

Old Mutual leads the charge against climate change in Africa

Today, 18 December, Old Mutual announced that it has been awarded the African seat on the Global Steering Group for the UN-convened Net Zero Asset Owners Alliance with Sbu Ngwane, its chief strategy and sustainability officer, assuming one of seven Asset Owner seats, representing Africa.



Source: © 123rf [123rf](#) Old Mutual announced that it has been awarded the African seat on the Global Steering Group for the UN-convened Net Zero Asset Owners Alliance

Ngwane is joined by two UN-affiliated conveners, UNEP-FI and the Principals for Responsible Investment (PRI) to make up the nine-member Global Steering Group, the Alliance's highest governance committee.

"Being awarded the seat on the Global Steering Group is a major coup for the Old Mutual Group as it places us at the centre of the narrative involving a just transition for Africa and the developing world," says Ngwane, group strategy and sustainability officer at Old Mutual Limited.

Decarbonisation, if it is to be equitable, must address social risks and impacts on workers, suppliers, communities, and consumers," adds Ngwane.

The company, which presently has R150.5bn of assets under management invested in real-economy impact, including in climate solutions, in a position to assist with leading the charge against climate change in Africa and the developing world.

Securing a just transition

Old Mutual joined the Alliance in 2022 and has set its first targets to transition its investment portfolios to net-zero greenhouse gas emissions by 2050.

“Although Africa produces only 3.8% of the world’s greenhouse gas emissions, the continent’s challenges must be raised to secure a just transition as we decarbonise our economies,” says Ngwane

Along with decarbonisation efforts, he says there is a need to focus on the adaptative measures required across the continent since we inhabit the region most vulnerable region to climate change, a situation exasperated by a vulnerable population, high levels of poverty and limited financing.



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Transitioning its investment portfolios

The company initially joined the NZAOA to learn from global peers so Old Mutual could contribute to and influence the broader African and emerging market decarbonisation pathway.

On a practical level, Old Mutual has begun transitioning its investment portfolios towards companies that are low emitters of greenhouse gas emissions and those that were taking active steps to reduce their carbon emissions.

The company points out that it has aligned one-third of its global listed equity assets to Paris-aligned benchmarks and has R24.5bn of proprietary assets invested in renewable energy, constituting approximately 31% of South Africa’s total installed renewable energy capacity.

Need to collaborate with other African Asset Owners

Old Mutual recognises the need to collaborate with other African Asset Owners, within and outside of the Alliance, to drive net-zero efforts in line with a Just Transition.

The company currently sits on the engagement track, where it influences how investors engage with underlying investee companies, on disclosing their climate risks and opportunities, their GHG emissions and just transition plans to decarbonise their operations and value chains, while taking into account all of their stakeholders.

Outside of the Alliance, Old Mutual, through its asset managers is also a member of Climate Action 100+, an investor-led initiative focusing on collaboratively engaging global companies on emission reduction plans, including three African entities; Eskom, Sasol and Dangote Cement.

It has been a supporter of the Prudential Authority’s Climate change disclosure guidelines and its Climate Change Risk guidance note for insurers.

Old Mutual fully commits to continue its collaborative efforts, with its Alliance Steering Group members, for a just transition in Africa.

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