



Bulelani Ngcuka is Chairman of Amabubesi Holdings in which Old Mutual acquired a 20% stake in 2004.

Senior Old Mutual executives played a crucial role in the development of the Financial Sector Charter, a set of agreed principles and targets aimed at stimulating the transformation of the financial services sector in South Africa.

Those targets aim to encourage and facilitate:

- The recruitment and development of black staff;
- Increased procurement from black suppliers;
- Increased access to financial services and products;
- Direct investment into society; and
- Increased ownership and control of established companies by black shareholders.

We remain committed to the principles of the Charter and have set out to exceed its targets.



Social investment

Over the past four years the Old Mutual Foundation has concentrated on building up sound, innovative initiatives within the four focus areas of local economic development, education, HIV/AIDS and staff volunteerism.

- We have looked for innovative ways to make a difference by leveraging off our original focus. We call it “looking beyond the obvious”.
- We have also endeavoured to lead discussions around national issues by engaging with government, non-governmental organisations and other corporates.
- We are committed to the transformation of this country by directly involving our colleagues and ourselves – through the different volunteerism initiatives we manage – in the challenges we all face.
- We have in mind a holistic approach to the development of healthy, well-educated communities.

Kate Miszewski is Manager of the Old Mutual Foundation. The Foundation focuses on local economic development, education, AIDS orphans and staff volunteerism.



10 Workplace transformation

Dev Pillay is Head of the Old Mutual Business School (OMBUS) and the leader of the Human Capital Development team which includes employment equity, diversity, learnership and skills development experts.

The American Society for Training and Development (ASTD) awarded OMBUS a prize in the 2004 ASTD BEST competition. The School is one of 24 organisations from five countries chosen as winners. It is rated 11th among the top international business schools in the world.

Our internal transformation initiatives are many and varied. They include our efforts to optimally develop the company's human capital through the creation of workplace practices and disciplines that encourage commitment and high performance.

In 2005 we will seek specifically to encourage a performance-driven culture that embraces diversity. Our internal transformation therefore will continue to:

- Build an integrated approach to diversity;
- Aggressively address our employment equity commitments;
- Address the strengthening of our leadership pipeline, including the mentorship of talented black staff; and
- Address the retention of those staff.



Stakeholder relations and social engagement

Our stakeholders – all those shareholders, individuals, communities, business partners, legislators, and representative bodies that impact on Old Mutual – have a major role to play in the transformation of Old Mutual.

- We seek to understand the concerns of our stakeholders.
- We do this through extensive two-way discussions throughout the year.
- Our discussions ensure that our transformation does not occur in a vacuum, and that our efforts have resonance to our stakeholders.
- Our stakeholders help us chart a meaningful transformation path, one that is sustainable and allows us to reach our social vision.

The Head of Group External Relations is Zoleka Skweyiya who bears responsibility for managing and supporting executive interaction with our stakeholders.



Old Mutual has an increasing number of staff members who volunteer to be Peer Educators. They play a crucial role in educating their workplace and their communities about the disease.

Old Mutual has adopted a four-pronged approach to managing HIV/AIDS – an approach recognised by the Global Business Coalition on HIV/AIDS as one of eight outstanding global initiatives.

The approach manages the disease:

- in our business markets;
- in the workplace;
- in the wider community, and;
- through relevant financial services and advice.



Measurement and reporting

The company has adopted an Old Mutual Transformation Matrix – various measures/indicators that track the company's progress towards its objectives. These form the basis of the measures in this report.

- The Matrix includes the measures contained in the Financial Sector Charter and Old Mutual's 10-point BEE framework.
- It also includes measures from the Global Reporting Initiative (GRI) and those that are specific to the company's strategies.
- Measures against these standards are submitted to various international and external bodies including the Environment Committee of the Board, the Financial Sector Charter Council and the Old Mutual Executive Management Committee.
- Our data is used in submissions to the various stock exchanges on which Old Mutual is listed, in some cases for the purposes of their social responsibility indices.

Mark Peach is Chief Transformation Officer. His responsibility is to measure our transformation, and help embed positive corporate citizenship practices in the company.



Introducing new partners

Old Mutual SA Managing Director, Roddy Sparks, with members of the Brimstone Consortium: Siphon Pityana; Professor Jakes Gerwel; Fred Robertson and Bulelani Ngcuka.

On 19 April 2005 Old Mutual was part of the announcement of one of the largest Black Economic Empowerment transactions in history in the financial services sector. Two consortia bought stakes in Old Mutual, Nedcor and Mutual & Federal in a deal valued at over R7 billion. The WIPHOLD and Brimstone consortia will become active shareholders in Old Mutual once all approvals have been obtained.



Our empowerment transaction

Even though the transaction detailed below is one part of the overall transformation taking place within Old Mutual, it is a milestone for the company, its employees and the country.

The deal sees a significant transfer of ownership to the black partners described further on, in each of the three South African members of the Old Mutual Group:

- Over 13% of Old Mutual (SA) (a transaction worth about R3.5 billion).
- Over 11% of Nedcor's South African business (worth about R3.0 billion).
- About 11% of Mutual & Federal's South African business (worth about R700 million).

In total the R7.2 billion transaction is designed to benefit staff, customers, stakeholders, and our new business partners (who will help us to grow our business according to specific outputs described in a groundbreaking performance contract). Consequently, our shareholders also stand to benefit.

The deal benefits our people

The biggest part of the deal is the staff component. Management will participate through a Senior Black Management plan and the Management plan. In addition, every permanent staff member (who does not already participate in the Management plan) will be given shares worth R7 500.

It benefits our business partners

Our partners embrace similar values as we do: they are people with integrity, who push beyond boundaries and who show accountability and respect. More than this they have sound track records and significant depth of skill in financial services. Our relationship will enable us to benefit from these attributes and gives them a meaningful stake in South Africa's leading financial services company, and the opportunity to significantly help transform Old Mutual and South Africa.

There are benefits for our customers and intermediaries

In designing the transaction we wanted to provide a meaningful benefit to trade union members who make up a significant number of Old Mutual's overall customer base. Therefore we have

The key members of the WIPHOLD Consortium with Roddy Sparks at the announcement of their purchase of a stake in Old Mutual: (front, l to r) Louisa Mojela and Wendy Luhabe and (back) Gloria Serobe and Pulane Kingston.