

# A MESSAGE FROM KHAYA

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Managing Director



In South Africa, we are faced with a unique set of challenges, ranging from extreme social inequality, poor economic growth and lagging infrastructure to increasing environmental stress. These challenges have created an important opportunity for us as we believe we have a responsibility to constructively contribute to creating a sustainable and an inclusive future for all, without sacrificing return outcomes for our clients. As custodians of our clients' wealth and acting on their behalf, we have a real commitment to this responsibility, which is encapsulated in our overall approach to responsible investing across all our asset classes.

## MAKING ESG OUR BUSINESS

Environmental, social and governance (ESG) factors have become increasingly important considerations for both asset owners and investors. This isn't surprising, because the nature of the world as we know it is at stake. We face a very real existential crisis if our impact on society and the environment continues unabated. There is a recognition that we all have a responsibility in creating a sustainable future for all.

What is becoming clearly apparent is that integrating ESG considerations does not have to come at a cost to returns. To the contrary, there is emerging evidence these factors can make a positive contribution to client returns.

For example, the MSCI Emerging Market ESG Leaders Index, which focuses on companies with higher sustainability performance than their peers in their sector, outperformed the MSCI's standard emerging markets index on a total return basis by 103% during the past decade.

## FOR A FUTURE THAT MATTERS

In this publication, our team details our Responsible Ownership programme, our contribution to the green economy and our integration of ESG into our investment processes.

We define responsible ownership, or stewardship, as the active and responsible management of our clients' assets to ensure ESG risks are reduced and opportunities are captured. We do this through our active approach to proxy voting at company meetings, engaging with companies and by ensuring that we

drive positive change with regulators and industry bodies. On this note, we've supplied a few case studies to demonstrate our on-the-ground approach to active ownership.

We also highlight where the R122 billion we committed, on behalf of our clients, has been put to work in Africa's green economy. This is another illustration of how we've long moved from just thinking or talking about sustainability to tangible action.

## YOUR THOUGHTS?

With all the progress we've achieved so far, it's important to note that we are part of a greater ecosystem and so cannot redirect the ship alone. With that said, we would love to hear your views on how we can contribute more or differently towards a sustainable tomorrow for us all. Please email us at [listening@oldmutualinvest.com](mailto:listening@oldmutualinvest.com).

I hope you enjoy the read! 🌱

**RESPONSIBLE INVESTING AFFORDS US THE OPPORTUNITY TO PURSUE SUPERIOR, RISK-ADJUSTED RETURNS FOR OUR CLIENTS; WHILE AT THE SAME TIME POSITIVELY IMPACTING THE COMMUNITIES AND ENVIRONMENT THAT WE OPERATE IN.**

