority to protect these communities. To achieve an equitable Just Transition, Namibia will need to develop its own energy strategies. Due to unique challenges facing the country, the government and key players within the industry will need to look closely at which approaches Namibia can take to aid its decarbonisation efforts. The government is strengthening its policy and regulatory framework to support the transition to a low carbon economy. This includes implementing carbon pricing mechanisms, providing incentives for renewable energy projects and enforcing environmental regulations. Namibia has a green hydrogen strategy target to be energy sufficient by 2050. Namibia is among only four countries in the world set to achieve net zero by 2050[27].
Rwanda	Yes	Rwanda is strengthening its policy and regulatory framework to support the transition to a low carbon economy. This includes implementing carbon pricing mechanisms and providing incentives for green investments. The country's Green Growth and Climate Resilience Strategy, adopted in 2011, is under revision. This strategy aims to make Rwanda a climate-resilient, low carbon economy by 2050 by focusing on mitigation and adaptation measures[28].
South Sudan	Yes	South Sudan has an underdeveloped energy sector, where 70% of the population relies on traditional biomass. The Nile River suggests potential for small-to-large hydro projects. The country remains dependent on oil production, with 60% of its GDP derived from oil exports to the Republic of Sudan. While it holds 3.5 billion barrels of proven reserves, the country has high potential for renewable energy, particularly wind and solar[29]. South Sudan is in the early stages of developing its net zero plans and transition approaches, with specific and detailed strategies still in development.
Uganda	Yes	Uganda's Energy Transition Plan is a roadmap for developing and modernising Uganda's energy sector. It charts a pathway to achieve universal access to modern energy and power the country's economic transformation. The plan lays out a roadmap for Uganda to sustainably develop its energy sector, meet its climate targets, deliver universal energy access and realise widespread economic benefits. This plan would allow Uganda to meet its NDC in 2030 and reach net zero emissions from its energy sector by 2065. Achieving net zero emissions will require substantial investments in clean energy. Uganda aims to attract $8 billion annually in clean energy investments by the end of the decade, with a focus on improving energy access and expanding clean energy capacity[30].
Botswana	Yes	Botswana intends to achieve an overall emissions reduction of 15% by 2030, with 2010 as the base year[31]. Its National Climate Change Strategy 2018 supports Botswana's vision of being a sustainable and climate-resilient society where development follows a low carbon development pathway, in pursuit of prosperity for all[32]. Botswana's Integrated Resource Plan, launched in December 2020, states that renewable energy should account for at least 15% of the energy mix by 2030, while its Vision 2036 calls for a 50% renewable energy contribution to the energy mix by March 2036. Researchers at Yale and Columbia Universities report that Botswana is among only four countries in the world set to achieve net zero by 2050[27].
Eswatini	No	The government is strengthening its policy and regulatory framework to support the transition to a low carbon economy. This includes implementing policies that promote renewable energy and sustainable development[33]. Eswatini's Energy Masterplan projects outcomes of the current and planned policies in the energy system up to the year 2034. This shows comparative scenario results that assume diverse technologies and measures are deployed to meet the country's energy demand, which the private sector can use in its plans. The planning period was extended from 2034 to 2050 to align with global net zero targets[34].
Zimbabwe	No	In 2021, Zimbabwe committed to a 40% decrease in GHG emissions by 2030 across all sectors of the economy, compared to a 'business as usual' scenario in which emission reduction policies are not implemented. Zimbabwe previously committed to a decrease of 33% in emissions in its first NDC in 2017[35]. Access to energy is a priority of Zimbabwe's National Development Strategy for economic growth, which envisages a prosperous and empowered upper middle-income society by 2030. Energy supply and increased access to electricity are highlighted as major economic growth enablers to fulfil its development and improved quality of life goals for the country's rural population. Zimbabwe has the largest lithium reserves in Africa of 220 000 tonnes, relevant for battery production. According to data from World Integrated Trade Solutions, Zimbabwe is also one of the largest exporters of nickel ore, used broadly in renewable energy-related materials, with South Africa and Mozambique as the main importers.

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Climate context – the journey to net zero *continued*

Financial sector response

Across investors, insurers and risk managers, financial institutions are uniquely positioned to play an important role in supporting the transition to net zero, helping to mitigate GHG emissions and build climate-resilient communities in line with the aims of the Paris Agreement. Old Mutual is well placed to influence investee companies with emissions to transition in a just and steady manner.

The majority of GHG emissions for financial institutions come from their financed emissions. In 2022, the CDP estimated that emissions related to financial institutions' investing, lending and underwriting activities are on average, over 750 times higher than their direct emissions. A growing number of financial institutions are making net zero commitments and developing transition plans to ensure these commitments are met. However, there is still significant ground to cover; as the CDP stated in 2024, across global financial institutions, approximately 40% still only reported operational emissions targets while 25% reported no targets at all.

Financial institutions face three main challenges. Firstly, although there are several initiatives that provide guidance on sectoral decarbonisation pathways, agreement has not been reached on whether these all add up to a net zero economy by 2050. Secondly, the absence of credible scientific sectoral benchmarks is further amplified by the fact that it is unclear what net zero means in the context of historical responsibility for emitting GHGs. Thirdly, none of the current sectoral decarbonisation pathways take the concepts of fair share contribution or Just Transition into account.

The financial sector's response has been to create platforms that support the net zero goal[36]:

United Nations-convened Net Zero Asset Owners Alliance (NZAOA)

NZAOA is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero GHG emissions by 2050 – consistent with a maximum global warming temperature rise of 1.5 °C.

Alliance members were the first in the finance industry in the finance industry to set intermediate targets, which include CO_2 emission reduction ranges for 2025 (22% to 32%) and 2030 (49% to 65%). These targets are mainly set with developed countries in mind and discussions are underway to determine how they can be adapted for emerging markets.

Net Zero Asset Managers Initiative (NZAMI)

NZAMI is an international group of asset managers with over $57 trillion in AUM. NZAMI partners with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all AUM.

To ensure net zero alignment, it requires that assets being managed:

- Set interim decarbonisation goals for 2030
- Prioritise real economy impacts
- Engage actively
- Report transparently

Reporting landscape

In June 2023, the International Sustainability Standards Board (ISSB) issued its first two sustainability disclosure standards, namely General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)[37] and Climate-related Disclosures (IFRS S2)[38]. These standards are designed to provide a comprehensive, high-quality global baseline of sustainability disclosures focused on the needs of investors and financial markets. IFRS S2 strongly aligns with the TCFD framework and, in December 2023, the TCFD was disbanded following the release of the ISSB standards and the Financial Stability Board's request that the ISSB assume responsibility for monitoring progress on the state of climate-related financial disclosures by companies from 2024.

We continue to follow the TCFD framework for climate-related disclosures while monitoring changes to the reporting landscape.

The new ISSB standards will require companies to disclose how they plan to achieve any climate-related targets they have set. Such corporate transition plans will be a key element for investors and lenders to assess risk. Companies with no meaningful transition plans will be perceived as a higher risk than companies with a credible transition plan. These standards became effective for periods beginning on or after 1 January 2024. Companies can voluntarily apply these standards and jurisdictional authorities can decide whether to require companies to apply them. The South African Reserve Bank and the JSE are advocating for a hybrid model of reporting that incorporates traditional financial reporting and sustainability reporting. The South African Reserve Bank announced that it expects its institutions to identify and disclose material climate-related information to stakeholders and include this information in their disclosure frameworks.

Several international governments are considering implementing mandatory climate disclosures based on IFRS S2.

Since 1 January 2024, companies listed on EU-regulated markets that meet certain criteria have been required to provide disclosures as set out in the European Sustainability Reporting Standards. Further, in February 2025, the European Commission announced the Omnibus Proposal, a new legislative measure aimed at simplifying corporate sustainability reporting.

Given that the financial sector in South Africa and the rest of Africa generally follow international trends, Old Mutual Limited will closely track how these standards are rolled out in other parts of the world and will consider the most appropriate trajectory for our future disclosures. Currently, Kenya has released a roadmap that sets out the plan for the adoption of the ISSB standards from 2027 to 2029. Uganda has also released a roadmap for adoption between 2026 and 2029. Rwanda looks set to release its adoption roadmap during 2025.

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Old Mutual's response to climate change

Climate change presents both a challenge and an opportunity for sustainable growth. We acknowledge the significant risks it poses to our business, the communities we serve and the countries where we operate. At the same time, we see it as a catalyst for innovation and responsible leadership in climate action. Our approach is driven by our sustainability strategy, building on our evolving stance on climate change and guided by our purpose: to champion mutually beneficial futures every day.

The climate action pillar of our sustainability strategy outlines our ambition to enabling the transition, building resilience against climate change and decarbonising our portfolios and our own operations. This is supported by the three impact themes of building resilience against climate change, enabling the transition and decarbonising our portfolios and our own operations.

Our biggest contribution to addressing climate change is the way we invest the capital entrusted to us by our customers. Through our responsible investment practices, we focus on reducing carbon emissions, building resilience and enabling the transition to a green economy across Africa. By leveraging our expertise at Old Mutual Insure, we deepen efforts to help customers and communities build climate resilience, while exploring new market opportunities related to the green transition in African markets. Although our direct environmental footprint is significantly smaller than the indirect impact of our investment activities, we recognise our responsibility to understand and manage our full carbon footprint. We will continue to focus on the decarbonisation of our own operations.

For details, refer to our Sustainability Report and Group Climate Change Positioning statement

A track record of delivery

2010
Signed up with CDP and committed to a carbon reduction of 20% by 2020 from a 2010 baseline, which we achieved before a managed separation in 2018

2011
Participated in drafting the Code for Responsible Investing in South Africa

2012
Became a signatory to the UN Principles for Responsible Investment (PRI)
Published first proxy voting policy
Published first responsible investment guidelines
Embarked on building ESG data sets

2014
Launched first Africa-based ESG tracker fund
Public disclosure of proxy voting results
Completed proprietary governance research of JSE top 100

2015
Became a signatory to Paris Accord

2017
Achieved a top ranking on Kigoda Responsible Investment Ranking for implementing responsible investment practices

2018
Old Mutual Limited listed on JSE
Launched proprietary impact measurement tool
Launched South African ESG Index Fund
Published an open letter to CEOs stating our commitment to responsible investment

2019
Baseline set for greenhouse gas emissions

2020
Launched South Africa's First ESG Equity Fund
Launched South African Low Carbon Fund
Climate Change Task Force established

2021
Expressed public support for the TCFD and its first report, published in 2022
Finalised coal investment position, later published in 2022
Old Mutual Insure participated in the Western Cape consortium working against the spread of wildfires

2022
Joined NZAOA and NZAMI
Launched the global ESG Paris-aligned fund, called the Global ESG Active Fund
Published Old Mutual's first Climate Change position statement
Developed an Asset Owner Responsible Investment Policy

2023
Won the Asset Owner of the Year category at the Africa Impact Investment Awards
Joined NZAOA's steering committee
Old Mutual Insure launched a renewable energy product
Old Mutual Investment Group published its first NZAMI targets
Old Mutual Investment Group was awarded Best Sustainable African Investment Manager 2023 at The European Global Business Awards
Became a signatory to the Nairobi Declaration on Sustainable Insurance
Submitted our first report to NZAOA and established targets

2024
Maintained B score for CDP corporate integrated response (covering climate, forests and water security)
Published new Active Ownership Framework and oil and gas position paper
OMLACSA own risk and solvency assessment (ORSA) risk project undertaken to identify risks and opportunities
Old Mutual Insure developed a wildfire model proof-of-concept and released a beta version
Old Mutual Insure is an active participant in a non-profit organisation in partnership with other insurers to combat wildfires in the Western Cape

Old Mutual's response to climate change *continued*

An extract from our Climate Change Positioning Statement

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, and our responsibility towards appropriate risk and opportunity management.

We are committed to the imperatives of a Just Transition to ensure the shift to a low carbon economy is fair and inclusive, addressing the social and economic impacts on workers and communities. This includes the creation of decent work and quality jobs in line with nationally defined development priorities provided for in the Paris Agreement.

We embrace the findings of the sixth assessment report issued by the IPCC, which warns that immediate action is needed to reduce GHG emissions in the coming decades. This is in line with the Paris Agreement's goal of limiting global warming to 1.5 °C.

The World Economic Forum's Global Risk Report 2025 identifies the top long-term risks (likely occurring in a 10-year period) facing the world. Extreme weather events is second, with critical change to Earth systems in seventh place, and natural resource shortages 12th. Extreme weather events and pollution are considered short-term risks (occurring in a two-year period)[1].

Climate change risks are integrated into our existing risk management processes given the long-term horizons against which we manage risk. Our approach incorporates a measure of flexibility, which recognises the unique circumstances of the emerging market economies in which we operate.

Our approach and commitments

Our governance structures ensure our climate change strategy receives the attention it requires and that operational structures are entrenched.

Refer to page 18 for information on our governance structures

As the custodian and asset owner of the lifetime savings and investments of millions of customers across Africa, we are a proud member of the NZAOA. We are committed to reducing emissions in the real economy to achieve the goal of limiting global warming to 1.5 °C. Old Mutual Investment Group signed up to the NZAMI and committed to the same net zero goal. During 2024, we expanded the number of asset classes we report against, in line with the NZAOA asset categories, and continued to improve our understanding of climate data in our investment portfolios.

Refer to our Asset Owner Responsible Investment Climate Change Action Statement

Old Mutual Investment Group's listed equity active stewardship function engages companies with high carbon emissions on their long-term transition strategies.

Refer to Old Mutual Investment Group's Responsible Investment Report

Through our Alternative Investments boutiques, we were early participants in South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). We continue to search for mechanisms to proactively manage environmental risk, including investing in the development of energy-efficient housing and less carbon-intensive investment products.

As a responsible property owner and investor, we have tracked our carbon footprint since 2010, focusing on reducing our carbon intensity. Old Mutual's significant energy intensity reductions include a 20% reduction off the 2010 baseline ahead of the 2020 target. We prioritise energy efficiency, renewable energy deployment and improvements in water and waste management across our property portfolio. Our operational footprint is reported in line with international best practice in accordance with the GHG Protocol and reported through the CDP.

Addressing climate change requires us to continuously evolve our work, knowledge and understanding. We ensure that we understand risks systemically and strive for continual improvement. This report details our risk determination, stress and scenario testing, and risk monitoring. We outline acute risks and our mitigation actions to date, particularly for Old Mutual Insure. We are working on managing potential chronic risks in the health, regulatory and technology spaces and continue refining our scenario planning process. We remain committed to refining our scenario planning processes to ensure proactive and robust climate risk management.

Refer to page 23 for information on Group risk management

Old Mutual joined the Nairobi Declaration on Sustainable Insurance in 2023, a membership organisation that seeks to incorporate ESG principles in the core business of African insurers. As part of our commitment, we will actively participate in the African Risk Facility. Our participation as members of organisations like the PRI, International Corporate Governance Network and Sustainable Finance Coalition ensures we are at the forefront of international best practice for integrating climate-related considerations into investment decisions.

In 2024, we participated in the COP29 held in Baku, Azerbaijan, in November 2024. We participated in the South African pavilion convened by the National Business Initiative on behalf of the Department of Forestry, Fisheries and the Environment. We hosted two panels: 'Crowding in global capital into Africa's Just Transition' and 'Climate finance in listed markets' (covering transition finance).

We also released a new Active Ownership Framework and Oil and Gas Position Paper.

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:

- National development plans of the countries where we operate[2]
- CDP
- PRI
- UN Global Compact
- Code for Responsible Investing in South Africa[2]
- TCFD recommendations

By working with responsible business partners across our supply and distribution chain, our collective actions can result in real-world outcomes with a lasting impact on future generations.

For more information, please refer to the Group Climate Change Positioning Statement published in March 2022

1 Global Risks Report 2024 | World Economic Forum | World Economic Forum (weforum.org)

2 This includes the national development plans of South Africa and Namibia, Kenya's Big 4 Agenda and Kenya Vision 2030, the Zimbabwe National Development Strategy, 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), South Sudan's national development strategy, and Malawi's Growth and Development Strategy

GROUP GOVERNANCE

In this section

This section explains how we govern climate change and how we incorporate it into Board committee mandates, as well as investment and subsidiary governance structures. We outline how we operationalise governance in the Group and in management-level committees. We also show how our asset owners' and asset managers' governance structures incorporate climate risks into their investment decision-making processes.

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Asset owner responsible investment governance structures	20
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Group governance structures

Old Mutual has established governance structures in place to guide the Group on its response to climate change and climate action.

Board

Old Mutual Board

- The Board is accountable for the Group's overall performance and is entrusted with providing direction and leadership on climate-related issues that arise within our operating environments. As described in the Corporate Governance Report, the Board has seven committees. The Responsible Business and Risk committees oversee the sustainability and climate mandates

Responsible Business committee

- Responsible for overseeing the Group's activities in sustainable social and economic development, including environmental management and reporting
- Constituted as a statutory committee of the Board in terms of section 72(4) of the Companies Act
- Meets quarterly and receives updates on Old Mutual's progress against responsible business focus areas

Risk committee

- Provides oversight over all material financial and non-financial risks within the Group on behalf of the Board including climate-related financial and non-financial risks

Management

Executive Responsible Business committee

- The committee is a sub-committee of the Old Mutual Executive committee
- Responsible for implementing the sustainability strategy and ensures adequate investment, resourcing and support for sustainability commitments
- Reports to the Board and the Responsible Business committee on the Group's sustainability activities and initiatives

Executive Risk committee

- The committee is a sub-committee of the Old Mutual Executive committee
- Provides executive-level oversight of all the Group's material financial and non-financial risks, including climate-related financial and non-financial risks and their mitigation
- Climate change is included in this committee's mandate, given its risk classification as a top residual risk
- Reports to the Board and Risk committee quarterly on the Group's progress in managing and mitigating climate change related risks

Operational

Old Mutual Climate Change Task Force

The Board and Executive committee tasked the Climate Change Task Force with coordinating a structured response to identify, assess, and mitigate the Group's climate-related risks and opportunities, embedding climate change as a business priority. Comprising senior management, the Task Force's four cross-functional workstreams guide the organisation's climate action efforts.

- Coordinates and oversees workstream activities, ensuring alignment across functional areas and segments
- Identifies areas of collaboration and alignment across projects, processes and practices
- Ensures compliance with regulatory, TCFD, and other disclosure requirements, provides reporting to the Board and Executive committee and prepares for assurance readiness

For details, see page 19

Refer to the full Corporate Governance Report for more detail on our approach to governance and Board committees

Climate Change Task Force

The Climate Change Task Force operates through cross-functional workstreams develop, guide and deliver against the Group's climate change strategy. As detailed earlier, the evolution of the Group sustainability strategy as an impact-focused strategy embedded in the Old Mutual operating model has climate action as one of its three pillars. The work of the Climate Change Task Force has also progressed, with some areas of work now incorporated as business as usual and others undertaken on a project basis.

The ISSB absorbed the TCFD as part of its standards, specifically IFRS S2 Climate-related Disclosures. While the requirements in IFRS S2 integrate, and are largely consistent with, the four core recommendations published by TCFD, IFRS S2 requires more granular information across multiple dimensions, including quantifying the balance sheet impact of climate change. Given these internal and external changes in the climate action landscape, we are working to strengthen and align the mandates and operations of the Climate Change Task Force workstreams to the refined Group sustainability strategy. This will ensure we apply sufficient focus to this critical pillar, including having the resources and operating structures in place to support the extensive work already being undertaken across the Group to drive our climate action agenda. The members of the Climate Change Task Force workstreams meet every second month to continue its mandate and maintain momentum on existing climate-related projects, processes and practices, and ensure reporting requirements are met.

Refer to the Sustainability Report for detail on the refined sustainability strategy

Workstream 1: Our role as a responsible investor

Members include asset owner and asset manager representatives from across the Group. The mandate is to drive collaborative efforts towards decarbonising our investment holdings and identifying new growth opportunities in the green economy. This workstream has oversight over aligning investment metrics and targets across the Group.

The year at a glance

Understanding and reducing emissions at a portfolio level is a major focus for the Group. We continue to refine our GHG data scope and focus on improving data quality and embedding a more systematic approach to data management.

In 2024, we set and incorporated net zero metrics and targets into our asset manager mandates, leveraging the work already in progress along our asset manager decarbonisation journeys. We track emissions per asset class and expanded the number of asset classes to 22 to better understand emissions across our portfolio and improve emissions coverage. We also consolidated reporting to an asset owner view in closer alignment with NZAOA reporting requirements.

We released a new Active Ownership Framework and Oil and Gas Position Paper. As an asset owner, we also reviewed the green economy taxonomy and engaged our asset managers to align on its incorporation in time.

The workstream further supported Old Mutual's preparation for and participation in COP29.

Workstream 2: Managing our own carbon footprint

Members include representatives from our corporate property management teams for our employee-occupied buildings and from our property investment teams for our investment property portfolio. This workstream's mandate is to drive the identification and implementation of actions to reduce the Group's operational carbon emissions, including via investment properties. This workstream oversees accurate reporting in terms of the GHG Protocol and focuses on the target-setting process for Old Mutual's carbon footprint.

The year at a glance

We continued to reduce our carbon emissions by increasing the renewable energy mix of our properties. Following the change to the legal framework in South Africa, we signed a memorandum of understanding with NOA, an IPP that forms part of Old Mutual's Africa Infrastructure Investment Managers stable, for a wheeling agreement to feed renewable energy into the Kagiso Mall. We are assessing proposals by other renewable energy suppliers and considering self-wheeling opportunities on the City of Cape Town grid.

Having prioritised the installation of renewable energy across our properties, our South African portfolio is now approaching its rooftop solar capacity. However the shift to hybrid working has increased occupancy in previously owner-occupied buildings, adding further constraints. As a result, wheeling has become a critical component of our strategy to reduce greenhouse gas emissions.

Refer to pages 57 to 58 for more information

We undertook a detailed study through Meridian Economics that will set the future energy strategy across Old Mutual Properties, including owner-occupied and tenanted properties.

We continue to improve waste diversion and water management in our properties.

Refer to page 56 for more information

Workstream 3: Managing our climate change strategy, risks and opportunities

Members include Group risk, Group strategy and sustainability representatives. This workstream's mandate is to drive the climate change strategy and facilitate the identification of climate change risks and opportunities across the Group. This workstream and its core members drive the overall climate change programme as a working group.

The year at a glance

This workstream drafted the Group's climate risk methodology and initiated scoping discussions on asset and liability portfolio scans for benchmarking assessments. It will continue to work on the climate risk scenarios and on impact chain analysis to understand changes in life insurance risk. This included deepening our ORSA reporting. Old Mutual Insure is actively developing a wildfire model, and has released a beta version.

We are supporting integration across the workstream by including the sustainability and responsible investment team into the strategy, sustainability, people and public affairs function.

Workstream 4: Integrating our climate change actions in Old Mutual segments

Members include segment risk, strategy and sustainability representatives, along with key representatives from business units. This workstream facilitates the integration of work done by the business units into the Climate Change Task Force and facilitates the alignment of business unit activities with the directions set by the Climate Change Task Force. Representatives from the business units drive ongoing risk and opportunity identification and the response to climate change for their respective business units.

The year at a glance

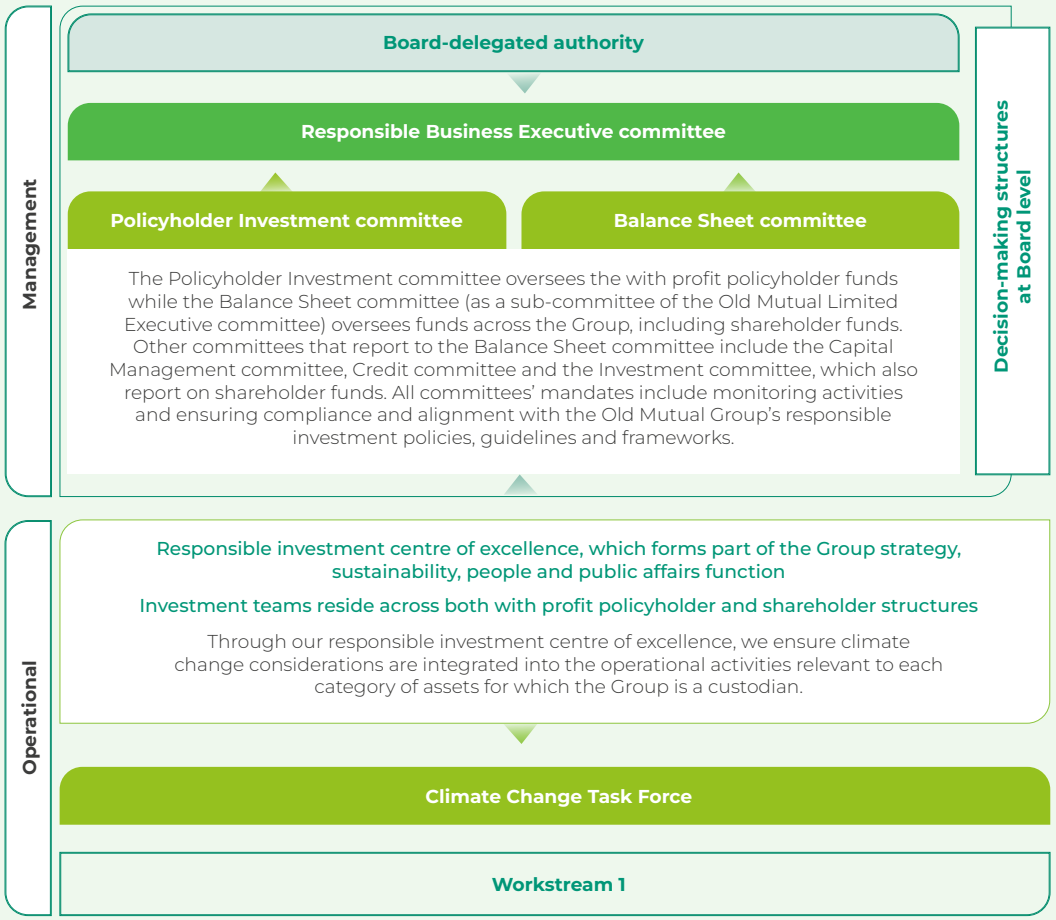
We established separate committees within the relevant segments to govern climate action and track progress. We provided capacity building in the form of training and allocation of climate action-related responsibilities.

Old Mutual Insure developed an internal ESG strategy, focusing on climate action in the environmental pillar. Also within Old Mutual Insure, the workstream noted the innovative speciality renewable energy product, a renewable energy offering designed to navigate changes in the area of constructing energy-generating facilities.

In our Old Mutual Africa Regions, we continue to improve the accuracy and completeness of our carbon data sets to increase our reporting boundary. In Old Mutual Kenya, several employees were involved in a pilot programme exposing them to several tools dedicated to broadening their ability to identify and manage nature-related risks and opportunities in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

Refer to pages 51 to 52 (Old Mutual Africa Regions) for more information

Asset owner responsible investment governance structures



The asset owner, identified as the with profit policyholder investment strategy team and the shareholder investment strategy team (excluding unit-linked funds) of OMLACSA, engages with Old Mutual asset managers, identified as Old Mutual Investment Group, Futuregrowth, Old Mutual Alternative Investments and Old Mutual Property, to incorporate climate change investment decisions.

As subsidiaries of Old Mutual Limited, each Old Mutual asset manager has their own governance structures that integrate climate change into their investment committee decisions:

The **Old Mutual Investment Group Executive committee** governs the overall responsible investment strategy, with the implementation thereof linked to each executive's key performance scorecards. Its Responsible Investment committee ratifies key responsible investment policies, frameworks and reports, including those detailing our approach to dealing with climate change risk.

From an operational perspective, responsible investment professionals oversee and support the investment team to enhance efforts to maintain strong governance frameworks as a responsible investment manager.

Old Mutual Alternative Investments Board oversees the business's investment strategy and performance, including implementation of our ESG and climate change policies and overall ESG and impact management performance. Business unit heads are responsible for driving responsible investment strategy and outcomes. The Old Mutual Alternative Investments Risk committee is the primary forum for considering risks, including climate-related risks.

At an operational level, investment professionals from each business unit are supported by the Head of ESG and dedicated ESG advisers to embed responsible investment and ESG considerations into the investment lifecycle and through the implementation of fit-for-purpose environmental and social management systems. The Investment committee and Credit committee interrogate the merits of each transaction in terms of risk and opportunities, evaluating financial and non-financial performance measures in their decisions.

Guided by its Chief Investment Officer, Head of Credit and Head of Sustainable Investment Practices, **Futuregrowth's** responsible investment strategy and governance structure are key to providing direction and leadership in addressing the climate-related risks of our clients' managed investments. The governance framework is reinforced by the heads of analytical teams, including private debt, listed debt and private equity teams, as well as the Credit and Investment committees. These committees are entrusted with allocating loan and equity investments. To ensure transparency and accountability, Futuregrowth's Board receives quarterly updates on the responsible investment strategy's advances and implementation progress.

Climate change is firmly incorporated into all asset owner investment governance structures.

1. The Policyholder Investment and Balance Sheet committees' terms of reference incorporate climate change and receive regular updates on the progress of initiatives.
2. The investment policy statement includes climate change as a material risk and allows the investment strategy team to consider climate change implications in investment decisions.
3. Climate change is part of the Group risk registry for investment portfolios.
4. Updated in July 2023, the Asset Owner Responsible Investment Policy (applicable to all South African asset managers) includes climate risk considerations; the Group Climate Change Positioning Statement, which specifies that we do not directly invest in, finance or become involved in the building, developing or planning of any new greenfield thermal coal production facilities and thermal coal-fired power plants; the intention to reduce then phase out thermal coal; climate-based stewardship expectations for listed equity asset managers; and the incorporation of ESG risks and opportunities, including climate change and other non-climate-related exclusions. In Q4 2024, the Responsible Business committee approved the OMLACSA position on oil and gas in line with our commitments to the NZAOA.
5. The asset owner investment teams table climate change metrics and progress to the Responsible Business Executive committee quarterly and the Old Mutual Limited Board Responsible Business sub-committee annually for review.

Subsidiary governance structures

Our subsidiary boards have integrated climate change into their governance structures to facilitate the implementation of our climate change strategy.

Old Mutual Insure governance structure

Old Mutual Insure's board holds the key responsibility for overseeing the entity's overall performance and is crucial to providing direction and leadership on climate-related matters that arise within the organisation's operational environment. The board entrusts mandates to the People, Customer and Transformation committee and the Risk committee. The management structure comprises the Group Executive Risk committee and the People, Customer and Transformation committee. Old Mutual Insure's environmental action working group responds to climate change-related risks and opportunities in a coordinated and structured manner. It focuses on identifying, assessing and responding to such risks.

The organisation is structured to address climate-related issues at all levels. The operational teams are engaged in addressing and mitigating climate change-related risks and opportunities. Over the last year, Old Mutual Insure refined its operational working group to address the entity's climate-related risks and opportunities . This includes various workstreams that align to our Group-wide climate change initiatives. The refined workstreams and their focus areas include:

Modelling and analytics

- Modelling programme to support climate change initiatives and risk management

Transition

- Financial and regulatory reporting
- Potential litigation and compliance risk management
- Reduced organisation carbon emissions

Disaster resilience and adaptation initiatives

- Improved infrastructure to reduce material loss
- Disaster relief mitigations for our communities

Customer education and communication

- Continuous print and social media engagements with leadership presentations on climate change topics and developments

Data

- Adding geographic, weather and risk data to Old Mutual Insure's exposure database

Commercial strategy

- Entering renewable energy/green economy markets
- Development of climate change-related products and tools

Old Mutual Insure's board and its sub-committees consistently review quarterly climate and sustainability reports, addressing climate-related risks, mitigations and broader community initiatives. The Climate Report guides discussions on pertinent issues, informing the board's strategic review. Old Mutual Insure prioritised ESG goals in its revised strategic objectives. The strategy outlines our approach to climate change, cascading into business planning and risk management processes.

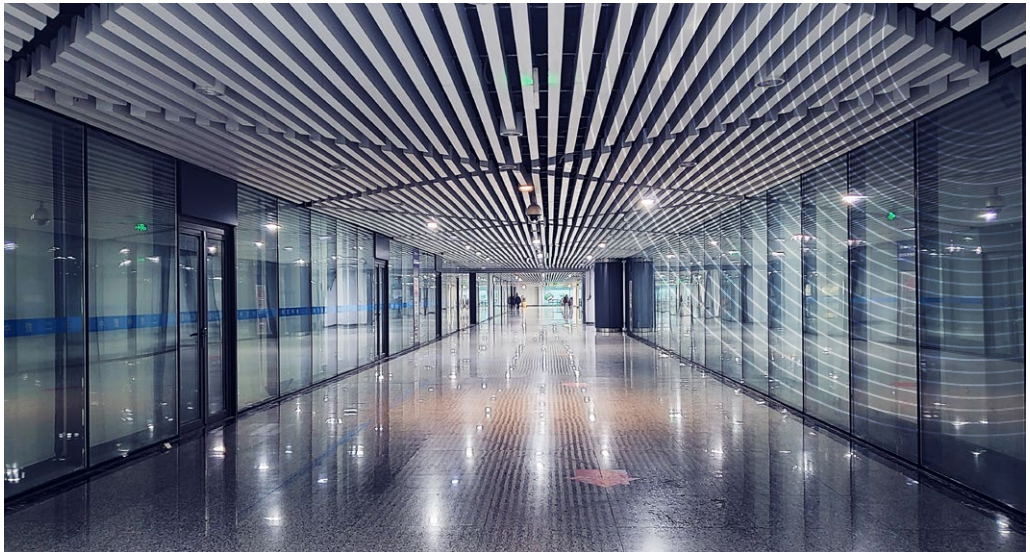
Old Mutual (Africa) Holdings governance structure

The Old Mutual (Africa) Holdings management board holds the key responsibility for overseeing organisation's the overall performance. It plays a crucial role in providing direction and leadership on climate-related matters within the organisation's operational environment.

The management structure comprises of the Enterprise Risk committee and the Human Capital sub-committee. The Old Mutual Africa Regions Climate Change Task Force is in place to respond to climate change-related risks and opportunities in a coordinated and structured manner.

The operational working group encompasses diverse workstreams such as strategy, risk (including enterprise risk management), responsible investment, insurer, carbon footprint, social enterprise development and banking.

The Old Mutual Africa Regions governance structure addresses climate-related issues at all levels, from the board to operational teams, and it is engaged in addressing and mitigating climate change-related risks and opportunities.



GROUP RISK MANAGEMENT

In this section

In this section, we outline the Group's processes for identifying, assessing and managing climate change risks, and how we integrate these risks into our Group Risk Management Framework.

Applying our risk management framework to climate change risk 23

Applying our risk management framework to climate change risk

Our Enterprise Risk Management Framework covers climate change risk, incorporating varying time horizons over which climate change could impact our business.

Aligning business and risk strategy for climate change risk

We integrate the outcomes of our climate change risk assessment into our strategy to ensure we remain within our risk appetite and capitalise on climate-related opportunities.

Identifying climate change risk

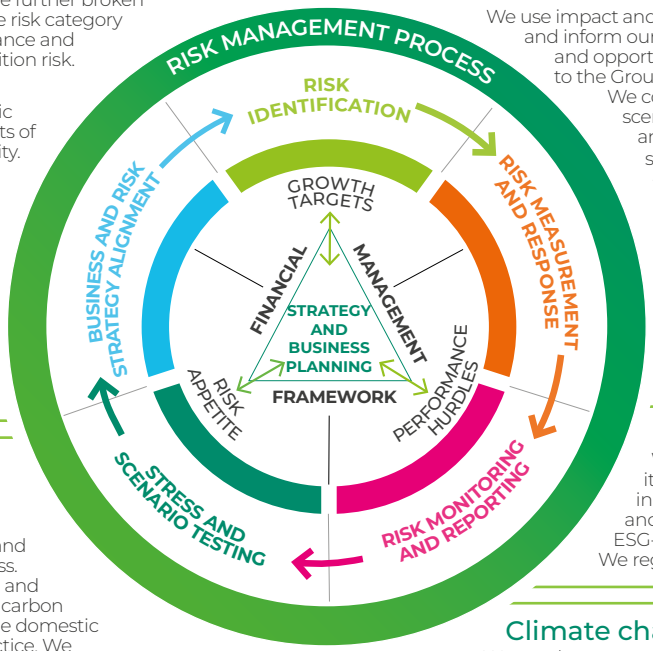
Due to the uncertainty and evolving nature of climate change risks, we consider climate change in our standard and emerging risk methodologies.

Old Mutual's Risk Classification Model comprises 12 level 1 risk categories, which are further broken into level 2 and, where appropriate, level 3 categories. Climate change is a separate risk category (level 2 external risk) but may be a cause for other risk types such as non-life insurance and operational risk. We further categorise climate change into physical risk and transition risk.

Climate change risk (level 2): The risk that global warming, extreme weather events and the transition to a low carbon economy will adversely impact economic growth, asset valuations and insurance profitability. Combined with increased costs of doing business, these risks could threaten our business's resilience and sustainability.

Physical risk (level 3): This includes increased damage and losses due to physical phenomena associated with climate trends (like changing weather patterns and rising sea levels) and climate events (like natural disasters and extreme weather). Physical risks may have a direct or indirect financial impact, such like property damage leading to impaired asset value and sovereign risk.

Transition risk (level 3): Transitioning to a low carbon economy and the resulting technology, regulatory and social effects may impact the value of assets or the cost of doing business. Transition risks arise when markets adjust towards a low-carbon economy due to regulatory and policy changes, disruptive technologies, new business models, shifting sentiment and societal, preferences or evolving evidence frameworks and legal interpretations.



Measuring and responding to climate change risk

We determine our risk exposure to physical and transition risks in our areas of operation by considering the financial and non-financial impacts on our business. We identify and track suitable actions to best mitigate our climate change risks.

We use impact and vulnerability assessments to understand our climate change risks and opportunities and inform our climate change strategy and target-setting processes. We categorised the risks and opportunities within each segment according to the TCFD and scored them according to the Group's risk scoring process.

We continue to expand our initial impact and vulnerability assessments through climate scenario planning workshops. These workshops identify strategic responses to the risks and opportunities that would generate value across a range of plausible future scenarios.

When necessary, we partner with climate specialists to ensure we apply best practices to the various dimensions of climate change risk. These dimensions include:

- Evaluating the carbon intensity and implied temperature rise (ITR) of our investment portfolios
- Improving our operational carbon footprint
- Deepening our understanding of our natural catastrophe modelling, and quantitative and scenario modelling capabilities

We believe we have made solid progress towards furthering our understanding of climate change risk and our mitigation plans across these dimensions.

Monitoring and reporting on climate

We continually monitor our external and internal environment to understand how it impacts our identified climate change risks. We identify and monitor appropriate indicators and respond as needed. As part of the continuous monitoring of climate and ESG risks, we integrated an ESG flag into our risk reporting tool to highlight ESG-related impacts and facilitate separate monitoring and reporting of ESG risks. We regularly report climate change risks to Executive committees and the Board.

Climate change risk appetite and preference statement

We acknowledge the science of climate change and the economic and social implications of the transition away from fossil fuels. We aim to timeously adapt to and address climate change risks, particularly within our non-life underwriting business. We aim to measure and manage financial and non-financial climate change risks and reduce our carbon-based and fossil fuel footprint by setting targets and reducing carbon emissions related to our activities. We work towards managing our exposure to the domestic fossil fuel (coal) industry in line with our national policy and international best practice. We seek to grow our renewable energy, green bonds and green property exposure. We work with our customers to ensure we secure a Just Transition and their exposure to climate risk is appropriately managed.

We continue to refine this climate change risk preference statement as the Group makes progress in setting measurable targets.

Climate change risk stress and scenario testing

We conduct stress and scenario testing tailored to specific physical and transition risks that is adapted to geographic locations and different lines of business. Further details are included in the scenario planning section.

We use the scenarios and their underlying data sources to better understand our vulnerabilities to various climate-related risks and opportunities and take measures to improve our resilience. To expand our focus on medium-term transition scenarios, we incorporated the University of Exeter's Global Systems Institute scenarios to inform business impacts and strategic decision making. Over time, we will introduce higher granularity to this analysis to better account for specific nuances such as the Just Transition.

ASSET OWNER
RISK MANAGEMENT

In this section

In this section, we outline our process for identifying, assessing and monitoring climate change as an investment risk, including identifying carbon metrics to aid the understanding of our portfolio's carbon profile. We outline our engagement with our appointed asset managers in South Africa and Old Mutual Africa Regions.

Identifying climate change as an investment risk 25
Assessing climate-related risks 26
Monitoring assessed climate risks 27
Aligning risk management with investment strategy 27

Identifying climate change as an investment risk

Old Mutual is the custodian of the lifetime savings and investments of millions of customers across Africa. As an asset owner, we leverage the Group's risk framework to structure our investment risk management processes.

Addressing climate change risks is part of our responsibility and ambition to demonstrate sustainable value creation for all our stakeholders. Integrating climate risks into our investment risk management processes is imperative given the long-term horizons over which we invest.

Old Mutual considers climate change a material and systemic investment risk due to its far-reaching physical and economic effects, as acknowledged by bodies like the IPCC, International Monetary Fund and the 1 411 central banks and financial supervisor members of the Network for Greening the Financial System (NGFS). Climate change will impact asset types and sectors, portfolio returns, asset valuations and asset allocation strategies. It will continue to adversely impact key investment sectors like financial services, energy and infrastructure.

South African regulators and governing bodies, including the Financial Sector Conduct Authority, the Prudential Authority and the JSE, all increasingly emphasise the integration of ESG factors, including climate change, into fiduciary duties, leading to potentially stricter requirements and reporting obligations. Given the inevitability of climate-related risks, we must proactively safeguard our portfolios by considering changing weather patterns, consumer preferences, regulatory shifts and technological advancements when making investment decisions and fulfilling our fiduciary responsibilities.

We evaluate our portfolio by assessing transitional and physical risks, and by tracking key metrics to monitor our climate change performance.

Categorising our risks and our key metrics

PORTFOLIO RISK ASSESSMENT	**Transition risks** Quantifies exposure to low carbon transition categories	**Physical risks** Identifies climate and weather-related hazards likely to occur over an investment period

KEY METRICS	**Carbon metrics** A set of metrics to monitor the carbon profile of the portfolio: • Absolute financed carbon emissions • Carbon footprint • Carbon intensity • Weighted average carbon intensity (WACI)	**Implied temperature rise** Determines alignment with the 1.5 °C Paris Agreement goal	**Climate value at risk (CVaR)** Determines the potential financial impact of climate-related events on investment portfolio performance	**Green revenue and thermal coal exposure** Percentage of investee company revenue generated from climate solutions and the percentage of investee company revenue generated from thermal coal

Data coverage quantifies the level of comprehensiveness and completeness of our data when assessing a portfolio's climate metrics, influencing our ability to make informed decisions aligned with our net zero goals.

For detail on these metrics, see pages 60 to 65

Data coverage

To ensure we make informed decisions to achieve our net zero goals, we need appropriate data and information on GHG emissions across our investment portfolio. Our analysis indicates that different asset classes have varying levels of detail regarding GHG emissions. For example, listed equities often have more accessible data due to regulatory requirements or voluntary reporting, while fixed income or sovereign debt issuers may not follow the same practice. Accessing more comprehensive climate data in Old Mutual Africa Regions remains challenging.

Our Climate Report is an analysis of the South African life business with profit policyholder and shareholder funds as at 31 December 2024 and with 31 December 2023 and 2022 presented for comparative purposes. This report includes the 2023 analysis and the present climate analysis in 2024.

In our metrics and targets disclosure, we provide information on the percentage of our AUM within the scope for analysis and the percentage of data available from our selected data service providers. This approach considers whether the security is listed in the service provider's database and whether emissions data is reported or estimated or inferred by the data service provider. We actively engage with our data providers to address data gaps, explore methods for inferring emissions and enhance our data collection processes, particularly in alternative asset classes.

In 2022, we engaged with service providers to provide climate data for our total investment portfolios, contracting with MSCI to provide listed equity and listed debt climate data and with Intercontinental Exchange for alternative asset classes such as unlisted equity and private debt.

In 2023, we transitioned to managing portfolio analysis in-house using self-service platforms provided by MSCI's Climate Lab Enterprise and Intercontinental Exchange's Urgentum platform. This change prompted a restatement of previous years' data coverage to include the percentage of AUM in scope for analysis.

In 2024, we disclosed our financed emissions and climate metrics across three new asset classes, namely publicly listed corporate debt, state owned entities and infrastructure assets.

Refer to pages 60 to 65 for more information

Ongoing improvements in carbon emissions reporting by investee companies will continue to enhance the accuracy of data, and we leverage stewardship activities to drive improvements in reported carbon emission data from our portfolio holdings.

Assessing climate-related risks

Transition risks in listed holdings

The low carbon transition refers to the global economy's transition from carbon-intensive operations and energy sources to zero or low carbon operations and energy sources. We delineate transition risks into four categories with the use of MSCI's Climate Lab Enterprise platform, highlighting the predominant risks and opportunities companies are likely to face when transitioning to a low carbon economy. This helps to understand the key focus areas within our portfolios based on the underlying portfolio companies' progress towards the 1.5 °C aligned transition pathway.

Low carbon transition categories

1 Climate solutions

Companies that can benefit from the growth of low carbon products and services

2 Operational transition

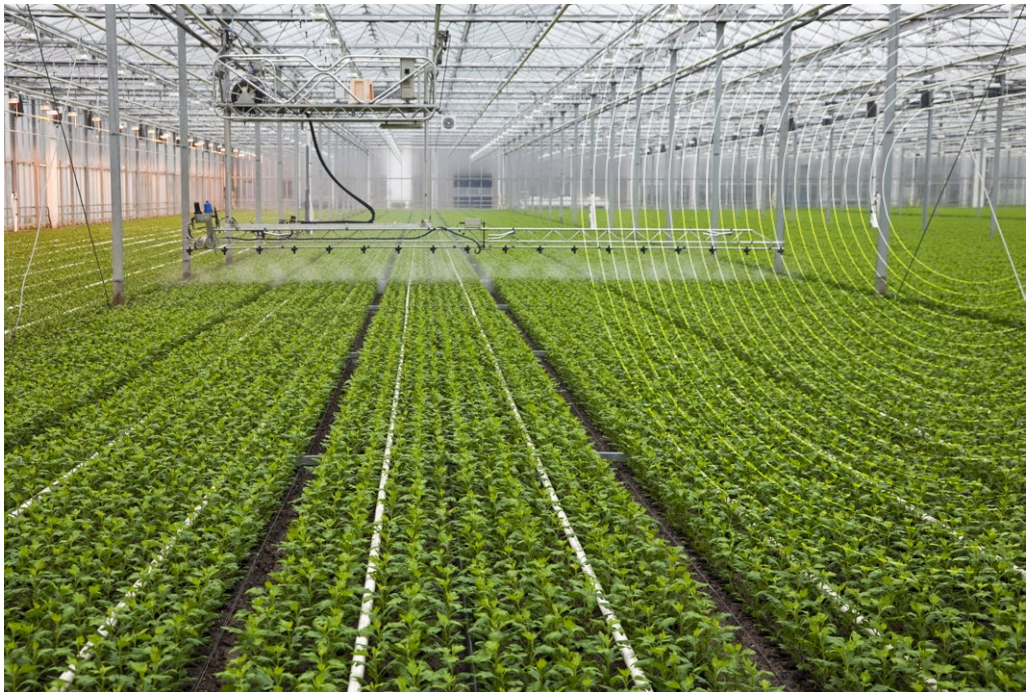
Companies with increased operational and/or capital costs due to carbon taxes and/or investment in carbon emission mitigation measures leading to lower profitability

3 Product transition

Companies that face a decrease in the demand for carbon-intensive products and services, with leaders and laggards defined by their ability to shift their product portfolio to low carbon products

4 Asset stranding

The potential to experience the stranding of physical or natural assets due to regulatory, market or technological forces arising from low carbon transition



Physical risks

In collaboration with Group risk, the asset owner investigated the physical risk impacts of climate change on its portfolio and identified eight hazards:

We categorised these risks between acute and chronic. By mapping the geolocations of our assets by province and industry, we identified risk scores per industry and per time horizon. We continue to integrate the methodologies and appropriateness of these outputs. The risk assessment remains instrumental in monitoring drags on portfolio performance due to adverse weather conditions.

OMLACSA undertook an ORSA climate risk assessment project over 2023 and 2024 to identify risks and opportunities through impact assessments on our balance sheet, supported by scenario analysis. As an institution whose core business is intricately linked to investments and liabilities, we recognise the imperative to remain vigilant in navigating the increasing unpredictability and speed of climate risk impact on assets and liabilities. This requires giving due consideration not only to the physical risks of climate change but also to the potential adverse effects that could arise from the timing and severity of transition risks. This work is informing OMLACSA's climate strategy and actions to build resilience, improve business performance and define our future focus areas.

The areas covered included:

- Asset owner and managers across equities (listed and unlisted), interest-bearing assets (cash, bonds, and listed and unlisted credit), property and alternative assets
- Life insurance providers across corporate and retail customers, including personal finance, mass market and wealth markets

A key insight from this work is that climate change is expected to have a greater impact on morbidity than mortality in the short term, but could lead to long-term mortality impacts for vulnerable populations – such as the elderly, youth, those with co-morbidities, and low-income groups. These impacts are expected to be manageable but variable, depending on factors such as the availability of public health infrastructure, age demographics, general health conditions and socioeconomic status.

For details, see pages 34 to 35

Monitoring assessed climate risks

As an asset owner, we consider our portfolio's impact on the systemic risk of climate change and the materiality of climate change on our portfolio. We monitor the carbon intensity of our financed emissions to ascertain our climate change impact. Our key climate metrics are outlined below.

To ensure we achieve net zero, we monitor the impact of climate change on our portfolio using defined metrics to track our progress towards minimising transition and physical risks, and take opportunities to create climate solutions.

We use **four carbon metrics** to provide an understanding of our portfolio's carbon profile:

- Absolute financed carbon emissions to track our journey towards achieving net zero carbon emissions by 2050
- The carbon footprint and carbon intensity metrics to enable our understanding of the source of financed emissions and the efficiency with which our investee companies use their carbon emissions to generate revenue
- The WACI to aggregate each holding into a portfolio-wide view of our carbon footprint and carbon efficiency

Implied temperature rise (ITR) is a metric that indicates the extent of warming contributed by our overall portfolio. We use this metric to illustrate the overshoot or undershoot of our portfolio carbon budget to 2050. Carbon budgets are the estimated total carbon emissions permitted until 2050 to stay within the 2 °C limit for global warming by 2100. Our net zero commitment is aligned to keeping our emissions within our carbon budget. ITR is calculated using projections of the estimated aggregate carbon emissions from the underlying portfolio against its assessed budget, and converted into degrees to assess the ITR. We use this metric to assess the potential transition risks within our investment portfolios with a higher ITR, indicating that the portfolio is more exposed to transition risks.

Climate value at risk (CVaR) is a forward-looking quantitative assessment model used to determine how climate change risks and opportunities could affect portfolio returns over the long term. Our investment holdings will be affected by climate change in different ways. Extreme weather events, changes in policies or regulation, or the introduction of new technologies could all impact a company's financial performance. CVaR calculates the financial risks from climate change per security and temperature-based scenario. This metric is not ready for publication, and we will continue developing it in collaboration with our asset managers and data service providers.

We use CVaR and ITR to allocate a financial measure to climate risks.

Green revenue is the percentage of investee company revenue generated from climate solutions.

Thermal coal exposure is the percentage of investee company revenue generated from thermal coal investments. We use these indicators to determine how our portfolio deploys assets into the green economy. We do not invest, finance or take part in any new greenfield thermal coal. We track this by maintaining our thermal coal exposure levels within our portfolio at constant levels or reducing overtime. We grow green revenue by financing climate solutions and supporting companies that generate green revenue. We display these metrics in the metrics and targets section.

Aligning risk management with investment strategy

In 2022, Old Mutual committed to becoming net zero in its proprietary investment portfolios by 2050. We joined the UN-convened NZAOA and set decarbonisation targets. We continue to work across asset classes to determine optimal decarbonisation measures and opted to invest in renewable energy as a climate solution to decarbonise the South African national electrical grid. During 2024, we expanded reporting against four to 12 asset classes, which are more closely aligned to the NZAOA framework and the targets we are developing.

Our commitment is grounded in science, risk management and a Just Transition. We consider the social and economic implications of our actions in line with a Just Transition and appropriate risk and opportunity management. We continue to steward our investment holdings towards better carbon emission disclosure, actionable transition plans and decarbonisation targets. In 2024, we instituted a new Active Ownership Framework that requires asset managers to track and report on the full engagement process across several dimensions, including the net zero commitments of investee companies, reporting and tracking performance against targets. This framework is expanding our measurement approach from counting engagements to tracking the impact of our engagements.

Through our due diligence process, we continue to engage our appointed asset managers to source data and insights on how asset managers integrate climate change risk into their investment decision-making processes. We use the consolidated data and insights to further refine our understanding of how asset managers integrate climate risk into investment decision making. For our 2025 engagement plan, we continue to embed our new Active Ownership Framework into asset manager expectations.

Refer to pages 44 to 48 for more information about the Asset Owner climate change investment strategy

GROUP **STRATEGY**

In this section

In this section, we provide an overview of the Group sustainability strategy and the climate action pillar. We set out the climate-related risks we identified as part of the risk management process and show how we use the TCFD framework to assess how these impact our business. We provide an overview of scenario planning and modelling for climate resilience in our South African life and short-term insurance businesses. We also share our climate-related opportunities.

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Climate action as a strategic pillar

Our refined sustainability strategy positions us to respond more effectively to build on our current strengths, aiming to make a sustainable impact on society, the environment and on our financial performance.

Approved by the Responsible Business committee in August 2024, Old Mutual's refined sustainability strategy builds on the responsible business themes to deepen our impact and accelerate our strategic delivery by moving to three targeted impact areas of responsible investment, climate action and financial wellness. Group risks and opportunities inform the sustainability strategy, with climate change covered by climate action and in the extensive climate change-related work undertaken through our responsible investment activities. Through our climate action pillar, we seek to enable prosperity by catalysing green growth opportunities and building resilience against climate risks through the three themes below:

Enabling the transition

Building resilience against climate change

Decarbonising our portfolios and our own operations

Refer to the Sustainability Report for detail on our sustainability strategy

Historically, our efforts related to climate action have focused on our responsible investment activities, risk mitigation and management, and decarbonisation of our own operations. The climate action pillar of our refined sustainability strategy serves as a solid foundation to enhance the work we do to address climate change across our business.

With enhanced focus to enable the transition in the climate action pillar, we will continue with active industry participation and public sector partnerships to enhance risk mitigation and resilience measures. We intend to work more closely with the Presidential Climate Commission on the JET IP and will continue with engagements, such as our recent participation at COP29 where we presented an African perspective on climate change.

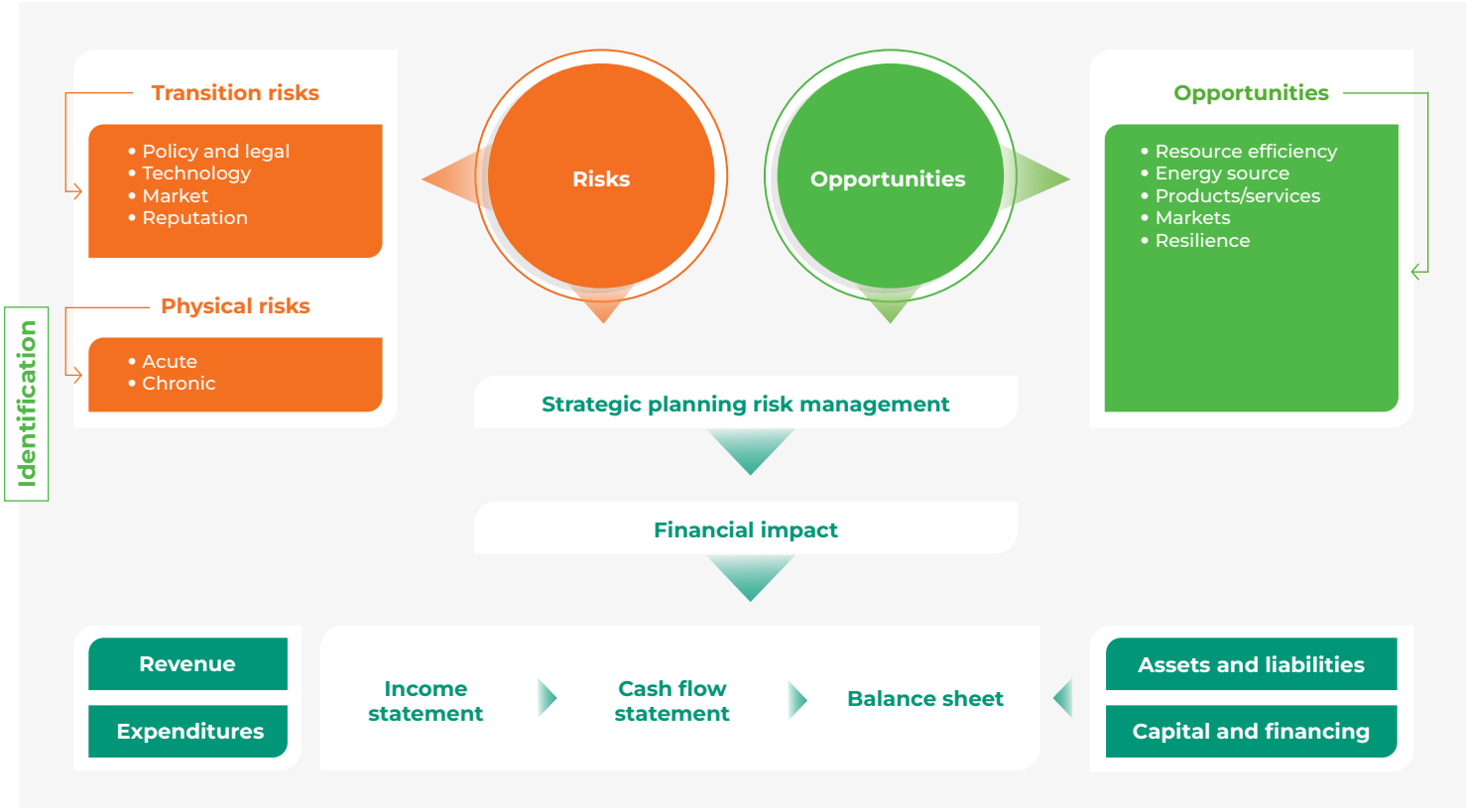
In 2024, we achieved a **22%** reduction in the Group's CO_2 equivalent (CO_2e) footprint and a **30%** reduction in grid purchased non-renewable direct electricity usage when compared to the 2019 baseline.

Looking ahead, our climate action strategy includes decarbonisation but places more emphasis on building resilience against climate change and enabling the transition through risk-transfer solutions and innovative business models. We will protect stakeholders from climate effects while supporting and enabling the green economy across Africa. Doing so will help us mitigate the expected increase in loss ratios from climate-related effects and position us to capture value from new market premium pools related to the transition across African markets, presenting a significant opportunity for unlocking new growth.

Scoring and disclosing climate-related risks and opportunities

We use the TCFD framework and Sustainability Accounting Standards Board Conceptual Framework to disclose our climate change-related risks and opportunities. We re-evaluate climate risk scores annually to reflect the changing market conditions, and note that our climate risks have not materially changed over the past year.

Climate-related risks, opportunities and financial impact



Adapted from figure 3, page 9, TCFD, October 2021.
https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf

Scoring and disclosure of climate-related risks and opportunities

We score risks according to our enterprise risk management methodology.

We map the likelihood to our emerging risk methodology timelines in line with the TCFD recommendation to consider risks over the short, medium and long term.

Risk methodology timelines

Short term	Medium term	Long term
0 to 3 years	3 to 5 years	>5 years

We evaluate the **impact** of each risk against the Enterprise Risk Management Framework, using the defined quantitative and qualitative thresholds (impacts) applicable to the segment impacted.

We consider the financial and non-financial impacts of the identified risks as follows:

Impact

Financial impacts

Reduction in revenue	Increase in expenditure	Asset devaluation
REV ↓	EXP ↑	ASSET ↓

Non-financial impacts

Business resilience	Sustainability	Reputation

We score and prioritise **opportunities** using a method aligned with the Group's risk scoring methodology to aid prioritisation. This methodology scores the size of the opportunity and our ability to execute on it.

Group physical risks

Hover to see icon descriptions

Acute risks

Risk	**Insurance pay-outs are on the rise as extreme weather events become more frequent and intense,** causing damage to insured items such as buildings and vehicles.	**Unidentified concentration and accumulation risk arises in regions** susceptible to physical climate risks such as damage to coastal property and infrastructure from rising sea levels.	**Concentration risk in highly vulnerable sectors** exposes us to strategic, growth and shareholder investment risk.	**Extreme weather events disrupt business** operations and energy supply, impacting our ability to service customers through our distribution channels, including impact on our intermediaries.	**Significant damages from climate-related events undermine confidence in the financial system,** leading to prolonged economic depression. This could trigger financial risks for the Group such as liquidity or market shocks, and affordability constraints for our customers.
Time-line	S/T M/T L/T	S/T M/T	S/T M/T L/T	S/T M/T L/T	M/T L/T
Impact	EXP ↑	EXP ↑ ASSET ↓	REV ↓ EXP ↑ ASSET ↓	REV ↓ EXP ↑	EXP ↑ ASSET ↓
Progress to date and planned mitigation	• Short-term weather budgeting was developed and deployed to provide a 12-month forward-looking view for budgeting for catastrophes • An advanced analytics roadmap prioritises high-value use cases, including claims underwriting and pricing	• Old Mutual Insure is working on deploying a centralised system to monitor and manage accumulation risk • Concentration risk reporting process in place • Modelling initiatives help drive identification of concentration and accumulation risk • In 2023, completed a comprehensive asset and liability scan of material life insurance portfolios to evaluate concentration risk across geographies and sectors		• Initiative to boost renewable energy generation at key owner-occupied and investment properties across our property portfolio • Regular risk assessments of third parties across the business and mitigation plans to address critical risks and control gaps • Continued enhancement of business resilience measures to incorporate learnings from forward-looking climate-related weather scenarios and events	• Continued engagement with industry bodies on the impacts of climate change, emphasising various initiatives and opportunities that could be achieved through public-private partnerships • Proactively pursue strategies that can expedite the transition to a low carbon economy where feasible • Scenario testing employed to check if our liquidity, solvency and credit position remains adequate while also enhancing provisioning for short and long-term insurance products

Chronic risks

Risk	Adverse physical climate events may lead to **illness and long-term health complications, impacting morbidity and mortality** and leading to an adverse claims experience for the insured population (although currently expected to be immaterial). Food security is at risk and could affect health while extensive flooding may contribute to the spread of diseases, particularly water-borne diseases, and increase the displacement of affected populations.	**Old Mutual Africa Regions faces climate-related risks in countries with economies heavily reliant on primary sector activities, such as agriculture, mining, forestry and fisheries.** This vulnerability may result in lost revenue from key customers due to decreased productivity, leading to higher lapses. Reduced employment in affected sectors may result in social unrest.	**The escalating impacts of climate change** may result in certain assets becoming uninsurable, prompting insurers to exit markets. This could also heighten adverse claims experience for the insured population, although currently expected to be immaterial.
Time-line	M/T L/T	M/T L/T	M/T L/T
Impact	EXP ↑	REV ↓ EXP ↑	REV ↓
Progress to date and planned mitigation	• In 2023, Group reinsurance strategy adapted as an outcome of the analysis work with reinsurers to gain insight into the long-term health-related impacts of climate change • Further research to refine underwriting practices • Conducted a review of guarantees and policy conditions • Helping our customers adapt to climate change (including through climate education and hot weather warnings)	• In 2023, conducted a review to assess whether our business strategies should be adapted to better support customers in sectors and geographic regions affected by climate-related risks • Strengthen risk management and underwriting capabilities while optimising claims cost management • Collaborate with industry bodies to address the impacts of climate change, prioritising initiatives for climate adaptation and resilience through public-private partnerships • Continue to actively pursue strategies that accelerate the transition to a low carbon economy • Consider alternative reinsurance structures, retention levels and cover limits where feasible, or exit if unaffordable	

Note that mitigation measures are only applied where economically feasible, as climate action forms one input of many economic and operational considerations.

Group transition risks

Hover to see icon descriptions

Policy, legal and technology

Risk	**Policy shifts lead to stranded assets that result in asset devaluations from highly exposed industries, including investments in fossil fuel and gas.** Higher carbon taxes imposed by trading partners (e.g. European Union Carbon Border Adjustment Mechanism) will impact export costs. Policy shifts will also impact corporate customers in the fossil fuel and related industries, broader society through job losses and, consequently, our growth risks.	**Climate change affects economic growth and the incomes of our customers, impacting customer affordability.** Reduced growth prospects in specific sectors will impact customer affordability, which may adversely impact persistency and loan repayments while rising joblessness will affect social stability.	**Limited international funding for climate change initiatives in developing countries** targeted at a national level will limit our Group and other local businesses from transitioning to a low carbon economy.	**Insurance and catastrophe risk models** based on historical data do not consider future climate scenarios. Expected claim pay-outs may therefore be underestimated.
Time-line	S/T, M/T, L/T	M/T, L/T	S/T, M/T, L/T	S/T
Impact	ASSET ↓	REV ↓ EXP ↑ ASSET ↓	ASSET ↓	EXP ↑
Progress to date and planned mitigation	• Our active stewardship and engagement strategy with investee companies continues to encourage and support their efforts in decarbonisation • Evaluate the risk of stranded assets against the value of investments when determining whether to retain or exit investments • Enhanced the expertise of Investment committees and portfolio managers to ensure they have the knowledge to make informed investment decisions • Ongoing monitoring of applicable local and international policy shifts	• Approach and methodology in place for a forward-looking analysis of climate projections across different warming scenarios, aiming to enhance our understanding of customer exposure across various segments • Expanded our analysis of the carbon intensity of our investment portfolios, across asset classes on policyholder and shareholder portfolios, to better understand our decarbonisation pathway • Our work on climate continues to highlight the need for robust data internally and externally. We are improving the quality of internal data to facilitate and enhance climate modelling and analysis	• Ongoing active engagement with stakeholders and lobby both the private and public sectors through industry groups to drive funding and policy reform initiatives	• Forward-looking climate data incorporated into risk models, particularly for high-risk areas, and considered the impact on pricing • Old Mutual Insure obtained leading flood models and developed a wildfire model, for which a beta version has been released

Reputation

Risk	**The timing of adopting climate-adjusted pricing and an ambitious climate position could be positive or detrimental.** We are facing the competing risks of potentially losing market share to competitors with more ambitious climate positions or where we adopt climate-adjusted pricing earlier than peers.	**We may face litigation and associated reputational risk for funding fossil fuel** companies or receive negative press from litigation against fossil fuel-funded companies. Further, we may face reputational risk from perceived greenwashing or inaction.
Time-line	M/T, L/T	M/T, L/T
Impact	REV ↓	EXP ↑ REV ↓
Progress to date and planned mitigation	• Retain a clear climate change strategy and position with affiliations to recognised coalitions (RE100 and NZAOA) • Actively pursue innovation to increase capital flows towards climate solutions	• Established a defensible position on decarbonisation and fossil fuel funding • Set decarbonisation targets and metrics • Communicated our net zero commitments and embedded more granular and interim targets and metrics • Assessment and mitigation of potential litigation risks

Market

Risk	**High carbon investments adversely impact other areas of business.** Fossil fuel investments contributing to climate change pose a risk of profit erosion in the insurance business.	**The impact of climate change leads to increased doubt in investment decisions,** leading to increased volatility in performance, both absolute and relative.	**The impact of climate change uncertainty leads to increased commercial risks,** affecting our ability to underwrite risks at appropriate prices and the timing and extent of pricing adjustments relative to our competitors.
Time-line	M/T, L/T	S/T, M/T, L/T	M/T, L/T
Impact	REV ↓	REV ↓	REV ↓
Progress to date and planned mitigation	• Review and adapt insurance contracts where possible based on assessments of exposure to climate-related events • Continue to actively pursue strategies to accelerate the transition to a low carbon economy, particularly addressing high carbon investments	• Continue enhancing the expertise of Investment committees and portfolio managers to ensure they have the knowledge needed for well-informed investment decisions • The outcomes of our carbon intensity and warming potential analysis for listed and unlisted investment portfolios are being used to inform investment decisions and further direct stewardship engagements where required	• Our strategy and position on climate change involves active participation with recognisable coalitions and industry bodies to exert influence where possible • In 2023, Old Mutual Insure adapted our Group reinsurance strategy as an outcome of climate analysis work with reinsurers • Continue to assess regulatory developments to ensure the business is prepared

Scenario planning for climate resilience

Climate scenarios allow financial institutions to develop strategic responses that create value for a range of plausible futures. Risk scenarios are an evolving field, and we continue to iterate scenarios as insights improve.

Our scenario modelling is aligned to our lines of business requirements. Physical risks are critical for our Property and Casualty business; we therefore consider the relevant IPCC scenarios. Physical risks are increasing, which is expected to affect our profitability more than transition risks over the short term. Consequently, OMLACSA applied the alternative modelling frameworks outlined by the University of Exeter's Global Systems Institute. These narrative-based scenarios offer a more practical and relatable approach to climate scenarios over the short term to assess risks and opportunities.

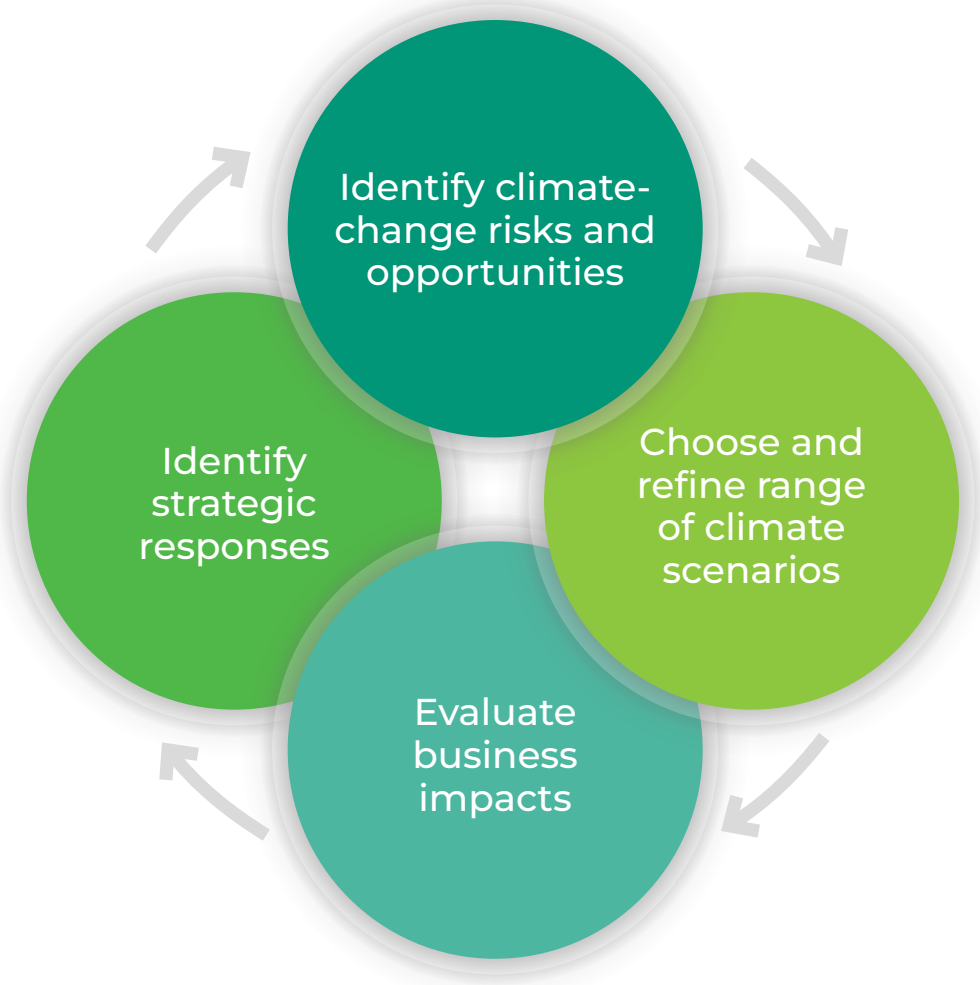
Old Mutual continues to adjust and refine how we use climate scenarios to better understand and assess business impact across our insurance businesses:

- Our South African Property and Casualty business is most sensitive to physical risk and uses three reference scenarios from the IPCC, given their relevance for physical risk (refer to Old Mutual Insure scenario planning for climate resilience)
- Our South African life business partnered with a consultancy firm, Climate Risk Services BV, to further develop our climate scenarios and improve our strategic resilience to climate change, commencing in 2023 and finalised in 2024. This work was then considered by management, the Executive committee and the Board. Our work with Climate Risk Services covered three areas:
  - Performing portfolio risk scans on assets and liabilities to identify pockets of risk to focus future work
  - Developing narrative-based scenarios that focus on short-term impacts from physical and transition risks to help identify risks and opportunities. This work was conducted via workshops where relevant stakeholders identified risks and opportunities across the four scenarios
  - Conducting impact chain analysis and developing a framework that stakeholders across the business can use to identify the impact of different climate risk triggers via different transmissions channels on the business

These three areas allowed us to identify areas where further work is needed to understand the impact of climate change, and to surface the more material risks and opportunities requiring management's focus. During 2024, we engaged with various stakeholders on our findings and agreed the next steps. These include:

- Enhancing and developing capabilities and skills to be future fit for climate change
- Integrating climate and business strategy through bespoke impact chains and scenario analysis
- Developing a clear understanding of climate change impacts on customers and customer propositions over the longer term
- Enhancing data collection to improve risk assessments, regulatory reporting, underwriting and pricing
- Taking advantage of investment and finance opportunities for infrastructure development and the green economy
- Joining and influencing industry groups and public policy to share knowledge and best practices

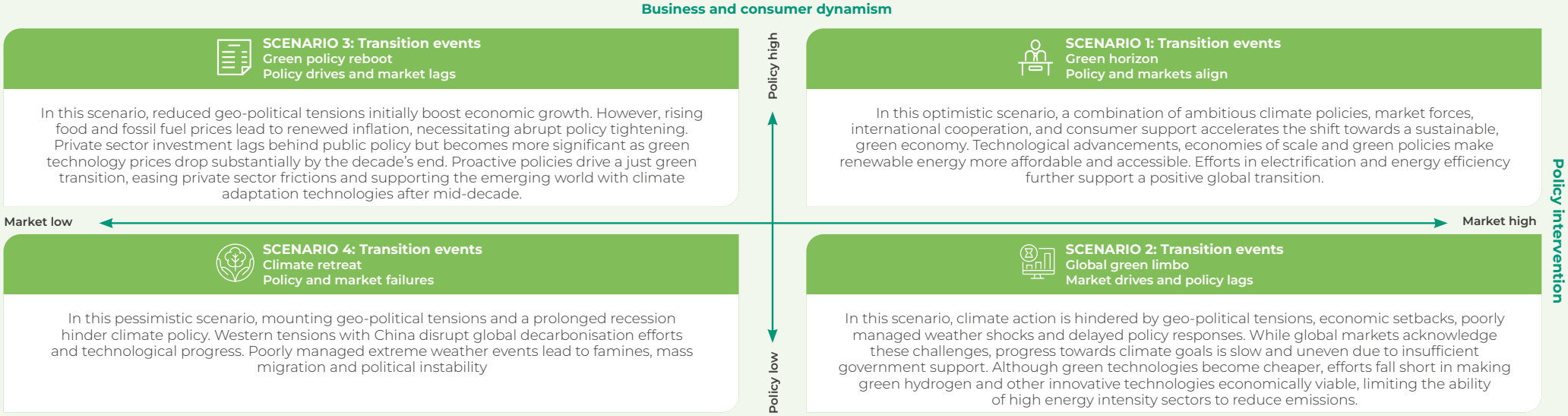
Scenario analysis enhances critical strategic thinking and planning for anticipated climate impacts. The TCFD suggests following a process[10] (see diagram below) to analyse identified risks and opportunities through selected climate scenarios to evaluate business impacts. Strategic responses (to mitigate risk and leverage opportunities) are then developed, resulting in a climate change strategy resilient to several plausible futures.



Old Mutual Life Assurance Company (South Africa) Limited scenario analysis

Our scenarios are based on the University of Exeter's Global Systems Institute approach, adapted for South African transition pathways.

The scenarios enable a practical approach to climate scenario analysis that incorporates physical and transition risks in relatable scenario analyses. We use the scenarios to identify risks and opportunities to embed into transition planning and financial decision making. We focus on assessing transition risks and their interaction with acute physical risks in the period up to 2030. In this period, global warming is not uncertain and will likely be similar under most scenarios. Four scenarios are used to interrogate how different transition pathways impact OMLACSA, with variations ranging from low to high on the degree of policy activism and business and consumer commitment in efforts towards net zero. A high-level explanation of the physical and transition events envisaged by these scenarios are detailed below.



Baseline physical risks are assumed to be the same across all scenarios, dominated by El Niño and La Niña cycles between 2024 and 2030.
We treat climate change over the next seven years as an eventuality, not an uncertainty.

Notable physical risk events for South Africa up to 2030 include:

- Prolonged droughts in south-west South Africa with impact on crop yields and livestock
- Frequent (occasionally severe) flooding in Free State, Gauteng and Limpopo, causing critical damage to transportation infrastructure
- Energy insecurity from widespread blackouts for lengthy periods
- Sanitation issues due to damaged water treatment and sewerage infrastructure
- Recovery and reconstruction efforts cost time and significant capital, which impact GDP growth
- Severe wildfires in the central and western regions of South Africa impacting human health due to poor air quality, overburdened firefighting resources and prolonged recovery times

This area remains a developing field with data constraints, especially for life insurance. We are committed to iteratively improve our climate scenarios by incorporating enhancements in climate modelling approaches and data availability as appropriate.

Significant investment in data is necessary to assess and improve the pricing for climate risks in future. We are consolidating our climate change risk expertise centrally to ensure all long-term decision making (asset management, underwriting of long and short-term insurance or strategic decisions on future product offerings and territories of operation) is cognisant of climate risks and opportunities.

Over time, we plan to develop more quantitative scenarios that capture macroeconomic and financial market projections over different timeframes, building on the narrative-based scenarios already developed. We see macroeconomic and financial market shocks as the largest likely impact on OMLACSA. Lastly, we plan to enhance the framework for asset managers to assess physical and transition risks within investment portfolios to ensure climate risks are properly assessed in investment decisions. This would consider different scenarios. This work will assist in formulating practical dimensions to our sustainability strategy.

Old Mutual Life Assurance Company (South Africa) Limited scenario analysis
continued

Key insights from the scenarios

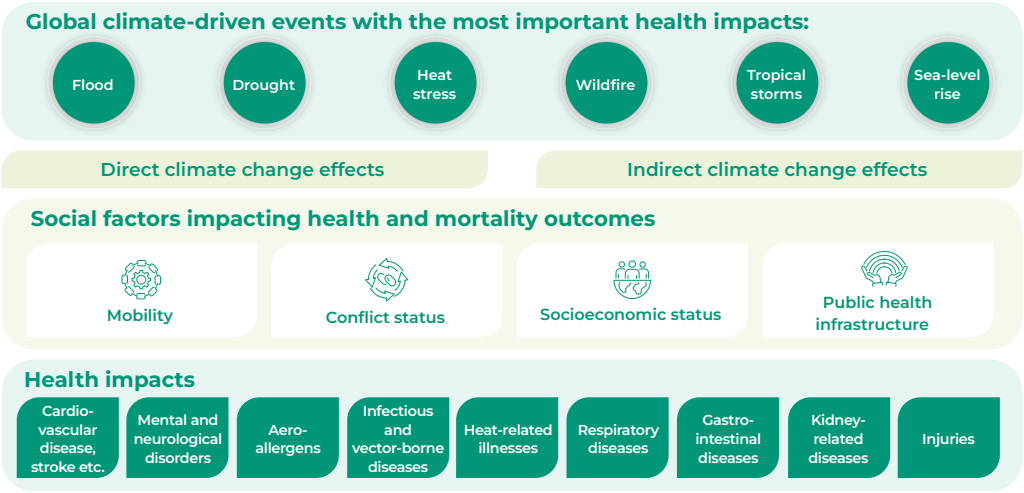
As an institution whose core business is intricately linked to investments and liabilities, we recognise the imperative to remain vigilant in navigating the increasing unpredictability and speed of climate risk impacting assets and liabilities. This requires giving due consideration to not only the physical risks of climate change but also the potential adverse effects that could arise from the timing and severity of transition risks. Supported by the scenarios outlined above, OMLACSA's ORSA project identified risks and untapped opportunities through impact assessments on our balance sheet:

Top risks	Top opportunities
• Volatile financial markets, continued low GDP growth, liquidity crises and sovereign risk • Lack of policy consistency and global and local implementation delaying capital investment • Water and food scarcity, and infrastructure decline leading to increased social unrest • Stranded assets in vulnerable industries (for example, mining and motor vehicle industry in South Africa) • Business continuity and sustainability	• Leveraging data and analytics to gain strategic advantage in navigating climate change impacts • Early-mover advantage in the green transition • Strategic investments in infrastructure as a systemic adaptation/mitigation measure • Building advisory capabilities to support corporate customers • Introducing new products and innovative pricing models

It was noted that taking climate action in the short term to reduce long-term exposure to physical risks may result in financial losses in the near term, whereas allowing GHG emissions to increase could reduce near-term financial losses but increase the risk of larger physical risks and disorderly transition risk impacts in the long term.

The most impactful physical risk hazards for South Africa were identified as river flooding, wildfire, water stress and heat stress. Further, in the short term, heat stress, water stress and wildfire risks will escalate over western parts of the country, with river flooding more pronounced in northern parts of the country.

The health consequences of climate change were mapped as follows:



The highest level of risk for OMLACSA's liabilities comes from heat stress and air pollution. Further, the impact of climate change on morbidity is expected to be greater than on mortality in the short term but could lead to longer term impacts on mortality for vulnerable populations, especially considering key social factors including public health and general infrastructure at a provincial level.

Key insights for OMLACSA include:

OMLACSA's asset and liability portfolio is reasonably well diversified. There are pockets of risk concentration that may be vulnerable to poorly managed physical and transition risks.	Climate impacts (physical and transition) will vary and are uncertain, especially over the long term. Tail events are expected to be more significant and may impact capital requirements.
Mortality and morbidity impacts are expected to be manageable but more variable – heavily influenced by health infrastructure availability, age, health and socioeconomic status.	Climate risk will amplify other risk types that Old Mutual is exposed to.
The impact on affordability will put pressure on persistency and growth – particularly on the lower income market. Potential macroeconomic impact may also affect affordability.	Difficulty in obtaining detailed quality data requires improvement to manage climate risk effectively.
Insurers with a customer base that is generally healthier, financially secure, and younger are likely to demonstrate greater resilience	The impact on assets is likely to dominate, particularly those in carbon-intensive sectors and those exposed to areas with high physical risks. Stranded asset risk is higher for illiquid assets.

Old Mutual Insure scenario analysis

We conduct an annual, risk-based forward-looking assessment to assess our resilience (capital solvency) across possible scenarios and emerging risks.

This assessment informs our ORSA as required by the Prudential Authority. While several general scenarios are considered, we also include a climate scenario, recognising this as necessary, despite this being a developing field with data constraints. We continue to iteratively improve our approach to climate scenarios and detailed climate modelling by incorporating enhancements in climate modelling approaches and data availability.

We seek to better understand the impacts of climate change on our business, how we can respond to these impacts and improve our strategic resilience. We adopted three reference scenarios from the IPCC[1]. This TCFD-aligned framework is clear and logical, and underpinned by extensive scientific research and validation. The underlying dataset provides high availability of open-source data for transition variables by country for modelling. Old Mutual Insure uses the IPCC scenarios as they are particularly useful for physical risk, which, as a non-life business, Old Mutual Insure is most sensitive to. Although NGFS is beginning to offer more guidance on physical risk, they often use data from climate models under the IPCC framework, which primarily focuses on transition risk scenario analysis.

These three scenarios represent plausible future trajectories, each with its own risks and opportunities for Old Mutual Insure to explore, identify, assess and manage. The SSP2-4.5 scenario presents maximum transition risk and the SSP5-8.5 scenario presents high physical risk. The SSP12.6 scenario presents comparatively low transition and physical risk. Scenario planning with these three scenarios meets the TCFD recommendations to consider at least two scenarios, one of which should include a 2 °C or lower scenario.

1 These scenarios are also closely related to the Old Mutual Limited NGFS scenarios

Old Mutual Insure climate scenarios

1.5 °C
SSP1-2.6

Global CO_2 emissions are reduced significantly but not quickly, reaching net zero after 2050. Temperatures stabilise to around 1.8 °C higher by 2100.

<2 °C	2 °C – 3 °C	3 °C – 5 °C+
Materialise by 2033	Unlikely	Unlikely

Key weather impacts

Cyclones and floods	Hail	Fire
(very high)	(high)	(high)

Increased global temperatures lead to more frequent and intense extreme weather events, ongoing physical risks and high transitional risks due to heightened climate change scrutiny, making it challenging to meet targets.

2 ˚C
SSP2-4.5

CO_2 emissions remain at current levels before starting to fall by mid-century, but not reaching net zero by 2100. Temperatures rise by 2.7 ˚C by 2100.

<2 °C	2 °C – 3 °C	3 °C – 5 °C+
Materialise by 2031	Materialise by 2053	Materialise after 2100

Key weather impacts

Cyclones and floods	Drought	Fire
(high)	(high)	(very high)

Increased global temperatures still lead to an increase in the frequency and intensity of extreme weather events and disruptions to weather patterns, as witnessed globally during 2024.

3 ˚C
SSP5-8.5

Current CO_2 emissions levels double by 2050. By 2100, the average global temperature would be 4.4 ˚C higher.

<2 °C	2 °C – 3 °C	3 °C – 5 °C+
Materialise by 2028	Materialise by 2042	Materialise by 2100

Key weather impacts

Drought	Extreme temperatures	Fire
(very high)	(very high)	(very high)

By the 2030s, central Africa and later South Africa will experience 'climate departure', where even the coolest years will be warmer than the hottest years from 1960 to 2005, indicating a complete shift in baseline climate.

Broad business impacts

Business volumes: Higher demand for insurance due to widespread catastrophes may be offset by increased costs and reduced demand, potentially harming Old Mutual Insure's profitability.

Loss ratios: Likely to rise due to more frequent and severe weather events and inflation in building materials and vehicle parts.

Reinsurance costs: Expected to increase significantly, requiring insurers to hold more capital and manage exposure carefully.

Expense ratios: Higher costs from managing catastrophe claims and new regulatory obligations.

Operational: Negative impacts on employees, utilities, reputation and potential litigation, with service levels affected by concentration risk among service providers.

Broad business impacts

As climate conditions worsen, some areas in South Africa will become inhospitable, reducing activity in agriculture, manufacturing and tourism, negatively impacting the economy. Climate change-related insurance may become limited, with insurers unable to cover high-risk areas and reinsurers classifying certain regions as outside their risk appetite.

Refer to the 2023 Climate Report for details on these scenarios

Old Mutual Insure climate change modelling

We initiated a quantitative modelling project in 2022 to assess the impact of climate change on our short-term insurance business, capital and responsible investment requirements. This was updated in 2024.

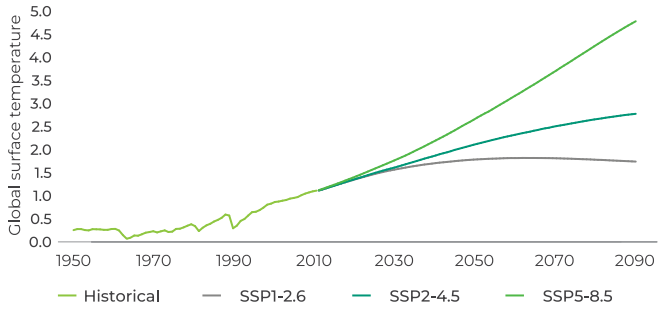
This analysis informs future underwriting strategies by quantifying risk metrics and potential losses over an extended horizon (eight to 50 years) to capture the long-term downside risk relating to climate change.

We model the impact of three weather scenarios (1.5 ˚C, 2 ˚C and 3 ˚C surface temperature increases) and their impact on perils including flooding, wildfires, hailstorms and windstorms. The results of this modelling are translated into Occurrence Exceedance Probability metrics, providing detailed insights into Old Mutual Insure's long-term downside climate change-related risk.

When we reach these warming levels is dependent on future global emissions.

Warming Level Scenarios	1.5 °C	2 °C	3 °C
Low emission pathway SSP1-2.6	2033	Never	Never
Mid emission pathway SSP2-4.5	2031	2053	>2100
High emission pathway SSP5-8.5	2028	2042	2065

Global surface temperature relative to 1850 – 1900 (ºC)[1]



1 https://dx.doi.org/10.5285/98af2184e13e4b91893ab72f301790db
2 Return period in catastrophe modelling refers to the average time interval between occurrences of a particular severity of an event. The inverse of the return period is the approximate probability of the event or loss occurring over one year

The following tables show the maximum potential loss under the warming scenario relative to the actual modelled losses as at 2024. These are provided for comparison against expected losses under different warming scenarios such as 1.5 °C temperature increase. These perils were selected due to their identified material impact.

Wildfire modelled event losses by return period and warming scenario:

	Modelled event loss			
Return period (years)[2]	**2024**	**1.5 °C**	**2 °C**	**3 °C**
Occurrence Exceedance Probability				
5	100%	116%	171%	294%
10	100%	130%	228%	452%
25	100%	116%	171%	294%
50	100%	107%	130%	181%
100	100%	104%	116%	144%

Flood modelled event losses by return period and warming scenario:

	Modelled event loss			
Return period (years)[2]	**2024**	**1.5 °C**	**2 °C**	**3 °C**
Occurrence Exceedance Probability				
5	100%	97%	145%	66%
10	100%	100%	130%	65%
25	100%	99%	129%	68%
50	100%	99%	129%	70%
100	100%	99%	126%	71%

Hail modelled event losses by return period and warming scenario:

	Modelled event loss			
Return period (years)[2]	**2024**	**1.5 °C**	**2 °C**	**3 °C**
Occurrence Exceedance Probability				
5	100%	103%	107%	114%
10	100%	102%	106%	111%
25	100%	102%	105%	110%
50	100%	102%	104%	109%
100	100%	102%	104%	107%

Windstorm modelled event losses by return period and warming scenario:

	Modelled event loss			
Return period (years)[2]	**2024**	**1.5 °C**	**2 °C**	**3 °C**
Occurrence Exceedance Probability				
5	100%	98%	95%	91%
10	100%	97%	93%	85%
25	100%	95%	89%	69%
50	100%	100%	101%	101%
100	100%	100%	101%	102%

Note that these values have been calculated to show the relative increase or decrease from the 2022 baseline to avoid disclosing sensitive commercial information.

Key insights from the results are as follows:

1. **Wildfire impact:** Wildfire is expected to have the most substantial impact on Old Mutual Insure as the climate warms
2. **Volatility of potential losses:** Significant volatility exists for potential losses which, due to limited data on perils besides flooding, highlights the inherent model risk for these other perils
3. **Regulatory capital requirements:** Regulatory capital requirements primarily address isolated urban fire-related risk while modelling suggests severe downside risks from wildfires, especially in the tail end of return periods
4. **Significance of warming:** The impact of warming is most significant for lower return periods, emphasising the impact on frequency of occurrence
5. **Long-term perspective:** Given the constraints of limited literature, potential model risk, and the possibility of spurious accuracy, we preliminarily conclude that responsible investment needs and capital requirements may significantly rise in the long term (10 to 50 years)

In 2024, Old Mutual Insure embarked on a process of reviewing its risk appetite metrics, which dictate how much capital is held. Updating the previous limits to current limits is the first step in ensuring our balance sheet remains resilient to the impact of climate change. As a result of recent change to climate-related risk and reinsurance cover for these risks, the Old Mutual Insure target capital buffer (the amount of capital held in excess of the regulatory requirement) has increased by ~15%.

Old Mutual Insure climate change modelling *continued*

Flood and wildfire modelling

Old Mutual Insure continues to enhance its risk management capabilities, improving our ability to predict, manage and mitigate risks associated with natural catastrophic events and climate change. Led by the catastrophe and climate modelling team, the catastrophe and climate modelling projects seek to provide bespoke pricing of risk and understanding of exposure to natural catastrophes.

The projects have the following objectives:

1 Developing or acquiring sophisticated models that enhance our capability to understand, quantify and mitigate catastrophe and climate risks by exploring and integrating advanced modelling techniques, including predictive analytics and geospatial analysis
2 Continuously expanding and improving our data by actively seeking, integrating and validating new data sources, including geospatial data, satellite imagery and other diverse climate data
3 Developing tools and platforms that provide data, capability and meaningful insights for the Company and our business segments
4 Guiding the assessment and measurement of climate risks for comprehensive application

Old Mutual Insure prioritised flood and wildfire as major climate-related risks. A global modelling market leader has provided us access to a global flood model that provides river and surface flood risk assessments. The flood modelling work was completed in 2023, with extensive work undertaken in 2024 to embed our flood modelling capabilities into different areas of the business by providing access and training, inputting their data and assisting teams to embed outputs into their underwriting, pricing and risk management capabilities. Additionally, another project is underway to provide a higher level of detail specifically for South African metros and for larger exposures in higher risk areas.

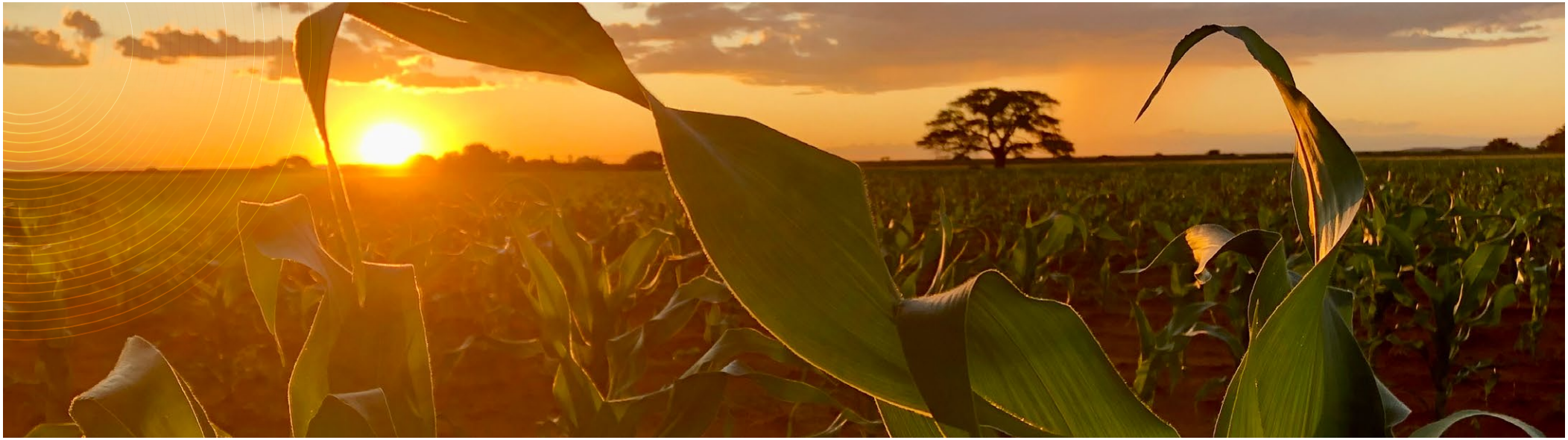
As there are no commercially available models suitable to address wildfire risk, we are developing an internal wildfire risk assessment model, which uses satellite images and historical climate data to build a time-based map of fire risk across South Africa. A proof-of-concept was completed and delivered, and an initial beta model covering the Western Cape was completed in the year. Due to the complexity of the model development process, a phased development and rollout approach will be taken to expand across the rest of South Africa, with our Old Mutual Africa Regions operations to follow in time. We will follow a similar approach to the flood model to embed the wildfire model across our business.

Understanding the geographic location of exposures and the risks is crucial in managing climate risk. We are developing a central hub for exposure concentration assessments to provide data useful in assessing portfolio risk, including floods, wildfire, hail and other perils. A peak policy concentration and skewness analysis has been conducted and a dashboard created. Further, a hail risk map has been created and work is underway on earthquake risk.

In addition to our modelling work, we aim to drive climate-related resilience and adaptation initiatives through public-private partnerships, as well as awareness and education on climate-related issues. A key objective of our work is to contribute to social and environmental resilience by utilising our expertise and insights to support broader societal efforts in understanding and managing climate and catastrophe risks.

We partnered with the Climate Disaster Relief Fund, Council of Scientific and Industrial Research and the Department of Forestry, Fisheries and the Environment in a pilot project in Gauteng. We are using our flood modelling work to support preventative efforts by identifying flood prone areas and causal factors like blocked drainage systems and waterway issues.

In collaboration with key industry peers such as Santam and Hollard, we also established a non-profit organisation dedicated to improving fire risk management capacity within municipalities and local governments. Starting in the Western Cape, this initiative expanded to Mpumalanga. It provides a structured platform for knowledge exchange, resource pooling and skills development aimed at reducing fire hazards in underserved regions. Our objective is to empower local governments with the tools and expertise necessary for efficient fire prevention, response and recovery measures, ultimately reducing the vulnerability of high-risk communities. We believe that this inter-organisational collaboration is essential for a scalable and sustainable solution to fire risk management.



Opportunities

We understand the unique circumstances of our local markets and operating environments and adapt our approach to climate action accordingly.

Africa has contributed the least to global emissions but is set to be impacted the most by the climate crisis. In transitioning to a green economy, the challenge of reducing reliance on fossil fuels is compounded by affordability constraints, lack of energy security and social impact, with many Africans employed across the fossil fuel value chain. With vast renewable energy potential, a young workforce and abundant natural resources, Africa's unique economic assets provide high potential for climate-positive, economic and societal growth. To support this, Old Mutual's differentiating factors include our intentional focus on driving green growth opportunities and building resilience against climate risks as core pillars of our climate action strategy. Our potential positive climate action opportunities include:

Data-led climate risk mitigation

Our innovative, data-driven approach to understanding climate change risks enhances our ability to predict when these risks may occur, improve mitigation strategies, save lives and livelihoods, and reduce weather-related claims.

The Group is enhancing its climate change risk modelling and data analytics to better predict and mitigate climate change risks. Key initiatives include:

- Enhancing climate scenario analyses for acute weather hazards like flooding, wildfires and hailstorms
- Building advanced internal climate change models tailored to specific markets
- Understanding morbidity and mortality impacts of climate change to develop mitigation measures for our customers

These results inform our pricing and underwriting assumptions, opening up markets which were previously considered uninsurable. We continue improving our access to and quality of internal risk and loss data, procuring external climate risk modelling/data for key perils and strengthening our actuarial team. We are also looking to build advisory capabilities to further support our corporate customers.

Developing green solutions for our customers

We continuously seek to innovate in our product set to support the transition to a green economy. We believe there is significant first-mover advantage to be gained by capturing new green insurance premium opportunities enabled through the transition, including:

- **Corporate:** Offering specialised risk-transfer solutions for new green energy projects and infrastructure
- **Retail and small, medium and micro enterprises:** Developing green products for motor and homeowners, such as solar, battery storage, and electric vehicles charging, with innovative coverage
- **New partnerships:** Embedding insurance coverages with green products through partnerships with like-minded providers

Old Mutual anticipates significant growth in market premiums from the climate transition, driven by green insurance premiums and business models. To achieve this, we are:

- Aligning risk appetite and 'line sizing' for green energy assets
- Enhancing technical capabilities for green infrastructure asset underwriting
- Establishing a reputation as a preferred provider for green underwriting solutions
- Creating funds focused on a low carbon economy

Product innovations include our speciality renewable energy product, which provides comprehensive insurance for solar and wind projects, covering equipment transport, construction, business interruption and liability.

Attracting capital to sustainable investment opportunities in Africa

In 2023, the UN Conference on Trade and Development estimated that $1.7 trillion per annum will be required to fund Africa's green and transition opportunities by 2030[2]. At COP29 in November 2024, the agreement was reached to triple the annual climate finance made available to developing countries from the previous goal of $100 billion to $300 billion by 2035.

African asset owners and managers play a crucial role in leveraging their balance sheets to finance large-scale green projects. Understanding the local context is essential to channel international funds towards suitable investments by overcoming barriers to institutional investment in Africa, such as:

- Uncertain risk-return profiles of emerging African green assets
- Shortage of investment-ready opportunities due to inadequately structured projects, activities and businesses
- Lack of standardised data and impact metrics resulting in the inability to assess and compare investment opportunities
- Lack of local market knowledge of impactful opportunities

Having operated in Africa for over 179 years, Old Mutual has a deep understanding of these markets and is uniquely positioned to help international investors navigate these barriers. We contribute to the growth of the African economy and can gain substantial market share by focusing on further developing African industry and thematic research perspectives on sustainable opportunities. Further, we are focused on providing investment readiness support to green projects and companies to enable the development of viable and bankable products. We are tailoring green investment instruments and offering innovative blended financial instruments, and investigating the market potential of carbon credits.

Old Mutual is leveraging its role as an African investor and its expertise across various segments and business units to develop a cohesive and comprehensive approach to large-scale green investments across Africa. Additionally, a Just Transition in Africa presents investment opportunities for Old Mutual and allows the Group to advocate for an energy transition in its role as an asset owner. We believe that transitioning to a low carbon future must consider stakeholders' livelihoods, particularly the most vulnerable.

Decarbonising our portfolio

We are committed to actively decarbonising our overall Group investment portfolio to achieve net zero emissions in our portfolio by 2050, in line with commitments made as part of our membership to NZAOA.

Specific initiatives include:

- Stewardship and engagement with investment portfolio companies to develop Just Transition plans, being driven by the adoption of our new Active Ownership Framework
- Development and implementation of exclusion policies (such as no new fossil fuel investments in South Africa) within Africa's regional context, extended through our detailed Oil and Gas Positioning Paper adopted in 2024
- Potential disinvestment as necessary, following unsuccessful stewardship and engagement attempts
- Driving share of green and sustainable low-emission assets in the investment portfolio

These ambitions can only be achieved by improving carbon emission baselining and benchmarking, further refining our engagement strategy, capacity and capabilities for commercial lines customers, and standardising our engagement approach for asset managers.

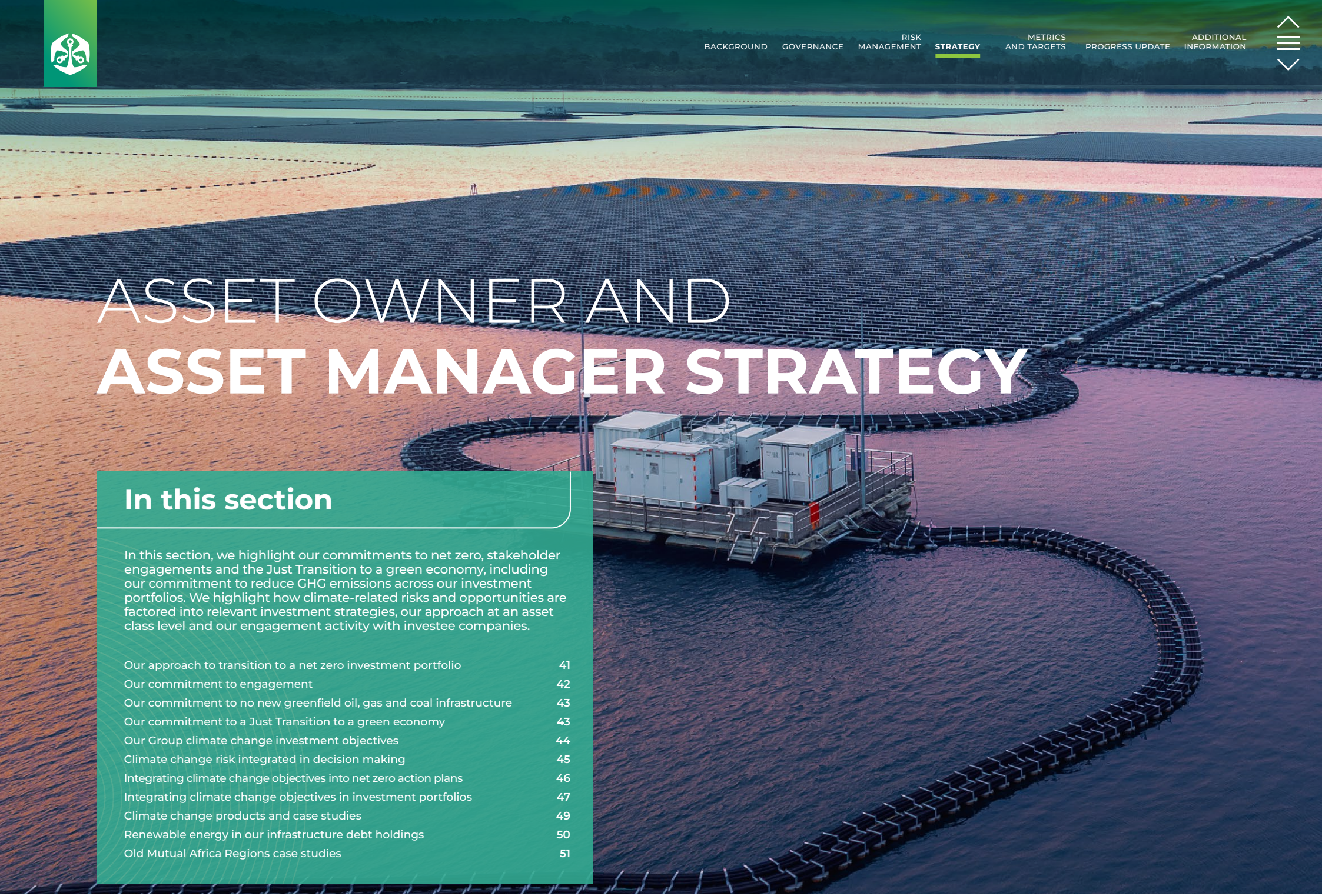
We continue partnering with relevant customers and bodies to bring our insights into national business readiness for just, climate-positive behavioural change. We engage with industry bodies, regulators and fellow corporates for climate-positive policy influence and leadership, bringing African perspectives and considerations to bodies we are aligned to or signatories of, including the PRI, NZAOA and NZAMI.

Old Mutual's carbon footprint primarily comes from South African investment properties and employee-occupied properties. To reduce this footprint and align with international best practices, we plan to increase renewable energy usage, especially solar, and move away from coal-based energy. As rooftop solar capacity nears its limit, we are exploring wheeling options to unlock further decarbonisation opportunities as regulatory frameworks progress and transmission infrastructure improve.

Way forward

Old Mutual is well positioned to explore opportunities arising from climate-related risks. We will continue to evaluate these opportunities through our diverse risk management, modelling and analytic streams, governance structures, and the Climate Change Task Force.

1 *CDP Africa Report, https://www.cdp.net/en/research/global-reports/africa-report*
2 *UN Conference on Trade and Development's World Investment Report 2023, https://unctad.org/publication/world-investment-report-2023*



ASSET OWNER AND ASSET MANAGER STRATEGY

In this section

In this section, we highlight our commitments to net zero, stakeholder engagements and the Just Transition to a green economy, including our commitment to reduce GHG emissions across our investment portfolios. We highlight how climate-related risks and opportunities are factored into relevant investment strategies, our approach at an asset class level and our engagement activity with investee companies.

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Our approach to transition to a net zero investment portfolio

Old Mutual's responsible investment commitments to climate change drive its integration of net zero investment objectives throughout our proprietary investment portfolios. As a responsible investor, Old Mutual ensures climate change integration and active stewardship to incorporate the systemic risk of climate change into our investment decisions. This section presents the OMLACSA asset owner investment commitments, our investment objectives and action plans per asset class.

Net zero investment strategy

Commitments

- Commitment to net zero
- Commitment to engagement
- Commitment to no greenfield fossil fuel infrastructure
- Commitment to the Just Transition

Investment objectives

- Minimise climate change risk exposure
- Support investee companies with their transition plans
- Act responsibly to affect a Just Transition
- Contribute towards real economy outcomes
- Green economy investments

Asset class and action plan

Listed equity	Publicly traded corporate debt	Sovereign debt	State owned entity debt	Municipality debt	Directly held property	Infrastructure equity	Infrastructure debt	Private equity	Private debt
• Engage South African listed companies to set decarbonisation targets • Positive screen globally listed companies for Paris Alignment	• Engage publicly traded corporate debt on carbon emission disclosure • Incentivise green bonds	• Launching in 2025	• Launching in 2025	• Launching in 2025	• Invest in renewable energy and new technologies that drive efficiencies and reduce their environmental impact	• Encourage private companies to disclose Scope 1 and 2 emissions • Increase exposure to renewable energy and low carbon infrastructure	• Encourage private companies to disclose Scope 1 and 2 emissions • Increase exposure to renewable energy and low carbon infrastructure	• Encourage private companies to disclose Scope 1 and 2 emissions • Increase exposure to green economy assets and low carbon technologies	• Encourage private companies to disclose Scope 1 and 2 emissions • Increase exposure to green economy assets and low carbon technologies

Metrics

- Asset class/sub-portfolio decarbonisation targets
- Engagement targets
- Investments in climate solutions

Our commitment to net zero

Old Mutual is committed to transitioning its investment portfolios towards net zero GHG emissions by 2050. This is in support of worldwide efforts to limit global warming to 1.5 °C above pre-industrial levels in accordance with the Paris Agreement.

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

Our net zero commitment considers the social and economic implications of our actions in line with a Just Transition, the urgency articulated through the science of climate change, and our responsibility and fiduciary duty to manage risks and opportunities. We are fully committed to the imperatives of a Just Transition relating to the workforce, and creating decent work and quality jobs in accordance with South Africa's nationally defined development priorities.

As an asset owner, Old Mutual is a member of the UN-convened NZAOA and was among the first in Africa to join. We currently occupy the Africa Region NZAOA steering committee seat where Old Mutual advocates for a pathway to net zero that recognises the regional context and focuses on the Just Transition, ensuring the transition to low carbon economies remains linked to economic and socioeconomic development.

Our commitment to engagement

Our commitment to responsible investment and achieving net zero is supported by our commitment to engagement and active stewardship. Being active owners of our holdings is key to effecting real-world outcomes, and we measure our commitment and ambition against these outcomes. We are committed to enhancing the role of influence that we play as an asset owner to actively engage our appointed asset managers in stewarding the companies in which we invest.

We encourage our asset managers to first engage with investee companies to develop their individual transition pathways towards decarbonisation. Our intention is to steward the companies in which we invest to publicly disclose their carbon emissions as well as their Just Transition plans to reduce their carbon emissions. Where we find such engagement and stewardship efforts unsuccessful, we consider disinvestment.

Asset manager engagement

In 2024, the asset owner advanced its engagement monitoring of asset managers by developing an Active Ownership Framework. The framework includes an enhanced reporting requirement for asset managers to disclose the impact of their engagement with investee companies through a progress metric.

For listed equity mandates, we require investee companies to:

- Enhance climate change disclosures and report climate change risk exposures according to the TCFD framework
- Commit to short, medium and long-term science-based carbon emissions reduction targets according to long-term transition strategies
- Align their executive remuneration to the Group climate transition strategy

We continue to set proactive assessment frameworks and stewardship strategies to measure investee companies' progress against net zero commitments and real-world decarbonisation. The Active Ownership Framework includes an escalation approach and proxy voting guidance.

Collaborative engagement

Old Mutual Investment Group officially endorsed Climate Action 100+. This means we are part of a global coalition to push for change on climate issues.

There are three African companies of interest – Eskom, Sasol and Dangote. We are leading in engaging Dangote Cement on behalf of Climate Action 100+, with Dangote publishing its feedback against its Climate Action 100+ assessment of progress in 2024. Futuregrowth continues to stay abreast of developments at Eskom; in this instance, there was no scope for bilateral engagements in the preceding six months. Futuregrowth continues to attend all lender meetings as well as results presentations. Overall, we anticipate that the government will maintain its support for systemically important state owned enterprises. Eskom is projected to receive approximately R66 billion under the 2023 Debt Relief Package. This will adequately address the debt service requirement for their financial year ending March 2025.

Sasol is a substantial contributor to carbon emissions across our portfolios. Our asset managers joined a team of international investors holding direct discussions with the Sasol board and management team, including voting against its non-binding resolutions on climate change at the 2023 Annual General Meeting. At the 2024 Annual General Meeting, its climate report was not included on the agenda for shareholder approval. While its integrated annual report did provide an overview of its climate performance in the preceding years, we have stressed the need to provide a more detailed roadmap of its strategy to reduce GHG emissions going forward. The next Sasol Capital Markets Day in May 2025 will be a crucial milestone in ensuring that this roadmap is disclosed to the market with associated costs of implementation detailed therein. A positive step was for Sasol to introduce specific renewable energy targets into its remuneration policy and its implementation report, which were lacking in prior reports.

Investee company engagement

Old Mutual Investment Group commits to proactively engaging companies with the highest ESG risks. Proxy voting and engagement activities are integral parts of Old Mutual Investment Group's investment strategy to enhance the sustainable long-term value of our investee companies. Constructive dialogue with investee companies remains a core part of the stewardship strategy. It enables us to better understand ESG risks and opportunities within the business and drive impactful outcomes. These engagements also inform our voting responses. We require our appointed asset managers to be active stewards of the assets that they manage on our behalf.

Industry engagement

- Old Mutual Investments' Chief Investment Officer and OMLACSA's Responsible Investment lead attended COP29 in Baku, Azerbaijan as sponsors of the South African Pavilion. We hosted three panels partnering with local and international speakers to unpack the financing of Africa's green economy
- In 2024, the NZAOA released its fourth Progress Report. 81 members with a combined AUM of $9.4 trillion set intermediate decarbonisation targets, and five years after NZAOA was founded, members reduced absolute financed emissions by 6% on average annually
- Old Mutual has attended 39 of 46 Steering Group Representative meetings, and all Steering Group Principles meetings
- Old Mutual contributes to various working groups hosted by our industry association partners, namely the PRI Asset Owner's Technical Advisory Group

Listed equity asset manager coalitions joined through Climate Action 100+

Climate Action 100+

Over **600 investors** engaging the world's largest GHG-emitting companies

168 focus companies

80% of focus companies now commit to net zero across by 2050 or sooner across at least Scope 1 and 2 emissions

90% have board committee oversight of climate change risks and opportunities

90% of focus companies explicitly commit to aligning their disclosures with the TCFD recommendations

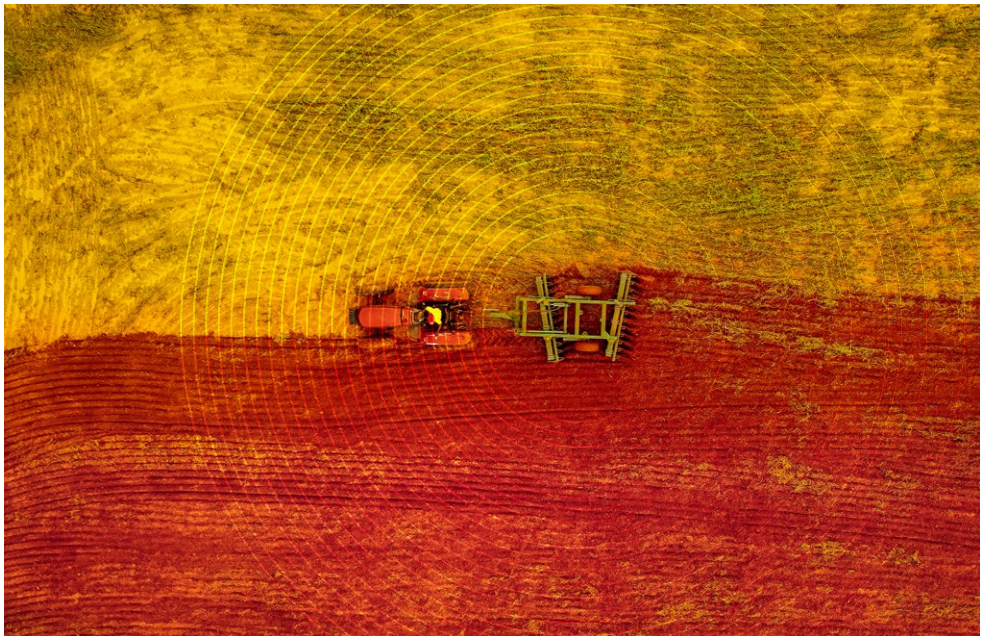
Our commitment to no greenfield oil, gas and coal infrastructure

As an asset owner investing over long time horizons, we are committed to effecting change in the real economy through both timeous action and robust planning.

The phase out of fossil fuels is critical to reduce carbon emissions to limit global temperature rise to the 1.5 °C target of the Paris Agreement. We acknowledge the dependence on thermal coal within South Africa and the reliance of oil and gas in various economic sectors, and commit to supporting a Just Transition within our investee companies and communities. This approach seeks to minimise the negative impacts on socioeconomic development within affected communities while promoting renewable energy alternatives.

In 2022, Old Mutual committed to a hard exclusion for direct investments into any new greenfield thermal coal production facilities and thermal coal-fired power plants, and committed to phasing out thermal coal within our South African proprietary investment holdings over time. In 2024, Old Mutual extended its position on thermal coal to include oil and gas infrastructure and, as such, we commit to excluding new direct investments into any greenfield, upstream, midstream or downstream oil or gas infrastructure.

We continue to monitor these commitments against national commitments, good international practice, legislative and regulatory developments, scientific advances and the state of reliance of the South African energy system on fossil fuels as well as Just Transition imperatives.



Our commitment to a Just Transition to a green economy

Old Mutual is committed to the imperatives of a Just Transition relating to the workforce and creating quality jobs in line with nationally defined development priorities aligned to the Paris Agreement.

We commit to actively investing in further green economy assets aimed at progressing the transition in line with our risk-return objectives, risk appetite and subject to investment merits such as accessibility, liquidity and our asset allocation limits. This includes investments in renewable energy and the deployment of low carbon technologies. Through our capital allocation to these categories of investments, we aim to both mitigate the adverse effects of climate change as well as contribute towards employment opportunities in order to alleviate any potential socioeconomic challenges posed by the transition.

Green economy taxonomy

The green economy is a low carbon, resource-efficient and socially inclusive economic growth path for improved wellbeing and social equity while reducing environmental risks. It is an alternative concept to typical industrial economic growth, focusing on increasing GDP above other goals. The green economy taxonomy governs which financial instruments can be called green and defines their categories and qualifying characteristics. In 2022, Old Mutual developed an in-house green economy taxonomy to label and track our assets and further developing it to include Just Transition metrics. We continue aligning Old Mutual Limited's green investment taxonomy to the South African National Treasury's Green Finance Taxonomy.

Our Group climate change investment objectives

Our net zero investment approach is delivered through our five key climate change investment objectives, through which we consider risk mitigation and deliver sustainable risk-adjusted returns. The below framework considers the needs, limitations and expectations of our internal and external stakeholders.

Our climate change investment objectives

Minimise climate change risk exposure	• Old Mutual asset owners and asset managers actively monitor physical and transition risks and track carbon emissions within their portfolios • Our strategic infrastructure tilt towards renewable energy reduces portfolio risks of stranded assets from new greenfield oil and gas infrastructure • Our Climate Change Positioning Statement[1] commits to not directly invest in, finance or be involved in the building, development or planning of any greenfield new thermal coal production facilities and thermal coal-fired power plants to reduce then phase out thermal coal in line with Just Transition pathways and invest in renewable energy and low carbon technologies
Green economy investments	• The asset owner continues to track investments into the green economy via allocations to renewable energy, green revenue derived from our equity holdings and the greening of our tenanted buildings → Futuregrowth and Old Mutual Alternative investments fund **R78.7 billion** of the asset owner assets into the green economy → Old Mutual Property, through directly held property assets, has generated **14.3 MW of renewable energy** amounting to 8.5% of total energy consumption
Contribute towards real economy outcomes	The decarbonisation of investment portfolios is a sustainability outcome that has an impact on the real economy. The asset owner and Old Mutual Investment Group have set net zero targets and plan to comply with the NZAOA and NZAMI's respective target-setting protocols.
Support investee companies with their transition and sustainability plans	Old Mutual's stewardship efforts took lead and supporting roles through collaborative investor engagement networks like Climate Action 100+ and Advance on Human Rights. Through these collaborative engagements, Old Mutual supports our investee companies in addressing their systemic risks. Of the top 10 greenhouse gas emitters in South Africa, Old Mutual Investment Group has engaged all of them, with each acknowledging climate change as a risk. Seven of those top 10 heavy emitters have set net-zero goals and targets.
Act responsibly to effect a Just Transition	• Old Mutual supports a Just Transition through our thought leadership and by advocating for a decarbonisation pathway in Africa that recognises the need for socioeconomic and economic development, and through advancing transition finance. We engage with industry associations and bodies on the Just Transition

1 *https://www.oldmutual.com/v3/assets/blt566c98aeecc1c18b/blt39a035cfc5e3a8c9/621f13e74da1f047066b3aac/OML_Climate_Change_Positioning_Statement.pdf*

Climate change risk integrated into investment decision making

Asset owner engagement with our appointed asset managers

Our asset managers integrate climate change risk and opportunity management into investment decision making as deemed appropriate for the asset classes they manage.

Asset class	Listed equity		Fixed income	Alternative assets	Direct property holdings
Asset manager	**Old Mutual Investment Group**[1]	**Old Mutual Investment Group** (Liability-Driven Investments)[1]	**Futuregrowth**[1]	**Old Mutual Alternative Investments**[1]	**Old Mutual Property**
Description	A leading African investment manager with **R516 billion** (2023: R478 billion[2]) of AUM. We offer a range of investments for institutional and retail investors, giving customers exposure to listed equity markets.		Futuregrowth is a leading fixed interest asset manager, with a total of **R225 billion** (2023: R200 billion) of AUM spanning across interest-bearing and developmental investments. These include a range of money market, vanilla, inflation-linked and high-yielding bonds including infrastructure investments across private debt and equity.	One of Africa's leading private alternative investment managers, with over **R148 billion** (2023: R139 billion) of AUM in infrastructure, private equity, private debt, hybrid equity and impact funds. Old Mutual Alternative Investments manages a diversified portfolio of alternative credit assets across all specialist debt financing capabilities on behalf of the shareholder and policyholder.	A property investment, development and management specialist. Our approach to property investments is built on the three pillars of performance, people and planet.
Climate change risk integration	We integrate material climate-related risks and opportunities in our investment decisions. We ensure responsible stewardship of listed equity holdings. Our product innovation delivers green economy outcomes.	We integrate material climate-related risks and opportunities in investment decisions.	We integrate and assess the non-financial analysis risks as part of Futuregrowth's fundamental analysis process across a wide range of fixed income sectors and its equity investments. As a responsible allocator of capital, Futuregrowth recognises that climate change presents a systemic risk locally and globally. Utilising a variety of tools and inputs to ensure that non-financial risks to new and existing loans or investments are appropriately priced for and mitigated. Refer to page 48 for more information on bondholder stewardship and engagement Refer page 50 for more information about the focus on renewable energy infrastructure and development investments	Climate-related transition risk is primarily driven by sector selection. It is dealt with upfront in a fund's investment strategy by linking its mandate to identified climate change risks and strategic outcomes. Old Mutual Alternative Investments deals with climate mitigation and adaptation analysis through the investment process. Refer to page 48 for more information on how we are driving the transition to a cleaner energy mix with a focus on renewable energy investments	Old Mutual Property continuously evaluates environmental and social risks and opportunities through the full life cycle of ownership – from acquisition to active management, new developments and divestment. Old Mutual Property has been measuring the carbon emissions generated by its buildings since 2010. It constantly explores new technologies that drive efficiencies and reduce its environmental impact.

1 All numbers quoted include client commitments
2 2023 AUM restated due to an update in categorisation

Integrating climate change objectives into net zero action plans

Old Mutual operationalises its commitments and investment objectives by addressing climate change across all asset classes for a holistic portfolio approach.

Asset class	Listed equity	
Sub-portfolio asset class	Global listed equity	Local listed equity
Climate change strategy	Stewardship	
	Decarbonising benchmarks	ESG integration

Asset class	Listed fixed income
Sub-portfolio asset class	• Publicly listed corporate debt • State owned entity debt • Sovereign debt • Sub-sovereign debt
Climate change strategy	Stewardship
	ESG integration and screening

Asset class	Alternative assets	
Sub-portfolio asset class	Private equity and private credit	Infrastructure debt and infrastructure equity
Climate change strategy	Stewardship	Stewardship
	Due diligence for ESG risks and opportunities	Integrating ESG risks into credit decisions

Asset class	Directly held property
Sub-portfolio asset class	Refer to page 63 for more information
Climate change strategy	Due diligence for ESG risks and opportunities
	Demand for renewable energy and energy efficiency

Listed equity

Global listed equity → Decarbonising benchmarks

For global listed equity assets, we established our plans and commitments and embarked on execution. The Investment committee approved the global listed equity decarbonisation strategy during 2022. By Q4 2024, Old Mutual Investment Group had aligned two thirds of the asset owner's global equity portfolio with the MSCI Paris Agreement-aligned benchmark. Old Mutual Investment Group will complete full alignment of the asset owner's global equity assets by 2025.

Old Mutual Investment Group's decarbonisation journey

Asset owner global listed equity assets

2022 — Global equity review

- **Reviewed whether we believe we have the right mix of managers**
- Engaged with the managers on their carbon transition plans
- **Reviewed existing mandates to ensure asset owner and asset manager alignment**
- Investigated global green investment opportunities

2022 to 2025 — Global equity transition

30% passive

- This will be migrated to track a net zero aligned benchmark

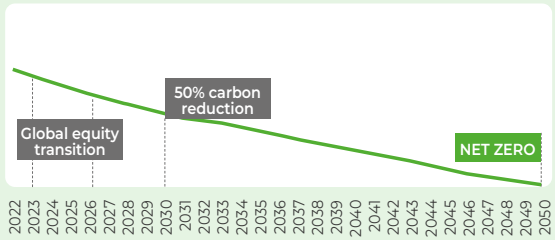
70% active

- **The underlying managers will be given a three-year window to transition the portfolios to a net zero aligned outcome**
- The managers will be allowed to allocate to their ESG offerings as an initial step

2022 to 2050 — Portfolio level carbon reduction

- At the end of 2025, the global listed equity portfolio should be aligned to a net zero decarbonisation path
- At the end of 2050, the global listed equity portfolio should achieve net zero

Hypothetical glidepath



2050 — Achieving net zero

Local listed equity → ESG integration

Through Old Mutual Investment Group, we integrate environmental risks and opportunities into the investment process to support and enhance each fund's investment strategy.

Old Mutual Investment Group screens its investment universe using its proprietary ESG quantitative scoring tool. It uses these outcomes to focus its qualitative and fundamental ESG research and give dimension to identified risks in terms of the material and financial impacts over different time periods. Old Mutual Investment Group's qualitative research process assesses thematic sector-level green economy headwinds or tailwinds and company-level ESG risks and operational practices. Old Mutual Investment Group undertakes dedicated ESG portfolio screening regularly to focus on the most material ESG risks and opportunities in its client portfolios.

For the asset owner's locally listed equity passive portfolio, we track the Capped SWIX Top 40 Index and leverage Old Mutual Investment Group's Listed Equity Stewardship Service to encourage transition plans and decarbonisation targets.

Integrating climate change objectives in investment portfolios

Listed equity

Local listed equity → Climate-focused stewardship in action

During 2024, Old Mutual Investment Group identified **61** investee companies with which to engage on its strategic themes, which include the Just Transition to net zero, water scarcity and reducing social inequality. Old Mutual Investment Group focus on the top 10 shareholdings, top 10 emitters, top 10 worst ESG performers, top 10 for water stress and companies identified for collaborative engagement by investor groups, like Climate Action 100+ .

Engagements are multi-year endeavours, and we showcase an engagement case study below.

GLENCORE

Concerns

Glencore has changed significantly from where it was five years ago – plagued by lawsuits, corruption investigations, a board dominated by its single largest shareholder and relatively limited mining experience and diversity. We have proactively focused our stewardship efforts on improving the governance of the board through multiple engagements with the board each year.

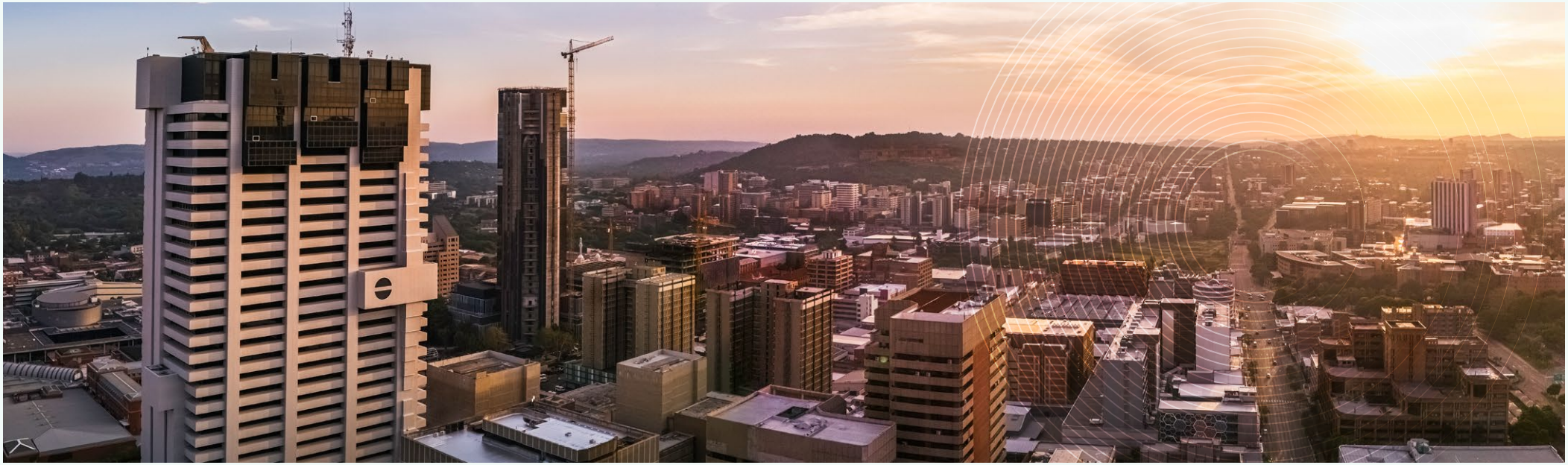
The company has a significant role to play in the global green transition, and the board's management of climate risks and opportunities is critical to unlocking the value it has promised to create for shareholders.

Response

In early 2021, the company tabled its first climate action transition plan to shareholders at the Annual General Meeting. We voted in favour of the plan, as it set a clear pathway towards phasing out the company's coal assets and committed to achieving a net zero outcome across its operations by 2050.

We knew that, going forward, the detail of progress reported in each year would be important to determine if, in fact, the company was ambitious enough and if it provided enough detail to assure us that it was on the correct path to achieving its goals.

During the three years that followed, four additional board members were appointed – improving diversity, independence and skill sets on the board. Despite some concerns about the level of detail provided, we gave a qualified vote in favour of the Climate Progress Report in 2022 and 2023 – appreciating the progress made with respect to its climate strategy. We are also encouraged by our engagements with the company in which leadership has committed to incorporating the principles of a Just Transition to net zero (with actions implemented in consultation with key stakeholders).



Integrating climate change objectives in investment portfolios *continued*

Listed fixed income

ESG integration and screening

As an asset owner, we invest in fixed income through Futuregrowth and Old Mutual Investment Group's Liability-Driven Investments. Futuregrowth's approach integrates responsible and sustainable investment practices, including non-financial (ESG) analysis, screening and engaging investee companies on their practices. These are key components in managing non-financial risks, including climate change-related risks.

Futuregrowth

Futuregrowth's position on climate change risk recognises that global warming is a material consideration affecting investment risk and return. Therefore, its goal of reducing carbon-emitting investments is integrated into its responsible and sustainable investment strategy. Futuregrowth supports a Just Transition to a low carbon and sustainable economy by considering environmental and social impacts through actively participating in sectors that promote infrastructure development to address structural inequalities, pricing for climate change-related risks and engaging companies in carbon-intensive industries or sectors on mitigation and transitioning to a low carbon economy. Beyond seeking investments that address the Just Transition, Futuregrowth also seeks ways to actively participate in sectors that promote infrastructure development, recognising that structural inequalities will continue to exist where the focus is only on the environmental impact of climate. Therefore, Futuregrowth considers the environmental and social impact to address climate adaptation.

Liability-Driven Investments

Old Mutual Investment Group, through Liability-Driven Investments, manages investors' assets relative to their liabilities (or investment goals), aiming to ensure their assets either perform in line with or outperform their liabilities.

Screening	Integrating ESG risks	Active ownership
We assess the favourability of an investment from an ESG perspective at inception. Old Mutual uses a screening tool that it developed to better consider the nuances in the fixed income markets.	These risks are incorporated into the Group's traditional financial analysis and the Group measures their impacts to determine whether they can be priced or mitigated.	This is a critical component of Old Mutual's responsible investing philosophy. The Group does not buy assets and allow them to run their course; instead, we are active owners who drive appropriate behaviour and promote sustainable outcomes.

Stewardship

Futuregrowth

Futuregrowth is committed to supporting investment opportunities that advance a low carbon economy. Futuregrowth identified high emitters in its portfolio across listed and unlisted issuances and describes its engagement process below.

Futuregrowth's bondholder stewardship and engagement approach

Industry and market engagement

- Engaging the broader capital market and industry role players to promote the adoption of responsible and sustainable practices that promote transparency, disclosure and the improvement and protection of bondholder rights

Company-specific engagement

- Pricing for risks to ensure they are sufficiently mitigated; in some instances, the interest rate is linked to achieving financial and non-financial improvements
- Engaging on the issue and providing recommendations and guidance on aligning to industry best practice
- Monitoring, measuring and reporting on improvements over an agreed period with agreed targets and milestones

Liability-Driven Investments

Liability-Driven Investments, an asset manager that forms part of Old Mutual Investment Group, manages our interest-bearing assets for our profit annuities business. Liability-Driven Investments follows Old Mutual Investment Group's engagement and stewardship priority list. We engage with targeted listed counterparties in the industrial, mining and consumer goods sectors.

Liability-Driven Investments will also continue to provide guidance to arranging banks and bond issuers on structuring climate bonds and sustainability-linked bonds.

Alternative assets

ESG risks and opportunities

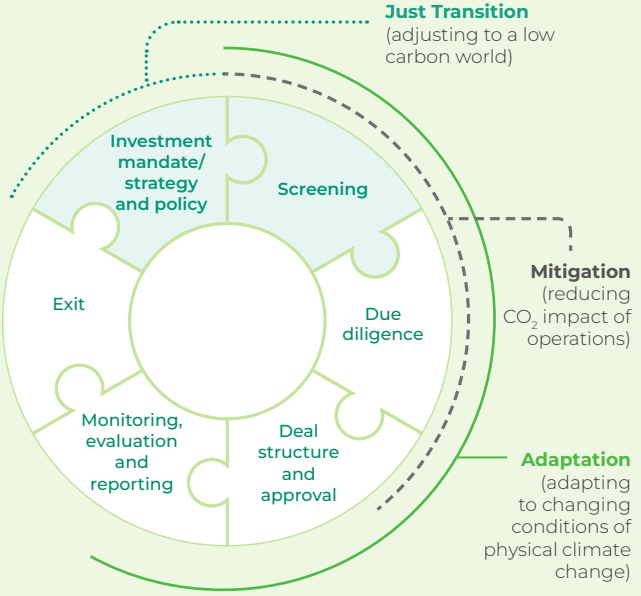
As an asset owner, we invest in alternative assets largely through Old Mutual Alternative Investments. Old Mutual Alternative Investments undertakes a portfolio-level materiality assessment that uses a materiality matrix to identify investments with the highest risk from physical and transition effects.

Prioritisation allows a focused input into strategic decision making. Where high climate change risks are identified, Old Mutual Alternative Investments undertakes deeper investigation.

The approach includes adequately identifying risks through due diligence and implementing portfolio-specific and Company-specific actions to build climate adaptation and resilience.

Old Mutual Alternative Investments uses various sources of climate change risk forecast data to identify, calibrate and understand those risks for future climate scenarios and to implement appropriate actions. The business uses several complementary physical risk data models and tools, and implements climate change risk management through its environmental and social management system.

Old Mutual Alternative Investments partners with service providers to understand the carbon footprint for alternative assets where direct data from holdings is not available. This allows us to plot possible decarbonisation pathways for these assets and, where feasible depending on the nature of the holding, we co-create strategies and evaluate the technical feasibility of decarbonisation plans.



Climate change products and case studies

Through our investment products, we provide appropriate solutions to manage the impact of climate change. Old Mutual Investment Group pioneered a low carbon investment product that is **40%** less carbon intensive than the Capped SWIX. Old Mutual Investment Group's global ESG series is naturally low carbon due to its investment style.

Old Mutual ESG Equity Fund

Targets listed South African companies with superior ESG credentials relative to the FTSE/JSE Capped SWIX benchmark

R197.5 million[1]
(2023: R183 million)

20%
(2023: 20%)
greater exposure to high-rated ESG companies using Old Mutual's proprietary ESG score (relative to the benchmark)

102.9 tCO_2e/$1 million sales
(2023: 106.0 tCO_2e/$1 million sales)
lower weighted average carbon intensity compared with the benchmark of 196.1 tCO_2e/ $1 million sales

MSCI ESG rating: AA
(2023: AA)

Old Mutual ESG Active fund[2]

Targets listed global companies with high governance ratings and low carbon emissions (Paris Agreement aligned)

$43.5 million[1]
(2023: $37.5 million)

49%
(2023: 50%)
lower carbon intensity relative to the MSCI All World Country Index benchmark

0%
(2023: 0%)
holdings in primary producers of fossil fuels

8.9/10
(2023: 9.1/10)
ESG quality score

58.2 tCO_2e/$1 million sales
(2023: 62.8 tCO_2e/$1 million sales)
lower weighted average carbon intensity compared with the benchmark of 113.3 tCO_2e/$1 million sales

MSCI ESG rating: AAA
(2023: AAA)

Old Mutual MSCI World ESG Leaders Index Strategy

Tracks an index of equity stocks across 23 developed markets with high ESG performance scores relative to their sector peers

$1.8 billion[1]
(2023: $1.3 billion)

7.9/10
(2023: 7.9/10)
ESG quality score

57.4 tCO_2e/$1 million sales
(2023: 63.5 tCO_2e/$1 million sales)
lower weighted average carbon intensity compared with the benchmark of 91.6 tCO_2e/$1 million sales

MSCI ESG rating: AA
(2023: AA)

Old Mutual MSCI Emerging Markets ESG Leaders Index Strategy

Tracks an index of equity stocks across 24 emerging markets with high ESG performance scores relative to their sector peers

$209.5 million[1]
(2023: $274 million)

7.0/10
(2023: 6.87/10)
ESG quality score

234.0 tCO_2e/$1 million sales
(2023: 223.4 tCO_2e/$1 million sales)
lower weighted average carbon intensity compared with the benchmark of 311.1 tCO_2e/$1 million sales (2023: 320.9)

MSCI ESG rating: A
(2023: A)

1 Funds under management as at 31 December 2024. Portfolio information is publicly available data sourced from MSCI as at 31 December 2024. MSCI ESG ratings range from AAA to CCC; MSCI ESG quality score ranges from 0 to 10; MSCI WACI (tonnes CO2e/$1 million sales)
2 Article 8 – compliant under EU Sustainable Finance Disclosures Regulation requirements

Renewable energy in our infrastructure debt holdings

The Futuregrowth Power Debt Fund specialises in energy-related industries and sectors and forms part of Futuregrowth's suite of developmental impact funds.

The Power Debt Fund may invest in a wide range of debt instruments, including those issued by government, parastatals and corporates as well as securitised assets. The inclusion of assets is subject to Credit committee approval.

The fund's impact

The fund aims to provide investors with a vehicle that facilitates Southern Africa's infrastructural, social, environmental and economic development through investments in energy-related businesses and sectors. These include electricity generation from renewable, alternative and traditional sources, power distribution and reticulation, and supporting industries and sectors.

Infrastructural investment and empowerment, particularly in remote arid areas, represents a critical pathway to economic development and empowerment in regions often marginalised by geographic isolation and environmental challenges. This investment serves as a catalyst for broader socioeconomic transformation, particularly through the fulfilment of black economic empowerment requirements that lead to local community empowerment.

Diversity of projects is reflected in the various technologies spread across three provinces in South Africa and reflects the breadth and inclusivity of investment initiatives within the economic landscape with particular emphasis on the distribution of resources in rural and impoverished areas:

- Active in three provinces with 52% of assets in the Northern Cape, a particularly impoverished province

Region	Credit value weight
Eastern Cape	13%
Northern Cape	52%
Western Cape	4%
Total renewable energy exposure	69%
Other*	31%
Grand total	**100%**

* *Note: The projects are held across three provinces: Northern Cape, Western Cape and Eastern Cape. The balance of the exposures are reflected as 'Other', which are held across a wide range of debt instruments*

Job creation and skills transfer requirements in plant construction and maintenance supports sustainable development and empowerment within the energy sector through:

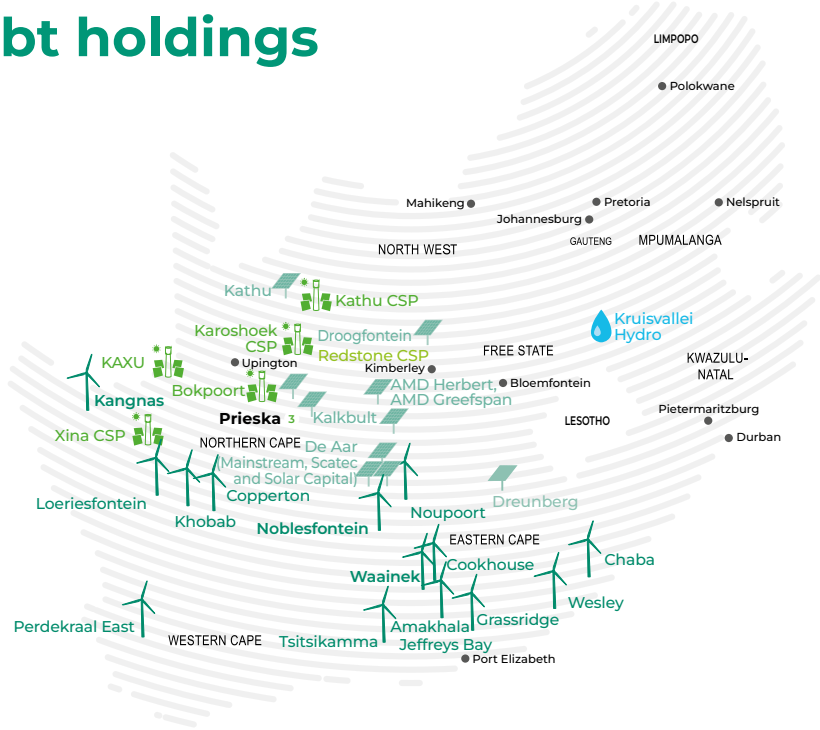
- Employing local labour to build and maintain plants
- Short and long-term job creation, and small, medium and micro-sized enterprises development through employing contractors
- International developers partnering with local firms to develop projects, resulting in a high level of mentorship and skills transfer

We commit to harnessing local resources and bolstering the country's industrial capacity through targeted procurement practices ensuring that:

- A minimum of 50% of employees are South African citizens with a target of 80%
- At least 45% of the project's construction materials and services are procured in South Africa

Black and community ownership represents a pivotal cornerstone within the framework of socioeconomic transformation, particularly within the context of IPPs. We are dedicated to fostering equitable participation and empowerment among historically disadvantaged individuals and communities within the energy sector, and thus require at least 30% black economic empowerment shareholding for the IPP with at least 2.5% held by a trust representing the local community

We deliver on social impact requirements, including compliance with internationally recognised standards such as the Equator Principles. These principles serve as a benchmark for responsible and sustainable project financing



Technology diversity

The fund is committed to investing in a diverse range of energy technologies, which represents a strategic intent to foster sustainability, drive innovation and contribute to the transition towards a low carbon economy. With **R8.1 billion committed renewable energy deals across 28 projects,** the fund has demonstrated its dedication by supporting renewable energy initiatives, leveraging opportunities presented by the REIPPPP, out of 32 awarded purchasing power agreements under REIPPPP Bid Windows 1 to 4.

Technology	Installed capacity	Market value exposure
Wind	1 360 MW	R4.5 billion
Solar PV	358 MW	R1.3 billion
Concentrated solar power (CSP)	550 MW	R2.3 billion

To date, the fund has approved projects in the Northern Cape, Western Cape, Eastern Cape and Free State. All projects under the REIPPPP enter into an offtake purchase agreement with Eskom for the power they will produce during the next 20 years, and these revenue streams will be used by the projects to repay the debt finance, a practice that remains in force.

Old Mutual Africa Regions case studies

Old Mutual Africa Regions is committed to delivering positive customer outcomes while supporting local environmental, social and economic challenges through deliberate capital allocation.

We operate distinct Asset Management businesses in Namibia, Eswatini, Malawi, Kenya, Uganda and Zimbabwe, owned by Old Mutual (Africa) Holdings Proprietary Limited through country-level holding companies. We offer our markets relevant investment propositions and occupy market-leading positions in Malawi, Namibia and Zimbabwe, where we implement responsible investment practices by leveraging our Group capabilities.

We continue with our focus on developing the green economy, infrastructure provision and high socioeconomic impact investments though our alternative investment portfolio. This has translated into investments in solar, wind and hydro electricity generating infrastructure, housing and student accommodation, among others. In 2024, we deployed funding into renewable energy and housing projects. We have also acquired and deployed a tool to help us track and monitor the ESG credentials of respective in-country businesses and the listed and unlisted assets held with a view to using this information for responsible investment decision making.

Refer to pages 31 to 32 in the Sustainability Report for information on Old Mutual Africa Regions climate-related and ESG initiatives

Funding the University of Namibia's solar PV and battery energy storage project

The Old Mutual Managing Infrastructure Development in Namibia Fund provided **N$33 million** in funding for the solar PV and battery energy storage solution for the University of Namibia. The project forms part of a public-private partnership between Alensy Energy Solutions and Inceptus Holding, the business arm of the University of Namibia, with funding from the Development Bank of Namibia and Old Mutual Namibia. This partnership marks a significant milestone in advancing sustainable energy use in Namibia, with the project carrying an installed solar PV capacity of 3.68 MW along with a 657 kVA peak shaving solution.

The project showcases the fruitful collaboration between the public and private sectors in advancing renewable energy objectives in the country. In addition to environmental benefits, the project holds significant economic promise for Namibia. It not only fosters job creation but is also cementing the groundwork for a green and industrialised Namibia.

For the University of Namibia, this renewable energy plant not only reduces its dependence on non-renewable energy but also plays a significant part in reducing energy expenses, thereby generating savings.

Winning the bid to acquire a majority stake in Namibia's largest operational solar PV plant

Old Mutual Investment Group Namibia, through funds under its management, and Sturdee Energy Namibia acquired a 51% stake in Alten Solar Power (Hardap) 37 MW, Namibia's largest grid-tied solar PV power plant. The acquisition aligns with Namibia's renewable energy and climate change goals and leverages the funds of Namibian institutional investors that we manage. Further, the transaction enhances local participation and ownership in critical infrastructure, delivering positive environmental impact and long-term value for Namibian institutional investors. This plant also stands to enhance the stability of power generation in Namibia.

Through this deal, we are supporting first-mover developers like Alten Africa to unlock capital for new projects, so supporting Namibia's broader energy and climate change objectives. Further, the collaboration ensures investment returns remain within the local economy, fostering economic development, job creation and skills development.

This acquisition sets a precedent for future infrastructure investments, solidifying investor confidence and reinforcing Namibia's position as a leader in sustainable energy infrastructure development in the region. The transaction stands as testament to our position as a leading institutional investor in Namibian renewable energy generation assets.

Old Mutual Africa Regions case studies *continued*

Integrating climate change into the Ulimi Fund's objectives

Old Mutual Investment Group Malawi's Ulimi Fund is an open-ended fund with target investments in agricultural opportunities such as farmland, biological assets, agricultural infrastructure and agri-business. Projects within the portfolio are required to make a positive impact across both climate change mitigation and adaptation. Its current investments are in Jacoma Estates Limited and Gala Agriculture Limited.

Agricultural projects within the Ulimi portfolio are acutely vulnerable to physical climate risk, particularly with respect to water insecurity, changing weather patterns, unfamiliar pest burdens and extreme weather events. Ulimi's position is that historic climate data is no longer a reliable indicator of future patterns in Malawi. As such, risks and associated mitigation measures must be continually assessed and monitored. Climate risk is specifically addressed during the due diligence process for every investment, and external specialists are engaged where a high risk is identified. These specialists provide information on future climate scenarios and their impact on the business model, and on the reliability of water sources used for the project.

The Ulimi Fund further addresses climate-related risks within its governance structures in line with good international practice. The fund's board includes members who are sufficiently informed with regards to climate risk, able to evaluate the materiality of such risks for individual businesses, and make informed decisions on management strategy. Further, board members stay abreast of international developments regarding best practice in climate change governance by maintaining dialogue with peers and policy makers. Climate risks are presented to the board for appraisal during the due diligence process, together with mitigation measures, and risks are regularly reported on during the lifecycle of the investment.

Promoting an African voice for the TNFD and nature-related financial risk management

The TNFD is one of the most prominent emerging sustainability risk management and disclosure frameworks used by organisations to report and act on evolving nature-related risks and opportunities. The TNFD partnered with several member institutions from the African Natural Capital Alliance on a pilot to enable leading African financial institutions to contribute to the transition towards nature-positive economies in Africa.

A selection of employees from Old Mutual Kenya and the Old Mutual Group Sustainability team participated in the pilot, focused on creating awareness and capacity building on nature-related financial risk management in the African financial sector. The team engaged in a series of biweekly capacity building meetings where knowledge and tools were shared to enable identification, mapping and measurement of nature-related risks and opportunities.

The interactive sessions were held between September 2023 and May 2024, and the team was exposed to a number of tools dedicated to broadening their ability to both identify and manage nature-related risks and opportunities.

In phase one, the team was tasked with an assessment to map Old Mutual Kenya's nature risks and opportunities using the TNFD's locate-evaluate-assess-prepare approach. This prompted the pilot team to engage with various other teams within the organisation for data that enabled them to identify our interface with nature, evaluate our dependencies and impacts on nature, and assess material nature risks and opportunities.

The completion of phase one culminated in the team's successful creation of the first two versions of nature-related heatmaps for two key sectors.

Phase two of the pilot focused the nature capability framework implementation and refinement the team's capabilities to assess Old Mutual Kenya's current TNFD and nature embeddedness. This was executed through the completion of a two-part TNFD ambitions setting survey. The results of the nature readiness survey were used to baseline our current performance across the governance, strategy, risk management, and metrics and targets reporting dimensions.

The results also shared a view of the team's immediate and longer-term ambitions to implement capabilities for effective nature-related risk management and disclosure, and integrate nature into the business in organisational structures and processes.

In addition, the results were also used to benchmark our performance and ambitions against other leading financial institutions, and informed practical guidance on what next steps may be taken using the nature capability playbooks – implementation plans developed for financial institutions as part of the pilot. The playbooks are complimentary to the TNFD's published guidance documents, allowing for consistency.

The knowledge, tool enablement and constructive feedback throughout the pilot improved the team's understanding of how to assess impact drivers, dependencies, physical and transition risks, and the impact of nature on the business, while helping identify what can be done to mitigate the risks posed by nature and how to take advantage of the opportunities it presents.

We are considering our position on TNFD from a Group perspective.

GROUP METRICS AND TARGETS

In this section

In this section, we detail our Scope 1 and 2 and relevant Scope 3 GHG emissions as disclosed to the CDP (formerly the Carbon Disclosure Project), excluding our asset owner GHG metrics.

Group GHG emissions 54

Group carbon emission reduction initiatives 57

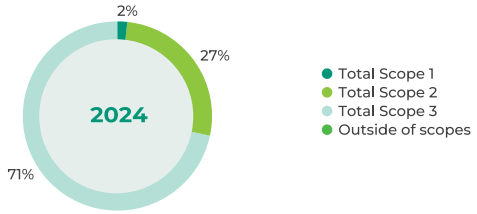
Group GHG emissions

The carbon emissions we directly control are significantly smaller than the indirect financed emissions from our investment activities. The investment property portfolio accounts for most of our Scope 1 and 2 emissions.

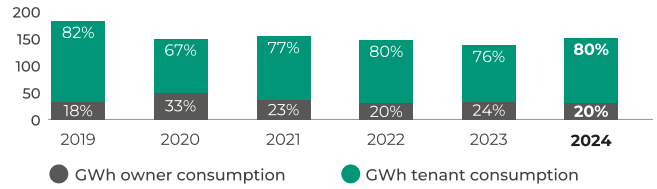
In 2024, the introduction of third-party tenants significantly increased the headcount in our employee-occupied owned properties. Our Scope 1 and 2 direct emissions decreased due to wheeling agreements and on-site solar generation.

Our South African carbon footprint

Old Mutual Limited's South African 2024 carbon emissions



Purchased grid electricity in GWh per year



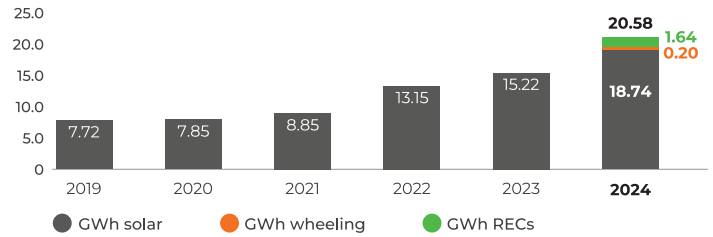
Our grid purchased non-renewable direct electricity usage has gone down by

↓ 30%

(2023: 24%)

from the 2019 baseline due to the employee hybrid work-from-home model, additional solar on-site, purchased wheeling and RECs

Renewable electricity in GWh by year



The graph above shows Old Mutual Limited's commitment to reducing its Scope 2 emissions by greening its operations. In 2023, the primary focus was on embedded solar PV installed on rooftop and carport structures across its property portfolio. The space has now been maximised. Old Mutual Limited continues to find solutions to green its operations and reduce Scope 2 emissions through wheeling and the purchasing of Renewable Energy Certificates (RECs), as indicated in the 2024 data.

Total emissions reduced by

↓ 22%

(2023: 22.0%)

against the 2019 baseline

Property portfolio

2019 is set as the baseline year for measurement of carbon data. 2020 was significantly impacted by the COVID-19 pandemic, which resulted in reduced occupancy in the buildings we own. The occupancy levels resulted in significantly reduced electricity consumption, which resulted in reduced direct carbon emissions (Scope 1 and 2).

2021 and 2022 saw reduced employee headcount in offices due to the hybrid work-from-home policy. The reduced demand for electricity, coupled with optimised energy management, resulted in a further decrease in direct emissions. There was also a rise in load shedding over these two years, which reduced consumption on municipality supplied electricity and resulted in increased dependency on diesel fuel to keep the facilities operational.

2023 saw a further significant reduction in municipality supplied electricity, impacting Scope 2 emissions. The factors that influenced the reduction included:

- The commissioning of solar PV phase 2 (an additional 2.2 MWpDC of rooftop solar energy at Mutualpark – our main campus in February 2023
- The impact of load shedding (at times reaching 12 hours per day), where only emergency equipment with supply from the back-up generators remained online during load shedding

2023 Scope 1 emissions rose significantly due to load shedding peaking at unprecedented levels and the significant increase in usage of diesel fuel to keep the facilities operational.

In 2024, with approximately 25% of the campus being leased to third-party tenants, the occupancy levels of the facilities increased significantly year on year. The impact can be seen in the reduction in Scope 2 emissions and corresponding increase in Scope 3 emissions. The reduced demand for diesel fuel and similar reduction in Scope 1 emissions is due to the result of no load shedding. Mutual Place has shown a decrease in Scope 2 emissions due to a wheeling arrangement, where 1 808 081 kWh of green energy was wheeled from a bagasse plant in KwaZulu-Natal..

Group GHG emissions *continued*

Scope 1, 2 and 3 carbon emissions

We calculate our carbon footprint according to the international GHG Protocol's Corporate Accounting and Reporting Standard, using the operational control consolidation approach. We set 2019 as the baseline year for our South African operations as this was the first full year of the Group in its current form following the managed separation from Old Mutual plc.

Below we present our carbon footprint for our South African portfolio:

		Metric tonnes of CO_2e					% change		Notes
		2024	**2023**	**2022**	**2021**	**2019 base year**	**2024 vs 2019**	**2024 vs 2023**	
Stationary fuel		**1 475**	6 425	2 798	830	634	133%	(77%)	1
Fugitive gas		**1 058**	1 412	827	629	369	187%	(25%)	2
Mobile fuel		**1 205**	1 270	1 239	1 084	1 139	6%	(5%)	
On-site renewable		**–**	–	–	–	–			
Total Scope 1		**3 737**	9 107	4 864	2 544	2 142	74%	(59%)	
Purchased electricity	Employee-occupied	**26 733**	27 185	31 599	32 382	46 153	(42%)	(2%)	3
Market-based	Investment properties	**28 985**	33 023	30 511	37 285	33 175	(13%)	(12%)	
Total Scope 2		**55 718**	60 208	62 110	69 667	79 328	(30%)	(7%)	
Total Scope 1 and 2		**59 456**	69 315	66 974	72 211	81 470	(27%)	(14%)	
Downstream electricity		**119 140**	104 081	120 186	123 282	153 514	(22%)	14%	4
Paper consumption		**34**	34	33	79	26	29%	(1%)	
Water consumption		**935**	910	895	815	1 146	(18%)	3%	
Waste generation		**2 521**	2 245	3 163	2 680	6 595	(62%)	12%	
Waste recycling and compost		**38**	75	63	48	54	(29%)	(49%)	5
Losses from transmission and distribution		**n/a**	7 080	7 391	8 221	7 695	n/a	n/a	6
Business travel		**11 793**	14 229	7 742	1 012	18 516	(36%)	(17%)	
Fuel and energy		**15 583**	12 140	not reported	not reported	not reported	n/a	28%	
Total Scope 3		**150 043**	140 794	139 474	136 136	187 547	(20%)	7%	
Total Scope 1, 2 and 3		**209 499**	210 109	206 448	208 347	269 017	(22%)	—	
Outside of Scopes		**277**	931	460	582	629	(56%)	(70%)	7
Grand Total		**209 776**	211 040	206 908	208 929	269 646	(22%)	(1%)	
Scope 1 and 2 emissions per square metre (tCO_2/m^2)		**0.056**	0.064	0.063	0.063	0.075	(26%)	(13%)	
Grand total emissions per square metre (tCO_2/m^2)		**0.196**	0.195	0.194	0.199	0.247	(21%)	1%	
Kilowatt hours excluding renewables per square metre (kWh/m^2)		**165.962**	150.305	164.151	173.003	205.323	(19%)	10%	
Kilowatt hours including renewables per square metre (kWh/m^2)		**185.178**	164.376	176.466	181.416	212.405	(13%)	13%	8

Notes

1 Reduction in stationary diesel can be attributed to the reduction in load shedding
2 Fugitive gas depends on maintenance schedules and will have slight annual variations depending on usage
3 Reduction in purchased electricity is due to additional solar on-site, purchased wheeling and RECs at Mutual Place, and less energy generation from generators
4 Tenant consumption increased from the prior year as energy consumption shifted from generators as load shedding reduced
5 Improved waste management has resulted in reduced waste streams
6 Transmission and distribution losses and well-to-tank are combined into fuel and energy losses as the emission factor has been updated to account for the full life cycle of the fuel rather than separately reported. Further, the increase in purchased renewables reduced the well-to-tank emissions
7 Outside of scopes is directly associated with fugitive gas refills and system maintenance, upgrades in systems and better maintenance programmes
8 The increase in kWh per square metre excludes generator usage; hence it was greater in 2024 compared to 2023, when there was load shedding. Reduced square metres are due to the sale of several Old Mutual properties

Group GHG emissions *continued*

The South African energy landscape

In 2024, OMLACSA enlisted the services of Dr Grové Steyn from Meridian Economics as our specialist energy adviser to offer expert insights into the short, medium and long-term outlook for the South African energy sector. Dr Steyn is a former member of the Presidential Economic Advisory Council that advises the Presidency on economic policy.

Old Mutual requested Meridian Economics to provide an expert view and strategic oversight on three of its energy objectives:

- Security of supply
- Reducing cost of supply
- Decarbonisation targets

The comprehensive analysis highlighted the current constraints within the power system, evaluated the strategic options of grid power, on-site generation, wheeled power and RECs or carbon credits, and how the evolution of the energy landscape impacts Old Mutual in achieving its energy objectives.

Regarding security of supply, Meridian Economics provided an opinion on the reprieve from load shedding experienced in 2024. Factors included the impact of rooftop solar generation and reduced demand. However, these factors still do not mean that load shedding is at an end; Eskom plant failures due to the ageing coal fleet remain a risk.

For cost of supply, tariff increases at an Eskom and municipal level are expected to be above inflation in the short term. The discount of new renewable energy relative to Eskom tariffs will increase over time. However, the rebalancing of Eskom tariffs will reduce savings (credit) against Eskom and municipal power when compared to renewable sources. Eskom approached the National Energy Regulator of South Africa in 2022 on the new restructured tariff model it proposes to implement. This will significantly impact customers who install generation facilities behind-the-meter and customers who wheel power from IPP projects. The restructured tariff proposes changes to the time-of-use periods and imposing fixed standby/generation capacity charges, and a commensurate reduction to the charges that are levied on the energy rate.

In terms of decarbonisation targets, to meet Old Mutual's carbon reduction targets and obligations, Old Mutual will have to decouple itself from the Eskom grid, which is decarbonising at a slow pace. This can be achieved by procuring physical power (on or off-site) or RECs (green attributes). Wheeling presents a less capital-intensive option for Old Mutual to decarbonise its power supply. Old Mutual could negotiate better tariffs from large-scale IPPs versus on-site PV generation.

The Meridian report does advise that it remains very difficult to wheel power to municipal consumers due to administrative and regulatory barriers between Eskom and municipalities.

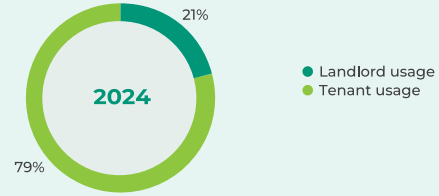
When evaluating each strategy option against the key energy landscape drivers to meet Old Mutual's energy objectives in South Africa, on-site renewable energy scored the most favourable in the near term. Wheeling was the next option to meet Old Mutual's energy objectives with the added benefit of no capital expenditure investments required; although it does have dependencies on the Eskom grid and some complexities exist with wheeling across municipalities. A hybrid approach including on-site renewables, wheeling and RECs to Old Mutual's energy mix may provide the best strategy to meet our energy objectives. Maximising embedded generation through solar PV systems, wheeling and RECs will be the next strategies to be finalised and implemented.

Source: Meridian Economics. South Africa's Future Energy Landscape, 2024

Scope 1, 2 and 3 carbon emissions for Old Mutual Africa Regions

Old Mutual Africa Regions has employee-occupied and investment properties where we have our own and tenant consumption. Our focus in Old Mutual Africa Regions remains on the completeness and accuracy of data. We collate data quarterly and use actual consumption rather than estimates for electricity and water where possible. We track our African operating countries, excluding South Sudan, with the largest span in data across Kenya and Zimbabwe. We aligned with our South African portfolios using the operational control approach. We collect emission data for Scope 1 and 2. For Scope 3 emissions, we are working to overcome metering and data accuracy challenges. We continually analyse kWh of purchased electricity for completeness and accuracy in terms of the splits between owner and tenant consumption. We monitor our tenants' consumption down to pre-paid metering level. We track the solar power we generate in these regions and continue to improve data quality for reporting. We include African countries in our reporting boundary for disclosures such as CDP. We continue to implement initiatives to reduce our own and tenant-purchased electricity demand, and stationary and mobile fuel consumption.

Old Mutual Africa Regions grid purchased electricity split in GWh



Group carbon emission reduction initiatives

Employee-occupied properties in South Africa

	SOLAR	ENERGY EFFICIENCIES	WASTE	WATER
Current	• In 2017, Mutualpark installed a 1.1 MW rooftop solar PV system: → This supplied approximately 9% of the energy demand, which has saved approximately R25 million over the past six years, equal to about one month's energy saving per year → In phase 2, an additional 2.2 Megawatt peak (MWp) was fully commissioned in February 2023, which can supply 15% of the energy demand to the Mutualpark office load → Mutualpark wheeling agreement concluded with Eskom, and energy trader Energy Exchange to supply green energy from Eston and Sezela Sugar Mill in KwaZulu-Natal to Mutual Place in Sandton with the first green energy wheeled to Mutualpark on 1 June 2024 • Solar PV plant and battery storage project was not approved due to the proposed Mupine site mandated to be used for the development of residential housing	• Mutualpark was recertified as a Six Star Green Building in December 2024 • We continue upgrading from T5 to light-emitting diode light fittings with over 2 000 light fittings replaced in 2024 in Mutualpark • New light mast structures installed and commissioned with LED technology for the Mutualpark sports field • At Mutualpark, the HVAC (Heating, Ventilation and Air Conditioning) diffuser upgrade project commenced in some of our buildings, which reduces loads on the chiller units and thus reduces energy consumption	• Our strategic aim is to achieve zero waste to landfill at Mutualpark and Mutual Place by separating wet and dry waste at the source, categorising it as recyclable or non-recyclable → We aim to achieve this in Mutualplace by 2026 and Mutualpark by 2027 → As these targets are based on operational waste, major projects (like the re-stack bringing tenants into owner-occupied buildings) which generate additional waste that cannot be recycled may impact these timelines • At Mutualpark, we completed the upgrade of the waste area to improve sorting, with the aim to achieve 90% diversion from landfill → Separate waste collection areas have been included for tenants to accurately report on their waste • We enforce a policy for on-site vendors to use 100% plant-based biodegradable containers • At Mutual Place we consistently achieved over 80% diversion of our waste from landfill to be recycled • Our Mutual Place target for 2025 is to achieve Zero Waste Certification	• Water saving initiatives at Mutualpark saved over 110 ML of water and its water treatment plant produced over 110 ML of South African National Standards 241 compliant water → The plant was recommissioned in September 2024 following an extended outage as a new operator was sourced and trained to operate the plant • At Mutual Place, the water treatment plant was decommissioned in February 2024 due to challenges with the approval of the Water Services Intermediary agreement. The day 2 tank is currently being repaired and re-lined to improve storage capacity at Mutual Place and is expected to be commissioned in early 2025 • Mutualpark toilet facilities upgrades were completed in two areas. Eight bathrooms were completely refurbished with water efficient cisterns, taps with aerators, and waterless urinals installed together with LED lighting
Future	• To ensure Mutualpark's carbon reduction targets are met, additional wheeling options are being investigated, with preliminary proposals received from IPPs who currently have projects in construction → Although wheeling has not been formally approved by the City of Cape Town, the city has been running a wheeling pilot programme since June 2022 • Specialist energy adviser (Meridian Economics) performed an in-depth study on the future South African energy landscape, and considered factors such as security of supply, cost of supply and decarbonisation targets, which was presented to Old Mutual in July 2024 → A key recommendation was that Old Mutual decouple itself from the Eskom grid (which is decarbonising at a slow pace) to meet its carbon reduction targets and obligations, with wheeling presenting a less capital-intensive pathway for Old Mutual to decarbonise its power supply	• Continue lighting upgrade of T5 fittings to light-emitting diode technology • Continue implementing guidelines issued to new tenants on energy-efficient designs for their space 'fit out'	• Further optimise waste disposal to landfill and diversion of organic waste	• We are exploring further water saving initiatives for employee-occupied premises

Group carbon emission reduction initiatives *continued*

Investment properties in South Africa

	SOLAR	ENERGY EFFICIENCIES	WASTE	WATER	TENANTS
Current	• Solar installations at 16 properties • 11.3 MWp direct current installed, contributing 8.5% of total consumption • Commencing in 2023, two additional solar installations are under construction, with completion due in 2025: Gateway (retail mall in KwaZulu-Natal) at 7.5 MWp and Kagiso Mall at 0.9 MWp • Energy supply agreement signed with NOA for wheeling to Kagiso Mall (which is the only property supplied by Eskom directly and thus covered by a wheeling framework) • Assessments completed for Montague Gardens for generating power to wheel to Cavendish • Square Feasibility studies completed for battery energy storage systems for arbitrage and generator offset	• Light-emitting diode retrofit projects are ongoing • Demand-side management continues improving with upgrades to building management system controls	• Active management of waste streams in major retail centres remains ongoing • Increased capacity to improve waste separation at source remains in force, avoiding contamination of recyclables • We achieved a reduction of waste to landfills through ongoing recycling and organic waste composting, and employing additional recycling staff	• Increased harvested water storage capacity • Black and grey waste water treatment plants installed at four retail sites • Added additional water meters and undertaking audits on existing infrastructure	• Ongoing engagement with tenants to reduce emissions
Future	• Balance of solar opportunities at Gateway and Kagiso Mall to be installed by end 2025 • Renewable energy installations will amount to between 20 MWp and 22 MWp by 2025 and generate approximately 18.8% of total consumption • Formalising wheeling agreements remains a priority when frameworks allow → Assessing self-wheeling opportunities within the City of Cape Town	• End-of-life lighting replacement to parking areas at Gateway by 2025 • Investigating improving control systems through technology, including internet of things devices and AI	• Measurable strategy to reach zero waste to landfill by 2030 • Diversion of waste from landfill will meet a minimum of 70% in 2025 • Improved levels of organic waste composting • Identify other opportunities to further optimise waste management, especially waste that is difficult to divert, including pyrolysis and other zero waste technologies	• Industrial sites to introduce localised rainwater harvesting	• Continue project to verify our tenants square metreage usage against their lease to ensure accurate reporting • We continue to identify and address environmental challenges

ASSET OWNER AND ASSET MANAGER METRICS AND TARGETS

In this section

In this section, we show the outcomes of the metrics identified as part of our risk management process at an asset class level. We disclose our Scope 3 Category 15 financed emissions and unpack our progress against our engagement targets.

Climate change metrics for asset owner proprietary investment portfolios 60

Old Mutual Alternative Investments 66

Engagement targets 67

Climate change metrics for asset owner proprietary investment portfolios

As our asset owner matures in its target-setting approach and in the tracking of its climate change metrics, we implemented targets to achieve our total portfolio decarbonisation ambitions at a sub-asset class level. We expanded our asset classes from four macro asset classes (listed equity, fixed income, alternatives and property) to the below sub-portfolio asset classes, with a runway to target-setting. Our target-setting schedule is aligned with NZAOA's target-setting protocol.

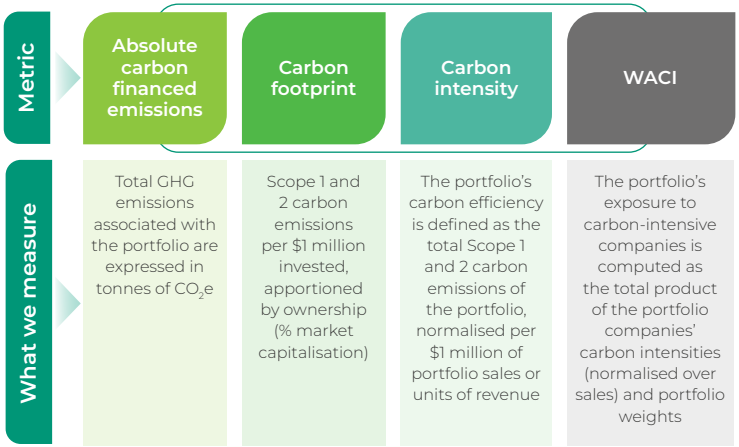
Sub-portfolio targets[1]

Since making our commitment to net zero and joining NZAOA in 2022, Old Mutual asset owners have subsequently set two sub-portfolio targets, namely listed equity and directly held property. In 2024, Old Mutual set two additional targets, for publicly listed corporate debt and direct infrastructure debt. In our 2024 Climate Report, we introduce the schedule for setting targets in our remaining asset classes:

Sub-portfolio asset classes	2023	2024	2025	2026	2027	2028
Listed equity	Target set on 2021 baseline		Set next short-term target to 2030			
Directly held property	Target set on 2021 baseline		Set next short-term target to 2030			
Publicly listed corporate debt		Target set on 2022 baseline				
Direct infrastructure debt		Target set on 2022 baseline				
State owned entity (SOE) debt		No targets required however, tracking emissions				
Direct infrastructure equity			To be set			
Indirect infrastructure debt			To be set			
Indirect infrastructure equity				To be set		
Private equity funds					To be set	
Private credit funds					To be set	
Real estate					To be set	
Sovereign debt					No targets – tracking emissions	
Sub-sovereign debt					No targets – tracking emissions	

1 *As with our commitment to net zero and NZAOA, we make these commitments expecting that governments will follow through on their own commitments to ensure the objectives*

Carbon metrics



Data providers

We used climate data and calculation methodologies from MSCI ESG Research LLC for listed asset classes. ICE Urgentum provided climate data for alternative assets.

Effective data coverage

This metric provides a representation for which the carbon metric relates to the asset owner portfolios and sub-portfolio asset classes. Not all publicly listed and private companies publish climate-related information due to different markets having varying approaches to regulated and voluntary climate reporting requirements. Data providers assist with data estimates or inferences but, occasionally, they might not be able to provide an investee company's climate data, which affects data coverage.

In 2023, we enhanced our definition of climate-related data coverage to include the percentage of sub-portfolio assets included in our portfolio analysis multiplied by the percentage of underlying securities with either inferred, estimated or reported carbon metric data. In 2024, we removed the illustrative table and apply the effective data coverage metric in all references to climate change data coverage.

Scope

The scope of analysis includes the total global investment portfolios of the South African policyholder and shareholder asset owners.

Climate change metrics for asset owner proprietary investment portfolios *continued*

Listed equity

			Policyholder					Shareholder					Combined asset owner baseline to 2024
Listed equity target	Metric	Units	2021	2022	2023	**2024**	**Baseline to 2024**	2021	2022	2023	**2024**	**Baseline to 2024**	
To decarbonise listed equity absolute emissions	Absolute emissions	Metric tonnes of CO_2e	1 867 558	1 387 598	956 624	**957 217**	(49%)	91 099	80 387	88 341	**82 130**	(9.8%)	(47%)
	Data coverage	Percentage	84.28%	95.89%	79.73%	**76.5%**	(9%)	100%	100%	100%	**100%**		
	Carbon footprint	Tonnes of CO_2e/$1 million invested	189.45	167.29	144.69	**134.8**	(29%)	114.02	133.14	174.37	**168.37**	47.7%	(25%)
	Thermal coal	Percentage of AUM exposed to thermal coal revenue	8.33%	6.99%	6.22%	**5.8%**	(30%)	7.42%	6.22%	7.82%	**8.87%**	19.5%	28%
	Green revenue	Percentage of AUM exposed to green revenue	1.72%	1.57%	2.61%	**3.84%**	123%	0.16%	0.54%	0.90%	**1.30%**	712.5%	128%
	Implied temperature rise	Degrees Celsius	3.2	3.2	2.6	**2.6**	(19%)	2.5	3.0	2.8	**2.5**	0.0%	(16%)

The target for this sub-asset class has been set as 8% decarbonisation of absolute emissions from 2021 to 2025. **Both with the profit policyholder and shareholder investment portfolios were able to achieve their decarbonisation targets at the end of 2024.**

The policyholder portfolio reduced its portfolio financed emissions by 49% from 1.8 million $MtCO_2e$ to 957 217 $MtCO_2e$ over the target period. This was achieved through a combination of asset allocation investment decisions that saw an increased exposure to global listed equity tracking a Paris Agreement-aligned benchmark, as well as responding to opportunities for improved performance in local markets. As a function of our climate-related investment decisions, we improved the carbon efficiency of our portfolio by reducing the metric tonnes of carbon emission equivalents per $1 million invested from 189.45 $MtCO_2e$/$1 million to 134.8 $MtCO_2e$/$1 million. Our portfolio continues to phase down exposure to thermal coal and increase exposure to green revenue in our global listed equity portfolios, in accordance with our Climate Change Action Statement. The policyholder portfolio has made good progress towards 1.5 °C by bringing its ITR from 3.2 °C to 2.6 °C.

Our shareholder portfolio is on track for its decarbonisation target of 8% from 2021 to 2025, by achieving a 9.8% decarbonisation rate over the reporting period. The shareholder listed equity follows a passive equity strategy that tracks the Capped SWIX Top 40 Index. Given the nature of the passive index tracking strategy, no active tilts or investment decisions can be taken to any specific sector. Unless the underlying investee companies' carbon emissions decrease, our carbon metrics are expected to move in line with the overall JSE index at the pace of transition of the general local equity market.

The reduction in absolute carbon emissions is primarily driven by reduced exposure to an underlying counter that previously contributed approximately 40% of total financed emissions. This underlying counterparty has however, not materially reduced its carbon emissions over this period. Therefore, should our portfolio increase exposure to this counterparty again, carbon emissions may increase. Additionally, the portfolio benefited from changes to the underlying top 40 constituents in 2024 relative to previous years. Since 2021, the shareholder equity portfolio has disinvested our substantial strategic holding in Nedbank, reducing the total portfolio size by 36%. This significant disinvestment increases exposure, on a weighted basis, to the index's top carbon emitters resulting in an increase in carbon footprint from 114.02 $MtCO_2e$/$1 million invested to 168.37 $MtCO_2e$/$1 million invested, a 48% decrease in carbon efficiency and a 20% increase in exposure to thermal coal revenue generating counterparties. Old Mutual acknowledges that decarbonisation efforts for passive investment strategies are heavily dependent on active ownership and stewardship towards improved carbon disclosure and actions from underlying investee companies and notes an increase in green revenue generated within the portfolio from a negligible 0.16% in 2021 to 1.3% in 2024 which is a significant improvement.

Climate change metrics for asset owner proprietary investment portfolios *continued*

Listed fixed income – publicly listed corporate debt

In our 2023 Climate Report, asset owners presented the publicly listed corporate debt carbon metrics under the collective asset class of 'listed fixed income'. In 2024, as Old Mutual set a listed debt target, we rename the same underlying sub-portfolio from 'listed fixed income' to publicly listed corporate debt in accordance with the NZAOA's target-setting protocol descriptions. The target for this sub-asset class has been set as 17.5% decarbonisation from 2022 to 2025.

			Policyholder				Shareholder				
Publicly listed corporate debt target	Metric	Units	2022	2023	**2024**	**Baseline to 2024**	2022	2023	**2024**	**Baseline to 2024**	**Combined asset owner baseline to 2024**
To decarbonise listed corporate debt carbon	Absolute emissions	Metric tonnes of CO_2e	65 558	119 019	**39 609**	(40%)	52 721	51 739	**42 186**	(20%)	(38%)
	Data coverage	Percentage	21.99%	17.80%	**22.56%**	3%	38.85%	50.09%	**57.74%**	49%	41.58%
	Carbon footprint	Tonnes of CO_2e/$1 million invested	32.3	59.74	**66.17**	105%	72.55	63.03	**75.00**	3%	32%
	Thermal coal	Percentage of AUM exposed to thermal coal revenue	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%
	Green revenue	Percentage of AUM exposed to green revenue	1.14%	1.24%	**0.49%**	(57%)	1.81%	1.74%	**1.66%**	(8%)	(32%)
	Implied temperature rise	Degrees Celsius	2.1	2.3	**2.6**	24%	2.6	2.3	**2.6**	0%	2.60

Data coverage for debt instruments remains low as observed in previous years and relies on data service providers' carbon emission estimates through their proprietary inference models. As more debt issuers report their own carbon emissions, portfolio financed emissions become more accurate and may allow for less variability in absolute emissions. While the asset owners remain cautious on listed corporate debt targets, we continue to advocate for new green bond issuances and green revenue exposure.

Across the policyholder and shareholder portfolios, we ringfence our financed emissions to a group of regular carbon emission reporting debt issuers to track progress, represented in the low data coverage figures. In the policyholder portfolio, the 2023 spike from 65 558 $MtCO_2e$ to 119 019 $MtCO_2e$ is due to increasing asset allocation to fixed income amid 'higher for longer' interest rates and the high inflation environment our portfolios invested through, which reverted to growth assets after rate cuts in the second half of 2024, marking the decrease to 39 609 $MtCO_2e$ in 2024. This tactical asset allocation decision contributed to the 40% decrease in portfolio emissions for policyholder assets.

The shareholders' 20% decrease in portfolio emissions from 2021 to 2024 is due to real-world decarbonisation, as its biggest single portfolio emitter, a diversified industrial company, has set science-based targets thereby increased its renewable energy consumption and prioritised resource efficiency.

Climate change metrics for asset owner proprietary investment portfolios *continued*

Listed fixed income – SOE debt

In 2024, we commenced monitoring the carbon emissions from SOE debt issuers but have not as yet set targets.

State owned entity	Metric	Units	Policyholder 2024	Shareholder 2024	Combined asset owner baseline to 2024
Monitoring carbon emissions	Absolute emissions	Metric tonnes of CO_2e ($MtCO_2e$)	**1 489 121**	**202 544**	**1 727 410**
	Data coverage	Percentage	**54.12%**	**55%**	**55%**
	Carbon footprint	Tonnes of CO_2/$1 million invested	**4 013**	**1 805**	**3 574**
	Green revenue	Percentage of AUM exposed to green revenue	**6.89%**	**4.98%**	**6.45%**
	Implied temperature rise	Degrees Celsius	**8.6**	**5.5**	**8**

SOEs play a critical role in the South African economy, particularly in infrastructure, energy, transport and utilities. Their stability and functionality are vital to the country's development and long-term economic growth. Despite the considerable emissions generated across both portfolios, supporting SOEs through their debt issuance gives Old Mutual an opportunity to engage with these entities, advocating and influencing the shift toward sustainability. While the high carbon emissions of some SOEs are a concern, they also present an opportunity for our asset managers, namely Futuregrowth, to drive change by pushing for better environmental governance and more sustainable practices. Furthermore, these investments provide potential for long-term returns, especially if SOEs align with government-backed green initiatives, such as the Just Energy Transition Investment Plan.

Overall, absolute carbon emissions, carbon footprint and ITR remain elevated, largely because of both portfolios' significant exposure to Eskom and Transnet. We continue to follow the green revenue potential of Eskom.

By remaining invested in SOEs and monitoring carbon emissions, our asset managers can help ensure these entities secure the necessary capital for projects that are often of national importance, such as renewable energy transition, infrastructure development and social services, which benefit both the economy and society at large.

Directly held property

			Policyholder					Shareholder					
Directly held property target	Metric	Units	2021	2022	2023	**2024**	**Baseline to 2024**	2021	2022	2023	**2024**	**Baseline to 2024**	**Combined asset owner baseline to 2024**
To decarbonise directly held property absolute emissions by 6% from 2021 to 2025	Absolute emissions	Metric tonnes of CO_2e	162 856	164 782	144 618	**158 900**	(2%)	28 595	29 079	25 038	**22 431**	(21.56%)	(5%)

The policyholder directly held property portfolio originally set a target to decarbonise its portfolio by 6% to 2025. This was set as a stretch goal dependent on installing rooftop solar power facilities, water and waste management facilities, and installing energy-efficient appliances and fittings across their commercial property portfolio. These targets were also set with consideration that 2021 had a high occurrence of load shedding, and that when load shedding eased, emissions would increase.

In 2024, with a seven-month suspension of load shedding, the policyholder portfolio saw a 6% increase of emissions year on year from 2023 to 2024 yet still achieved a 2% reduction from the baseline year of 2021. Over the reporting period, Old Mutual Property installed just over 10 MW of rooftop solar power with an additional 5 MW being finalised in 2025 at Gateway. With signed wheeling agreements coming into effect over the coming years, the policyholder directly held property target is at risk, but with resilience we believe over the medium term to 2030 and beyond, the property portfolio will improve its carbon emission footprint.

Shareholder property carbon emissions are calculated using the GHG Protocol emission factors and are allocated based on operational control, in accordance with Group GHG disclosures. The direct property in the shareholder capital portfolio primarily comprises owner-occupied properties namely the office buildings in Cape Town and Johannesburg. Although these are not part of our investment portfolio, we continue to monitor carbon emission reductions for these assets. The reduction in emissions within the shareholder direct property portfolio is primarily related to the hybrid working model (with less employees in the office buildings). Between 2021 and 2024, load shedding resulted in less grid purchased electricity being consumed.

Climate change metrics for asset owner proprietary investment portfolios *continued*

Infrastructure debt (directly held)

Directly held infrastructure debt refers to infrastructure loans directly on the Old Mutual balance sheet. Exposure to infrastructure by way of investment vehicles, or fund partnerships are considered indirect exposure and are not included in this asset class's targets.

Considering the timing of our private market assets for disclosing their carbon data, Old Mutual reports its carbon emissions in alternative asset classes with a one-year lag.

	Infrastructure debt target	Metric	Units	Shareholder 2022	Shareholder 2023	Baseline to 2023
Infra debt carbon intensive energy assets	To reduce carbon intensity by 23.5% from 2022 to 2030	Absolute emissions	Metric tonnes of CO_2	574 919.88	**192 453.41**	(66.53%)
Infra debt other	Not yet set			18 119.37	**17 885.64**	(1.29%)
Infra debt carbon intensive energy assets	To reduce carbon intensity by 23.5% from 2022 to 2030	Carbon intensity	Tonnes of CO_2/$1 million revenue	449.57	**163.14**	(63.71%)
Infra debt other	Not yet set			10.96	**11.62**	6.00%

The shareholder exposure to infrastructure debt forms part of the guaranteed policyholder assets. The majority of the exposure is to non-carbon-intensive energy assets. In line with NZAOA requirements, a target has been set for the carbon-intensive set of infrastructure debt assets.

Within the carbon-intensive exposure, absolute carbon emissions of 192 453 tCO_2 reduced 66.5% from December 2022. The reduction is primarily due to improved data quality where actual emission data has been obtained for more assets, reducing reliance on inferred emissions. Within the portfolio, the overall level of emissions is primarily driven by loans invested in two fossil fuel powered projects. In 2013, Old Mutual provided loan funding to two peaking power projects, developed and owned by an IPP for which we will not undertake any refinancing. The power plants consist of open cycle gas turbines, similar to Eskom's open cycle gas turbine power plants, that run on diesel fuel. The nature of the power plants allows them to be switched on and off, which is required by the grid during peak times and grid emergencies. While the emissions are high relative to the rest of the portfolio, these power projects provide critical service to the national grid, especially during heightened load shedding. As these represent amortising loan investments with regular capital redemptions, the investments will be fully exited by 2031.

Alternative assets

Alternative assets are the private market asset classes, excluding infrastructure debt, for which we have not set sub-portfolio carbon emission targets as yet. These assets will be disclosed separately in subsequent climate reports in accordance with the target-setting schedule above..

Target	Asset class	Metric	Units	Policyholder 2022	Policyholder 2023	Policyholder Change	Shareholder 2022	Shareholder 2023	Shareholder Change
Targets will be set for each sub-asset class according to the target setting schedule on page 60	Alternative assets	Absolute emissions	Metric tonnes of CO_2	239 630	141 884	(41%)	136 451	126 409	(7%)
		Carbon intensity	Tonnes of CO_2/$1 million revenue	30.89	17.95	(42%)	2.92	1.64	(44%)

Over 2023 and 2024, through the Old Mutual Climate Change Task Force, the asset owners and asset managers invested considerable time and expertise in developing a carbon emissions inference model relevant for our holdings with our data service provider, ICE Urgentum, to aid in estimating the carbon footprint of our unlisted and private market assets. We have made strong progress in our efforts in reporting of carbon emissions process. The underlying assets are tilted towards infrastructure funds, with a significant renewable energy component.

Asset owner engagement targets

Commitment	Target to 2025	Progress
Engagement	To engage the top 80% of the portfolios listed financed emissions	Completed and achieved

Throughout 2022 to 2024, Old Mutual Investment Group has engaged the top 80% of our listed equity emitters. Our carbon emissions are concentrated in 15 companies across the chemicals, mining and consumer goods sectors. The portfolio consists of 94 counterparties that currently have net zero targets.

Our purpose for engagement is to enhance climate change disclosure, identify climate change-related risks and opportunities, and set targets towards transitioning to net zero by 2050. We drive our engagement commitments in listed holdings through the commitments of our asset managers, namely Old Mutual Investment Group (which manages most of our listed equity holdings), Futuregrowth and Liability-Driven Investments.

Climate solutions

Commitment	Target to 2025	Progress
Investing in climate solutions	Increase capital allocated to climate solutions over the period 2021 to 2025	Completed and achieved

From 2022 to 2024, new renewable energy deals were scarce due to national grid capacity constraints; however, the market values of the climate solutions investments have increased over the period.

Climate change metrics for asset owner proprietary investment portfolios *continued*

Transition risks metrics

As identified in the asset owner risk section of this report, the transition from a carbon-intensive global economy to a zero or low carbon economy presents our portfolios with climate-related risks and opportunities. We monitor these transitory risks and opportunities using MSCI's Climate Lab Enterprise platform, dividing transition risks into four categories. Monitoring our exposure to each category provides an understanding of the key focus areas within our portfolios based on the underlying portfolio companies' progress towards the 1.5 °C aligned transition pathway. Investee companies are assessed each year for their transition risks and, as the macroenvironment changes around them, their risks may change between the categories.

Both the policyholder and shareholder portfolios saw an increase in climate-related transition risks in 2024, due to a combination of factors ranging from:

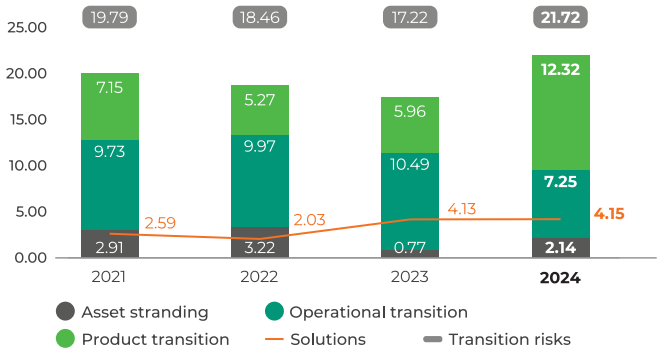
- Geo-political risks
- Enhanced carbon emission regulations and policies
- Market forces such as the energy transition to low carbon technologies gaining momentum
- Financial sector responses to fossil fuels and green or sustainable lending practices

These macrotrends are likely to persist, ensuring that transition risks remain volatile.

Policyholder

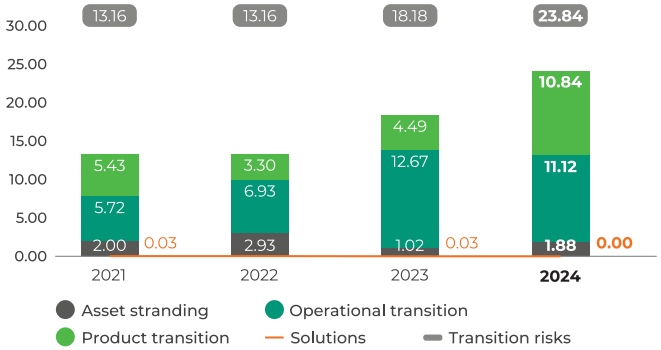
Transition risks in the policyholder listed equity portfolio increased by nearly 10% in 2024, after declining in the previous two years. Diversified miners and chemical companies saw their risks shift from operational transition risks (down 25%) to product transition risks (up 72%). This implies that climate change risk for those companies is less about their day-to-day operations, but rather that there is an increased risk of potential decline in demand for its carbon-intensive products or services as the market shifts towards low carbon alternatives. This essentially means the Company's products could become less desirable due to environmental concerns, even if its operations are relatively clean.

Policyholder listed equity transition risks (%)

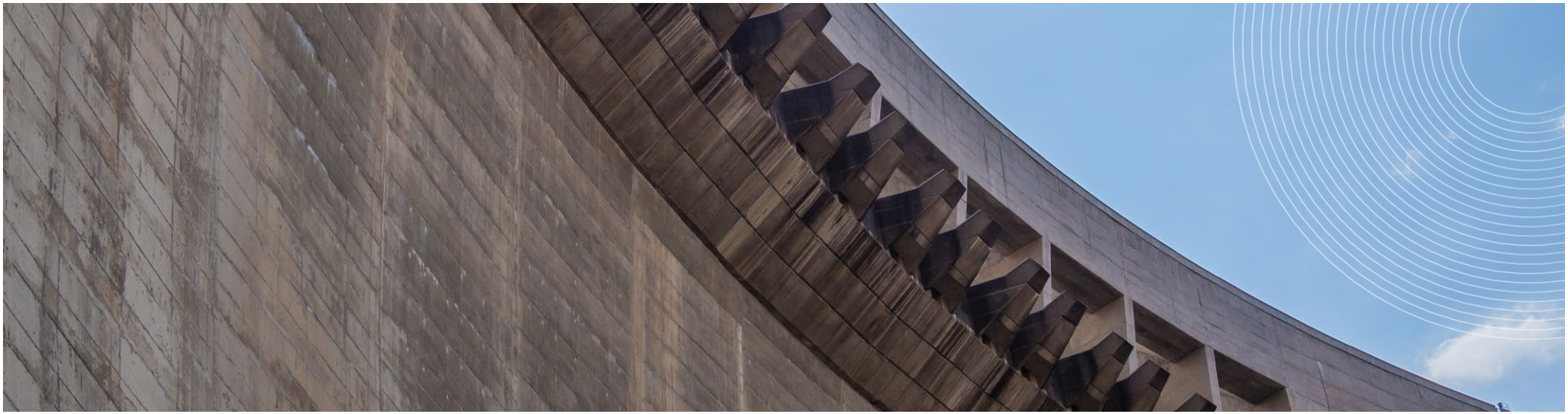


Shareholder

Shareholder listed equity transition risks (%)



Total assets exposed to transition risks increased from 13.16% in 2021 to 23.84% in 2024. This is primarily driven by an increase in product and operational transition risks between 2021 and 2024. This is due to counters being reclassified between categories as of 2024 compared to prior periods, and larger overall exposure to resource stocks in line with the underlying index movements. We will continue to monitor this by engaging with underlying investee companies to align to a low carbon economy and influence an improved outcome where possible.



Old Mutual Alternative Investments

Committed to climate action and driving the energy transition

Old Mutual Alternative Investments implements the TCFD framework for climate change risk management. It established a Climate Change Policy, which sets out its climate action commitments, including undertaking Paris Agreement-aligned investments with an ambition of reaching the goal of limiting global warming to no higher than 1.5 °C by 2050.

Old Mutual Alternative Investments continues to use the IPCC representative concentration pathways 8.5, 7/6 and 4.5 and the NGFS current policies scenarios as the core scenarios for physical risk analysis. Open-source physical risk sources are used to assess risks as part of the integration of climate risk analysis into our investment processes. However, we recognised the limitations associated with granular data availability for the regions in which we operate, and consequently work with Old Mutual Group to continue refining our assessment of physical risks across our unlisted portfolio using a global climate change risk modelling and assessment vendor.

For transition risks, Old Mutual Alternative Investments uses the NGFS disorderly scenarios of divergent net zero and delayed transition, and the orderly scenarios of net zero 2050 and below 2 °C. We work to better understand energy transition risks and the headroom within carbon budgets to undertake Paris Agreement-aligned investments. At a high level, approximately 7% of Old Mutual Alternative Investments' investments are still considered high risk in terms of transition risk. Over 2024, we continued to refine the bespoke inference model developed by ICE to suit our jurisdictions and assist with assessing the ITR of our portfolios, notwithstanding that not many unlisted companies publicly disclose net zero commitments. As we are expanding coverage on actual reported emissions each year, we can compare greater volumes of actual data with the model's inferences, so improving the model each year. We continue to work with our portfolio companies to drive decarbonisation strategies and the transition to cleaner, low carbon energy.

Old Mutual Alternative Investments is a funder of 40% of South Africa's installed renewable energy capacity as at the end of 2023[1]

(2022: 39%)

Old Mutual Alternative Investments uses open-source data for physical risk modelling and trialled a number of proprietary tools for risk modelling over 2024. We aim to secure a service provider in 2025 to provide a portfolio-wide view of physical risks that can be updated as the portfolio changes to support, for example, due diligence screening.

Old Mutual Alternative Investments continues to track key climate change risk-related metrics aligned to the GHG Protocol and IPCC. An ESG data management system stores data and measures carbon footprint, emissions reductions and carbon offset calculations.

Main climate-specific metrics tracked by portfolio companies and aggregated at fund level[2]

10 130 GWh of total energy produced, of which renewable energy is 65% (2022: 9 037 GWh)	**3.3 GW** installed renewables capacity (2022: 2.6 GW)	**5 678 GWh** renewable energy produced – equivalent to powering 1.4 million middle-income homes with clean energy (2022: 5 089 GWh)
2.0 million tCO_2e Scope 1 emissions (2022: 2.5 million tCO_2e)	**332 671 tCO_2e** Scope 2 emissions (2022: 166 043 tCO_2e)	**6.2 million tCO_2e** emissions offset through renewable energy production (2022: 5.5 million tCO_2e)

Note: Data essential for 2023 alternative asset analysis is sourced from private investee companies that release information subsequent to our reporting period

1 This information is based on the 2022 South African wholesale or public nominal capacity in relation to hydro, wind, solar PV, and concentrated solar power (CSP), as reported by The Council for Scientific and Industrial Research (CSIR), available at https://www.csir.co.za/documents/statistics-power-sa-2022-csirpdf

2 For the period 1 January to 31 December 2023

Shareholder investments

Renewable energy debt (managed by Old Mutual Alternative Investments)

Our shareholder portfolios are invested in renewable energy debt with some of our policyholder investments.

Apart from the equity investments managed on behalf of policyholders, Old Mutual Alternative Investments also manages a portfolio of long-dated project finance loans extended to 23 renewable energy projects across South Africa and Africa for the shareholder. Old Mutual has invested in similar project finance loans since the first bid window under the South African REIPPPP in 2012, with a total portfolio market value of R12.1 billion as at 31 December 2024. This is in addition to the investment made by Futuregrowth for policyholders, as detailed on page 50.

Old Mutual Alternative Investments' project finance investments cover all major technologies, including solar PV, concentrated solar, wind and battery energy storage system technology with a total installed capacity of 2 124 MW. Most investments are in South Africa, with one is in North Africa. All renewable energy projects are performing well.

Old Mutual Alternative Investments is developing a pipeline of further renewable energy project finance investments, related to traditional government procurement programmes and projects selling power to private companies and private power aggregators. This is in line with the gradual deregulation of the South African electricity supply industry. Most financing relates to new, greenfield renewable energy projects with long-dated funding that enables cost-effective electricity tariffs.

Technology	Size (MW)
Solar PV	1 090
Hybrid solar PV and battery energy storage system	150
Wind	434
Concentrated solar power	450
Total	**2 124**

Engagement targets

Asset owner NZAOA engagement targets

As an asset owner and through our appointed asset managers, we committed to engage with investee companies that make up at least 80% of our listed equity and fixed income portfolio emissions in line with our NZAOA commitments for 2025. Our carbon emissions are largely from 15 target companies across the chemicals, mining and consumer goods sectors, that make up the 80% commitment.

Through our engagements, we enhance climate change disclosure, identify climate change-related risks and opportunities, and set targets towards transitioning to net zero by 2050. We drive our engagement commitments in listed holdings through the commitments of our asset managers, namely Old Mutual Investment Group (which manages most of our listed equity holdings), Futuregrowth and Liability-Driven Investments (which manages a significant part of policyholder interest-bearing holdings). Our top 10 emitters equate to 56% of our total financed emissions. As stewards for the asset owners' listed assets, we have engaged nine out of the top 10, equating to 51% of our total financed emission, and are thus on track for meeting our target of 80% by 2025.

Old Mutual Investment Group NZAMI engagement commitments

We believe active ownership is a critical lever for reaching net zero. In February 2023, Old Mutual Investment Group made a public commitment to manage its clients' assets in alignment with its net zero commitments to the NZAMI. Through engagements with our top 10 emitters on setting net zero targets with strategies for achieving these, we share the following engagement outcomes. Of the top 10:

- Four have net zero targets, where our focus is on setting interim targets and strategies
- Three have carbon neutral targets, where our focus is on progressing to net zero commitments
- Three have no targets, where we are working on establishing initial commitments

Old Mutual Investment Group set its net zero targets in accordance with the Paris Aligned Investment Initiative's Net Zero Investment Framework, and is committed to portfolio coverage targets and engagement threshold targets as set out in the table below:

Targets set for financed emissions under stewardship to align to net zero pathways

Time period	Target for net zero aligning or aligned[1]	Progress to date:
2025	• 100% of domestic listed equity holdings will be subject to direct or collaborative engagement and stewardship actions • 80% of domestic listed equity portfolio financed emissions will have a net zero commitment or at least be net zero aligned or in the process of aligning	• 100% of our domestic listed equity holdings were subject to stewardship actions • 80% of our domestic listed equity portfolio financed emissions have a net zero commitment or a commitment to be at least net zero aligned or in the process of aligning
2030	100% of domestic financed emissions will have a net zero commitment or at least be net zero aligned or in the process of aligning	On track to meet first short-term target of 80% of financed emissions by 2025 before achieving 100% of financed emissions by 2030
2040	75% of our domestic and offshore holdings in material sectors will be at least net zero aligned or in the process of aligning	In progress
2050	100% of domestic and offshore financed emissions in material sectors will be net zero by 2050	In progress

Portfolio coverage – illustrating percentage of AUM aligned or aligning to net zero

2025	24% (AUM in material sectors) aligned or aligning to net zero	On track

1 'Aligned' refers to portfolios that are already aligned with a Paris Agreement net zero benchmark; 'Aligning' refers to portfolios currently managed against a benchmark which has yet to align to the Paris Agreement net zero benchmark

PROGRESS **UPDATE**

In this section

In this section, we summarise our progress against our commitments since 2023 in line with the TCFD pillars.

Progress update 69

Progress update

This summary provides an overview of our progress against our 2023 commitments with detailed information available elsewhere in the report.

See the 2023 Climate Report for detail on completed commitments

	Plans outlined in the 2023 Climate Report	Status of completion	2024 progress update
Governance	Progress integration of climate change into existing segment and business unit Executive committee forums, including Old Mutual Africa Regions	ongoing	Our ongoing commitment is to raise awareness and integrate sustainability and our climate change strategy throughout the organisation. We have utilised our internal ESG Practitioner Forum to do this and worked closely with several critical functions across the Group for strategic integration, including the Group risk and compliance teams.
	Ensure implementation of asset owner responsible investment and climate-related policies across various asset classes and investment mandates	ongoing	In 2024, a new position paper on the hard exclusion of new exposure to greenfield oil and gas infrastructure investments was approved by the Responsible Business committee, which will be integrated into investment mandates in 2025. Additionally, we instituted a new Active Ownership Framework that requires asset managers to track and report on the full engagement process across several dimensions. Old Mutual Africa Regions' Alternative Investments business implemented a monitoring and reporting tool in 2024 to enhance the integration of ESG standards into the Group Governance Framework.
	Review Climate Change Task Force roles and responsibilities in relation to Old Mutual Limited Executive committee and Board decision making	ongoing	We evaluated the roles and responsibilities of the Climate Change Task Force to enhance alignment to the Old Mutual Limited Executive and Board committees. Given the external changes in the climate action landscape, we are working to strengthen and align the mandates and operations of the Climate Change Task Force workstreams to the refined Group sustainability strategy.
	Increase management, staff and Board awareness and training on climate change	ongoing	We provide training on sustainability and climate change to the Board, Executive committee and wider management, which remains an ongoing priority.
	Ongoing Board and Executive committee updates on sustainability, including climate change	ongoing	Regular updates are provided to the Responsible Business Executive committee and Board forums, who meet quarterly.
Risk management	Ensure that risk and compliance teams stay informed and respond to regulatory developments through ongoing engagements with regulators and industry bodies, particularly the Prudential Authority	ongoing	In 2024, Group Compliance launched its Metaverse Learning Hub 2.0 that delivers a virtual space to upskill compliance teams on key regulatory developments. Our risk and compliance teams continue to stay abreast of regulatory developments through engagements with regulators and industry bodies.
	Further incorporation of monitoring and updating Group climate physical and transition risks and opportunities into regular business unit risk reviews, also moving from qualitative to quantitative metrics	ongoing	We continue to review, refine and update climate risks and opportunities with a focus on understanding and managing fire risk. The asset owner continues to track and monitor physical and transition risks across the listed equity and debt portfolios.

Progress update *continued*

	Plans outlined in the 2023 Climate Report	Status of completion	2024 progress update
Strategy	Develop positioning on fossil fuels beyond thermal coal	100%	In 2024, the Responsible Business committee approved an investment exclusion to any new exposure to greenfield upstream, midstream or downstream oil or gas infrastructure.
	Enhance our engagement strategy with a focus on the highest emission portfolio contributors	100%	In 2024, we continued our engagement workplan achieving our targets to engage with the top 80% of our portfolio emitters. Our engagement approach has been enhanced through the Asset Owner active ownership framework that seeks to monitor the targets set by asset managers and investee companies.
	Explore climate risk modelling and quantification and broaden the scope and depth of climate scenarios	ongoing	The flood modelling work was completed in 2023, with extensive work undertaken in 2024 to embed our flood modelling capabilities into different areas of the business. In 2024, we completed the development of a proof-of-concept wildfire model for the Western Cape, including the creation of an internal repository for historical and forecast climate data, forecasting the expected cost of small weather events, and extracting value from additional vendor models on hail and earthquakes. A rollout approach will be taken to expand across the rest of South Africa, with our Old Mutual Africa Regions operations to follow over time.
	Actively pursue opportunities for thought leadership, collaboration and advocacy with key stakeholders, including policymakers, regulators, market participants and industry bodies Maintain our collaboration and influence across key climate management and responsible investment associations such as UN PRI, NZAOA and NZAMI	ongoing	We continued to collaborate with various responsible investment, environment-related working groups, policymakers and regulators. The Group consistently sustains active collaboration and influence across key climate management and responsible investment associations. We maintain ongoing engagement with NZAOA and NZAMI, actively considering emerging market perspectives. Our tracking includes participation in the engagement track and the financing transition track. Through the PRI, we continued to share technical knowledge through the Asset Owner Technical Advisory committee. We brought emerging market perspectives to the NZAOA Annual General Meeting where we discussed transition finance as a market development to aid companies on their Just Transition pathways. Through the Association for Savings and Investment South Africa, we continued supporting the work and launch of TNFD to African markets. Our CEO, Iain Williamson, was elected as chairperson of the association. Through our asset managers, we continue our collaborative engagements through Climate Action 100+ and Advance.
	Actively continue investment in renewable energy and low carbon technologies in South Africa and Old Mutual Africa Regions	ongoing	Investments into climate solutions and low carbon technologies such as renewable energy remain prominent through our alternative assets allocation. We remain invested in renewable energy to the value of R38 438 191 777.83 and continue to monitor the deal environment for additional exposure to viable climate-related investment opportunities.
	Continue engagement on global platforms to ensure alignment and support for Africa's position	ongoing	We participated in the South African Pavilion at COP29, convened by the National Business Initiative on behalf of the Department of Forestry, Fisheries and the Environment, where we hosted two panels on the Just Transition and transition finance. Additionally, we brought emerging market perspectives to the New York Climate Week and The Economist's Sustainability Week Africa.
	Aligning Old Mutual Limited's green investment taxonomy to the South African National Treasury's Green Finance Taxonomy	ongoing	Our internal green economy taxonomy is a classification system for assets/securities that meet National Treasury and/or Old Mutual definitions for green economy investments. We tag our assets with appropriate classifications and report on green economy investments as a component of the climate solution to NZAOA.
Metrics and targets	Increase the completeness and accuracy of our direct emissions data and incorporate financed emissions into our climate change risk analysis	ongoing	We invest significant effort in continually improving accuracy and completeness of our direct emissions data throughout the organisation. This enhanced data is utilised across multiple disclosures and reports. As financed emissions are the most material aspect of our carbon footprint, we will be focusing on supply chain mapping to determine materiality. Additionally, we expanded asset classes under which we disclose GHG emissions and improved our data gathering processes for unlisted assets.
	Build internal capacity for portfolio analysis and foster collaboration to address the climate change agenda across the organisation	ongoing	The collaborative efforts of investment teams, including asset owners and managers, persist in advancing actions to address the climate change agenda across the organisation. Knowledge sharing remains a priority across cross-functional teams, facilitated through regular meetings of our responsible investment workstream, comprising asset owner and asset manager representatives. We focus on decarbonising our investment holdings and achieving engagement and stewardship targets as per our commitments and share tools and resources, enhancing the efficiency of climate change risk analysis and reporting within our portfolios.
	Progress our actions and reporting on target setting per the NZAOA protocol and continue reporting to NZAMI	annually	In 2024, we delivered our second NZAOA report submission where we showed progress on our emission reduction targets to NZAOA and set new decarbonisation targets for corporate debt and direct infrastructure debt.
	Advocate for the creation of a South African low carbon listed equity benchmark while considering the Just Transition	ongoing	We created a viable and performance-tested working version of the Just Transition benchmark created, which is practical for a resource-intensive economy such as South Africa. We presented the working version of the benchmark to stakeholders to gauge their interest.

ADDITIONAL INFORMATION

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References

Climate context – the journey to net zero

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Glossary of terms

Defined term	Description
Adaptation	The process of preparing or adjusting systems to a new environment to moderate risk exposure while maintaining awareness and capacity to act on new opportunities resulting from those environmental changes.
Alternative energy	Energy produced from non-traditional sources such as renewable solar and wind energy, as opposed to energy produced from carbon-based sources such as coal, oil and natural gas.
CDP	The CDP (formerly the Carbon Disclosure Project) is an international non-profit organisation based in the United Kingdom, Japan, India, China, Germany and the US that helps companies and cities disclose their environmental impact.
Climate change	Any significant change in primary climate conditions (temperature, precipitation, wind patterns etc.) that occurs over an extended period (multiple decades or more).
Climate modelling	Predicting future climate events or conditions through analysing equations and physical laws that govern climate and ecological systems.
Climate risk	The risk that global warming, extreme weather events and the transition to a low carbon economy will adversely impact economic growth, asset valuations and insurance profitability. These, in combination with increased costs of doing business, could threaten the resilience and sustainability of our business.
Climate scenarios	A scenario developed as a plausible representation of future climate conditions used to investigate and prepare for the associated impact and consequences.
Climate system	The physical components that make up the climate – atmosphere, biosphere, cryosphere, hydrosphere and lithosphere.
Concentration	The proportion of chemicals in a particular substance relative to the rest of that substance.
Conference of the Parties	A conference of world leaders to negotiate their climate commitments and actions, past and proceeding.
Emissions	The substances, usually in gaseous form, released into the atmosphere from resource consumption activities.
Global warming	The global increase in average temperature near the earth's surface.
Green economy	A low carbon, resource-efficient and socially inclusive economic growth path for improved human wellbeing and social equity while reducing environmental risks. It is an alternative concept to typical industrial economic growth, focusing on increasing GDP above other goals.
Green economy taxonomy	Governs what financial instruments can be called green and defines their categories and qualifying characteristics.
Green finance	The process of increasing financial flows towards sustainable and impact-related financial development.
Greenhouse gas	Any gas in the atmosphere that absorbs and stores infrared radiation.
Intergovernmental Panel on Climate Change	A panel developed to provide policymakers with scientific assessments on climate change and future impacts and associated risks.
Just Transition	Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. A Just Transition involves maximising the social and economic opportunities of climate action, while minimising and carefully managing any challenges – including through effective social dialogue among all groups impacted, and respect for fundamental labour principles and rights. Ensuring a Just Transition is important for all countries at all levels of development. It is also important for all economic sectors – by no means limited to energy supply – and in urban and rural areas alike.
Mitigation	A human intervention actively focused on reducing the level of human impact on the climate system and surrounding environment.
Net Zero Asset Owner Alliance	An international group of 71 institutional investors representing $10.4 trillion AUM. Old Mutual is one of the first asset owners in Africa to become a member of this alliance.
Net zero	Net zero is a state of balance where GHG emissions are reduced to an amount that is as close to zero as possible, while any remaining emissions are reabsorbed from the atmosphere.
Network for Greening the Financial System	A global network of financial institutions and banks aiding in accelerating an increase in green finance implementation and development recommendations for central banks' role in climate change.
Physical climate change risk	Risks resulting from climate change that can be event-driven (acute) or due to longer-term shifts (chronic) in climate patterns. These risks may carry financial implications for entities, such as direct damage to assets, and indirect effects of supply chain disruption. Entities' financial performance may also be affected by changes in water availability, sourcing and quality, and extreme temperature changes affecting entities' premises, operations, supply chain, transportation needs and employee safety.
Task Force on Climate-related Financial Disclosures	A task force developed to create consistent climate-related financial disclosures to aid organisations in climate change strategy integration and increase transparency in organisations to all stakeholders.
Transitional climate change risk	The potential financial and operational risks that arise as economies and industries shift towards a more sustainable, low carbon future. These risks can stem from several factors, including policy and legal changes, technological advancements, market dynamics, and reputational risks.

List of acronyms

Defined term	Description
AUM	Assets under management
CDP	Formerly Carbon Disclosure Project
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COP	Conference of the Parties
CSP	Concentrated solar power
CVaR	Climate value at risk
ESG	Environmental, social and governance
EU	European Union
GDP	Gross domestic product
GHG	Greenhouse gases
Gt	Gigatonnes
GWh	Gigawatt hours
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent power producer
ISSB	International Sustainability Standards Board
ITR	Implied temperature rise
JET IP	Just Energy Transition Investment Plan

Defined term	Description
JSE	Johannesburg Stock Exchange
kVA	Kilo-volt amp
kWh	Kilowatt hour
MWp	Megawatt peak
NDCs	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
NZAMI	Net-Zero Asset Managers Initiative
NZAOA	Net-Zero Asset Owner Alliance
OMLACSA	Old Mutual Life Assurance Company (South Africa) Limited
PRI	Principles for Responsible Investment
PV	Photovoltaic
RECs	Renewable Energy Certificates
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
UN	United Nations
US	United States
WACI	Weighted average carbon intensity

Disclaimer

As an asset owner, we act in accordance with our fiduciary duty, in alignment with mandates and considering market conditions, liquidity and portfolio construction constraints and the resultant portfolio impacts. Reliance is placed on interpretation and quality and accuracy of the information supplied by external service providers in assessing the relevant metrics contained in this report.

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