

## **GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS**

<b>Company Name Unit (if applicable) Address</b>	Old Mutual plc 5 <sup>th</sup> Floor, Old Mutual Place 2 Lambeth Hill London	<b>Date</b>	January 2010
<b>Country</b>	UK	<b>Membership date</b>	January 2008
<b>Contact name Contact Position</b>	Helen Wilson Head of Corporate Responsibility	<b>Number of employees</b>	53, 706 (as at 31 Dec 2009)
<b>Contact telephone no.</b>	+44 20 7002 7306	<b>Sector</b>	Financial Services

### **1. INTRODUCTION TO OLD MUTUAL**

Old Mutual plc is an international long-term savings Group. Originating in South Africa in 1845, the Group listed in London in 1999. Old Mutual and its subsidiaries provide life assurance, asset management, banking and general insurance in Europe, the Americas, Africa and Asia.

Old Mutual plc has its primary listing on the London Stock Exchange and secondary listings on the JSE Limited and exchanges in Malawi, Namibia and Zimbabwe.

In the year ended 31 December 2009, the Group reported adjusted operating profit of £1.170 million (on an IFRS basis) and had £285 billion of funds under management at the year end.

More information about Old Mutual plc can be found on our website at [www.oldmutual.com](http://www.oldmutual.com)

### **2. STATEMENT OF SUPPORT FROM JULIAN ROBERTS, CEO OF OLD MUTUAL**

Our vision is to be a leading long-term savings, protection and investment group. To achieve this, we need to have both strong financial performance and a clear vision of our role in society. The two are closely linked – in our view, playing a meaningful role as a corporate citizen requires dynamic business performance as well as a clear understanding of our responsibilities and impacts, and a robust approach to managing these. This is not just good for our reputation - which is built on what we do as part of the communities in which we live and work - but it is also the right thing to do.

As an international financial services company we have a wide range of impacts on a variety of stakeholders; from our customers and employees to the local communities we operate in and also the environment. Ensuring we give careful consideration to the needs and expectations of all our stakeholders is increasingly important when we make our investment decisions and, most importantly, in how we run our business. Mindful of this, we are working hard to ensure we have the right processes in place to manage our impacts and make certain that they are positive ones.

Corporate responsibility is now one of the core components of our Group strategy. This strategy applies across the Group and each business unit reports regularly on their performance against it.

During 2009 we have made some significant advances. Our second public Carbon Disclosure Project submission covered more of the Group than ever before and saw us listed in the Leadership Index, both in the UK and South Africa, and we are now working towards targets for the Group to reduce our direct environmental impact. We continue to invest considerable time and money in community-based initiatives across all of our businesses to support long-term social development programmes. Locally, we have continued to monitor levels of customer satisfaction in our operating businesses to ensure that we are providing the best service we can. And we have been reassessing our core product offerings to ensure that they offer great value for money to our customers.

We see our participation in the United Nations Global Compact as an important component in our delivery of responsible business practices around the world. It provides us with a framework to integrate sustainability and corporate responsibility practices into our business, and continually challenges us to improve our performance in this area. This is why we remain a committed member of the Global Compact and are working to improve how we meet the ten key principles across all the work we do.

However, there is still much more for us to do as a Group if we are to maintain and grow our reputation as a trusted business and corporate citizen. I am convinced that, in these turbulent times, it is more important than ever that we continue our commitment to responsible business practice throughout Old Mutual.

Julian Roberts  
Group Chief Executive

### **3. GLOBAL COMPACT AND OLD MUTUAL**

Old Mutual has been a signatory to the United Nations Global Compact (UNGC) since January 2008. The Group continues to support the ten principles of the UNGC. We are proud to be a signatory of this international commitment on human rights, labour rights, environmental protection and anti-corruption and strive to advance the core principles within our sphere of influence.

In addition to this submission from Old Mutual plc, Nedbank has also submitted their own COP. More details can be found [here](#).

The aim of this document is to provide our key stakeholders and other interested parties an update on how we as a Group, are working to meet the ten key principles that form the basis of the compact and our plans moving forward . These principles are:

#### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In addition to providing detail on the progress we have made on each of the ten principles, this document lays out Old Mutual's approach to responsible business. It does not cover all the relevant activity that is carried out by Old Mutual plc and its Business Units. However, where appropriate we have provided references to other documents that provide greater detail or further information.

## **4. HOW WE MANAGE OUR APPROACH TO RESPONSIBLE BUSINESS**

Working to deliver against the ten key principles of the Compact and ensuring that responsible business practices are part of how we operate requires careful governance and management. During 2009 we have spent considerable time and energy on enhancing the way we manage and govern our approach to responsible business. Below we outline some of the structures we have in place and the progress we have made at a Group level in 2009.

### **Our Group Code of Conduct**

A core part of ensuring responsible business practices are followed across the Group is our Code of Conduct (click here to view the full [Code of Conduct](#)). As a Group we aim to maintain the highest ethical standards in carrying out our business activities. Our reputation is one of our most important assets. Maintaining the trust and confidence of all those who we deal with us is accordingly one of our most vital responsibilities, so in all of our operations our set of core values should guide and direct the way we do business. We recognise our obligations to those with whom we have dealings - shareholders, employees, customers, suppliers, competitors and the wider community. Accordingly this Code sets overall principles and guidelines for how we manage these relationships across the Group. All individual businesses within the Group adopt appropriate principles and processes to deal with specific ethical issues that may arise in their specific circumstances. We monitor ethical performance regularly in order to ensure that corrupt or unethical business practices are eliminated. These checks are carried out through our Letter of Representation and the regular updates to local and Group risk registers.

Training related to the Code of Conduct is managed at a Business Unit level. All new employees are given an induction on the Code, and are required to sign a statement confirming that they will adhere to the Code. In addition to this, the CEOs from each Business Unit are required to sign a

letter of Representation annually to confirm that they and their employees and businesses have complied with the Code over the last year and indicate where any issues have arisen.

### **Our Responsible Business Committee**

The Chairman of the Group, Patrick O'Sullivan, has Board level responsibility for corporate responsibility. The corporate responsibility function reports into the Group HR Director, Don Schneider, who is also the representative on the Group Executive Committee. During 2009, strengthening our governance and risk processes in terms of how we manage our approach to responsible business practices across the Group has been one of our strategic priorities. Integrating our management of our social and environmental impacts into our approach to governance and risk was a central part of this process in 2009, and will continue to be a focus for 2010.

In 2009 we set up our Responsible Business Committee, which is chaired by our Group HR Director. The committee consists of Group senior management representatives from CR, HR, Risk, Investor Relations, Brand, Financial Crime and the Company Secretariat. This new governance structure reports directly into the Executive Committee and provides leadership and direction for the Group on the risks and opportunities related to our social and environmental impacts. Updates are given twice a year to the Board and at least twice a year to the Executive Committee. The Responsible Business Committee meets at least quarterly, although ad hoc meetings can be called to discuss urgent matters.

### **Our Responsible Business Policy**

In addition to our new governance structure for responsible business, we have also developed our Responsible Business Principles into a Group-wide Policy. This Policy is effective for all Business Units, driving greater consistency across the Group in how we manage our impacts. For the first time this included a specific procurement policy, defining what we expect of our suppliers and what our suppliers can expect from us, now and in the future. As we move forward we plan to revisit the Policy to ensure it meets both our, and our stakeholders', growing expectations. In 2010 we plan to further improve the governance and management of our impacts through developing Group-level social and environmental targets which will help us track our progress.

## 5. HUMAN RIGHTS AND LABOUR STANDARDS

The principles that are covered in this section are:

### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Throughout our operations Old Mutual is committed to working to raise awareness of human rights and labour standards, and ensuring they are respected in all our activities. Our Group Code of Conduct and Responsible Business Policy outline the Group expectations in relation to human rights and labour standards. These are then applied by the Business Units as necessary through their policies, processes and activities to reflect the local market conditions and legal requirements, and relevant issues in their region. For example, in the past few years Nedbank Group has worked with the South African Human Rights Commission and the African Institute of Corporate Citizenship to develop a customised human rights compliance assessment tool for South Africa.

Any suspected breach of human rights or labour standards is reported through the appropriate channels, including the Human Resources, Corporate Responsibility and/or Risk functions, to the Audit and Risk Committees that are in place around the Group, with escalation to the Group Audit and Risk Committee where warranted. It is standard practice that the owners of all Group policies, with support of their business unit representatives, are tasked to track implementation and compliance by the business units and raise awareness of material instances of non-compliance to the Group policies with the Group Governance function.

The specific statements in our Group Code of Conduct that focus on the principles for human rights and labour standards are:

- All those representing Old Mutual will uphold the freedom of association and the effective recognition of the right to collective bargaining (Principle 3):
  - We recognise the need to develop effective processes for communication and consultation with employees in the natural groupings in which they work and, where appropriate, for individuals to be suitably represented in negotiations. The rights of freedom of association and collective bargaining are respected, where allowed by law, to facilitate constructive dialogue.
  - Our companies will have appropriate dispute procedures and will make all reasonable efforts to resolve issues without recourse to strikes or lockouts.
- We do not countenance forced or child labour (Principle 4 and 5)
- Our principle is to recruit and promote employees on the basis of their suitability for the job without discrimination in terms of race, religion, national origin, colour, gender, age, marital status, sexual orientation or disability, unrelated to the task at hand. In South Africa this principle needs to be balanced against the requirement to address the issues of employment equity, and our practices will be cognisant of this (Principle 6)
- Relations with employees are based on respect for the dignity of the individual (Principle 6)

Our Responsible Business Policy also contains provisions for human rights and labour standards, as set out below:

- Recruit and reward employees fairly and according to merit. This is balanced with the need to ensure that the Group assists with advancing transformation in the unique context of South African operations. (Principle 6)
- Provide opportunities for employee dialogue, listen actively and encourage participation in the resolution of issues. (Principle 3)
- Safeguard employee rights, including but not limited to, rights to freedom of association and collective bargaining. (Principle 3)
- Embrace and encourage the diversity that exists amongst employees, whilst treating individuals with respect. (Principle 6)

We have additional policies, processes and activities in place that support the commitments in our Group Code of Conduct and our Responsible Business Policy to our people, our suppliers and our communities. Below we have outlined some of these approaches in more detail.

## **Our people**

We have a detailed Human Resource Risk Management Group Policy in place that governs the management of human rights and labour standards in relation to our employees. This policy sets out the mandatory requirements in terms of policy and practice that all Business Units must meet. The policy covers employee relations and employment, diversity, selection and appointment, remuneration and performance management, talent management & organisational development, and employee welfare. CEOs from each Business Unit are required to sign a letter of Representation annually to confirm they and their employees and businesses have complied with the Group Policy over the last year and indicate where any issues have arisen. This is supported by regular internal audit checks that take place during each year to confirm compliance to this and other Group Policies.

Below we give examples of how different Business Units are putting our policies, and the Global Compact principles on human rights and labour standards, into practice.

### Employee welfare

- At Old Mutual South Africa our employee engagement is formalised via an interest-based collective agreement with the OMREB trade union representing approximately 4,500 white-collar employees (middle and junior management). This was enhanced in 2009 by the creation of the Interests Discussion Group (IDG) facilitating not only consultation over terms and conditions but a wide range of company and employee issues.
- At Nedbank we run an Employee Wellbeing Programme that provides assistance and support for a range of matters, from emotional and personal difficulties, family and relationship concerns, alcohol and drug abuse, and stress management, to financial matters, legal concerns, HIV/AIDS, violence and trauma and bereavement or loss.

### Diversity

- At Mutual and Federal we carried out an employee communication programme to promote a range of days throughout 2009 to promote employees' awareness of diversity issues. These included Human Rights Day, Freedom Day, Workers Day, Youth Day, Women's Day, Casual Day, Heritage Day and the Day of Reconciliation. In addition there was a workshop on diversity and transformation held for the members of the Employment Equity Consultative Forums
- The Nedbank Women's Forum is one of the means by which Nedbank aims to become a great place to work, especially for female employees. During 2009, the forum was very active, hosting workshops, talks and events of topical interest to female (and sometimes

male) employees. These included “Take a girl child to work” day and the Women Empowerment Programme

### **Our suppliers**

In all our dealings with our suppliers we are committed to meeting the Global Compact principles on human rights and welfare. In South Africa our role in meeting these principles is complemented by our commitment to the country’s Black Economic Empowerment (BEE) strategy. Here, where we are the largest financial services business, we continue to work to ensure that our economic benefits and opportunities are spread equitably across South African society.

In all our business relationships in South Africa, across Old Mutual South Africa, Nedbank, and Mutual & Federal we aim to ensure that our efforts are conducted in the spirit of Black Economic Empowerment, as well as in line with the letter of the law.

Where possible we practice affirmative procurement by sourcing of goods and services from:

- Black-owned small and medium enterprises (including micro-enterprises)
- Companies owned by people with disabilities
- Companies owned by women

Nedbank, for example, has a dedicated BEE Procurement Management Unit. The Unit sets the framework rules for BEE procurement based on the Nedbank Procurement Policy and engages with all parts of the business in achieving Group BEE goals and targets.

More information on this can be found in the [OMSA Citizenship Report](#) and the [Nedbank Sustainability Report](#).

### **Our communities**

Our impacts reach beyond our direct relations with our customers, suppliers and employees to the wider communities in which we operate. Managing all of our impacts, including those that affect the wider society, is important in creating a sustainable business that delivers long-term success for all those it affects.

Our broader role in society is of particular importance to us as we are one of the leading financial services providers in Southern Africa and therefore are a significant participant in these countries’ economies. In South Africa, we are committed to playing a leading role in the economic transformation of the country. The initiatives we run are underpinned by four main themes which form our strategy for helping to transform the national economy in South Africa.

- Poverty eradication through job creation.
- Capacity building and addressing the scarce skills shortage in national, provincial and local government departments.
- Property and infrastructure development
- Increasing the national knowledge base, focusing specifically on equipping learners with more sophisticated mathematical and scientific skills

In addition to the direct impacts of our operations, we also have an impact on society through our investment decisions relating to the projects we finance and the companies in which we invest. These activities generate wealth for our customers and shareholders and we try to minimise, as far as possible, any negative impacts these investment decisions may have on society as a whole. We currently have a Group Investment Statement which provides our asset managers with guidance on how to approach social and environmental issues in the context of investment decisions (more information can be found on the [Old Mutual website](#)). There are also additional policies and statements that govern investments made by Business Units, such as Skandia Nordic (Ethical Guidelines) and Nedbank. In 2008, we committed to revisiting this statement in 2009 and we have engaged external agencies to start this review process that will be completed in 2010.

Nedbank, through its involvement in project finance, has also adopted the Equator Principles. Nedbank Group was the first African bank to adopt the Equator Principles, which are a set of international guidelines for banks to ensure that the projects they finance are developed in a socially responsible and environmentally sound manner. Detailed information regarding the Equator Principles can be found on its [website](#). More detail about Nedbank's adoption of the Equator Principles can be found in its [Sustainability Report](#).

### **Zimbabwe example**

Being a responsible business means we are sometimes required to make difficult decisions about where and how we operate. Our decision to continue to operate in Zimbabwe is just such a decision, and forced us to look closely at all of our impacts and our relationships with different stakeholder groups in this country. Old Mutual is the largest financial services company in Zimbabwe. We are also the largest investor in the Zimbabwe Stock Exchange (ZSE) through investments made in listed companies across all sectors on behalf of our Zimbabwean customers. Through our business, Old Mutual Zimbabwe manages the savings of more than a million Zimbabweans, which is a responsibility which we take very seriously.

Despite severe operational difficulties over the last few years, we have taken a conscious decision, and have gone to great lengths, to support and honour our commitment to the people of Zimbabwe, in particular to our customers, employees and communities.

We have every reason to believe that the country will rebuild its economy and that ordinary Zimbabweans who have been affected by past hardships will have a positive future to look forward to. It is from this premise that we continue to invest and protect the interests of our customers, employees and local communities within the constraints provided by the local environment.

## **6. ENVIRONMENT**

The relevant Global Compact principles that are addressed in this section are:

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The specific statements in our Group Code of Conduct that relate to these principles are

- We are concerned with the conservation of the environment in its broadest sense, and recognise that certain resources are finite and must be used responsibly. We aim to limit the use of finite resources in all business ventures and in particular recognise our role in managing responsibility for buildings and land we occupy, waste management and usage of energy. (Principles 7 and 8)

Our Responsible Business Policy also contains relevant provisions. Where possible, Business Units must:

- Set targets and monitor measures to reduce their energy and water use and the waste they generate in each of their locations. This is to aid the Group with reducing its carbon footprint. (Principle 8)
- Create awareness to aid employees in understanding their impacts and their role in minimising these. (Principles 7 and 8)
- Consider environmental impacts as part of their investment decision process. (Principles 7, 8 and 9)

We aim to achieve long term sustainable growth. We recognise that we can only achieve this if we understand the impact we have on the environment, and the risks and opportunities that this presents.

We work hard to try to improve the way we manage our environmental risks. We manage both the direct impacts we have as a business through our operations (e.g. through the running of our offices, the travel of our employees, or the production of materials related to our work), but also the indirect impact that we have through our investment decisions, communications and products. Across the Group in 2009 we shared environmental best practice both in terms of our risks and our opportunities.

As part of our broader role in helping to tackle the challenges that climate change presents, we continued our support for the work of the United Nations in this area, and signed the Copenhagen Communiqué calling for an equitable deal as part of the United Nations Climate Change Conference in December 2009. Nedbank continued to be a member of the United Nations Environment Programme Finance Initiatives (UNEP FI) and in 2009 co-chaired the UNEP FI African Task Force (ATF), which addresses sustainability issues in the African context. We also committed funding to a research project at Imperial College, London, looking into the effect of climate change on biodiversity.

During 2009 we made some progress towards our environmental policy commitments. However, we recognise that there is still much to be done. In this section we outline what we have achieved this year, and set out our goals for 2010, which are based on reducing the direct impact of our operations, managing the impact of our investment decisions, and engaging our employees in our environmental effort.

### **Minimising the direct impact of our operations (Principles 7 and 8)**

As a financial services company, the biggest sources of direct carbon emissions are from our offices and travel. As part of our continued commitment to a better understanding of our own environmental impact, and in particular our carbon footprint, we completed our [second public submission](#) to the Carbon Disclosure Project (CDP) in 2009. In 2009 we were included in the CDP's Carbon Disclosure Leadership Index for the first time, and were placed in the top 10% of the FTSE350 companies that responded. Within our submission we made a commitment to reduce our overall carbon emissions by 2% during 2009, a target which we have met. As part of this commitment each business unit has developed, or started to develop, a carbon reduction strategy aimed at reducing our overall carbon footprint.

In addition to our Group submission, Nedbank also made its own [CDP submission](#). It was recognised as the 2009 overall winner for the South African Carbon Disclosure Project Report 2009 Leadership Index. Nedbank followed this achievement by making a commitment to carbon neutrality, making it the first South African bank and the first listed company in South Africa to do so.

In 2010 we plan to finalise the carbon reduction strategies across the Group, monitor our reduction targets and submit our third public Group CDP submission.

**Managing our indirect impact through our investment decisions, communications, and products** (Principles 8 and 9)

In 2008 we developed our first Group Investment statement. In 2009, we worked with different parts of the business, including the Group Executive Committee, to explore how we can refine this statement to reflect the structure and priorities of the Group for 2009 and beyond. In 2010 we will continue to review the Group Investment Statement and the investment statements from the business units across the Group.

Nedbank, through its involvement in project finance, has also adopted the Equator Principles. Nedbank Group was the first African bank to adopt the Equator Principles, which are a set of international guidelines for banks to ensure that the projects they finance are developed in a socially responsible and environmentally sound manner. Detailed information regarding the Equator Principles can be found on its [website](#). More detail about Nedbank's adoption of the Equator Principles can be found in its [Sustainability Report](#).

The indirect environmental impacts of our activities represent a significant part of our environmental footprint. We manage these impacts through the products we offer to our customers and by developing communication methods that are specifically designed to minimise impact on the environment. For example, during 2009 Nedbank ran a series of outdoor, radio and print advertisements designed to increase take-up of our range of Green Affinity banking, investment and insurance products, helping customers choose products designed to benefit the environment.

**Engaging our employees (Principles 7 and 8)**

Engaging our employees in our environmental efforts has been an important part of in delivering change across the Group in 2009. Throughout the year and across the Group we have continued to promote the three 'Rs' – Reduce, Reuse and Recycle. Much of this has been conducted at an individual Business Unit level. However, we also share best practice informally across the Group

through meetings, workshops, and our Group electronic magazine 'in-Touch'. Not only do we try to promote behaviour change within the working environment, we have also run a number of programmes throughout the Group that have helped our employees take action at home.

Below are some examples of work that has taken place in 2009:

- Old Mutual South Africa – A series of environmental awareness workshops were run across the year, including ones delivered by external organisations including the City of Cape Town who delivered a session on 'Waste Minimisation and Recycling'
- Skandia Nordic – In order to help build momentum amongst our employees we appointed environmental coordinators to help manage and promote employee engagement in this area
- Mutual & Federal – As part of an employee awareness campaign we ran a light bulb exchange programme, allowing employees improve the efficiency of their lighting at home
- Nedbank – We created a internal communications campaign to encourage employees to reduce their carbon footprints at work and at home, which culminated in the Green Trust Staff Awards celebrating those whose efforts stood out within the business

During 2010 there are already a number of training sessions and road shows planned which are aimed at sharing best practice and maintaining the momentum to minimise our impact on the environment amongst our employees.

## **7. ANTICORRUPTION**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Old Mutual has a Group level policy covering the prevention of bribery and corruption. The policy states that the Group is committed to ethical and legal business conduct, and that the Group and its employees will:

- Act legally and with integrity at all times to safeguard our employees, resources, tangible and intangible assets (particularly our reputation);
- Create and maintain a trust-based and inclusive internal culture in which bribery and corruption are not tolerated;
- Conduct all business relationships in an ethical and lawful manner; and

- Co-operate fully with law enforcement and regulators locally within the bounds of local legislation.

The Group policy requires all Business Units to implement a local policy which covers the Group's requirements for Anti-Corruption, Bribery and Conflict of Interests. The policy must include the following Principles:

- The Group and its employees must not engage in bribery for the Group's or its employee's benefit or that of the employee's family, friends, or business associates.
- The Group and its employees must not become involved in corrupt activities intended to influence the action of any person in relation to the Group's business.
- Employees must avoid any activities that might lead to an actual or perceived conflict of interest with the Group's business. Where an employee believes that an actual or potential conflict of interest has arisen or could arise, the employee must promptly disclose this and seek approval for this to continue. Where this is refused, the employee will be responsible for withdrawing from the activity that caused the conflict.
- Business units must have adequate procurement controls including segregation of authorisation of expenditure and selection of vendors/suppliers.
- The Group does not make direct or indirect financial contributions to political parties, organisations or individuals engaged in politics.
- The provision/ acceptance of gifts and corporate hospitality by an employee is acceptable provided that it is not excessive (in a local context) nor could be interpreted as an attempt to materially influence the person receiving the gift/hospitality. Employees are not allowed to give (other than for approved charitable or community support projects) or receive money in a Group business context. Employees must seek approval for hospitality/gifts accepted or offered above a reasonable limit set locally.

The policy also requires a member of the senior management team within each Business Unit to be responsible for implementing the above Principles. This includes:

- Appointing appropriately senior and skilled employees to approve disclosures regarding gifts and hospitality above a reasonable minimum level and conflicts of interest.
- Establishing and maintaining registers for gifts/hospitality and conflicts of interest which are regularly reviewed by management.
- Communicating the contents of the local policy and providing training and awareness to employees, particularly those working in higher risk areas (e.g. Procurement, Sales, Asset Acquisition, and Marketing).

- Providing management information and assurance regarding compliance with these Principles to the subsidiary CEO and to Group at least annually.
- Ensuring that employees who fail to follow these Principles are subject to disciplinary action.

The Group expects to be promptly notified by Business Units in the case of any proven instance of bribery/corruption and any material investigations regarding bribery or corrupt activity.

The policy is enforced in a number of ways:

- All Chief Executive Officers throughout the Group are required to sign off compliance with the policy at least twice yearly
- Internal Audit provides independent oversight locally and the Head of Group Financial Crime Prevention and Security (working within Group Governance and Regulatory Compliance) provides an overall oversight across the Group for the Group Board and Executive Committee.

At the end of 2009, the Group Executive Committee empowered the Head of Group Financial Crime Prevention and Security to continue to enhance the Group's anti-bribery framework during 2010.

Old Mutual also has the Group Code of Business Conduct/Ethics and Group Responsible Business Policy to support its anti-bribery and corruption activities.

## **8. EXTERNAL RECOGNITION**

As part of Old Mutual's our commitment to responsible business practices we are pleased to be listed on a number of indices and to sit on a number of sector forums. In 2009 Old Mutual:

- Retained our listing on the FTSE4Good Index and the JSE SRI Index
- Was recognised in the Carbon Disclosure Project Leadership Index
- Signed the Copenhagen Communiqué calling for action to address climate change
- Joined the Insurance Diversity Forum (IDF) a group of International and UK companies addressing the impacts and awareness of diversity issues
- Continued our membership of the FORGE Group, a group of financial services companies looking at the material social and environmental challenges facing those in the financial services sector.

**9. CONTACT AND FEEDBACK**

If you would like to find out more information, have any questions, or would like to provide any additional feedback on this Communication on Progress please email Helen Wilson, Head of Corporate Responsibility at [helen.wilson@omg.co.uk](mailto:helen.wilson@omg.co.uk).