

A photograph of two young girls with blonde hair, laughing joyfully in a field of tall, green grass. The girl in the foreground is wearing a white patterned top, and the girl behind her is wearing a striped shirt. The background shows a bright, sunny day with some buildings in the distance.

# 02

## Liberty's SEE strategy

Our approach	22
Stakeholder engagement	25



## Our sustainability statement

We strive to maximise our positive social, economic and environmental (SEE) impacts while mitigating and managing potential negative impacts. We aspire to deliver shared value by focusing on issues that matter to our employees, financial advisers, clients, stakeholders and the broader community.

## Our approach

Liberty aims to create societal value and preserve the natural capital our business depends on. We understand that our success is linked to the prosperity and wellbeing of our society. Therefore, we focus on creating value for society by living our purpose of improving people's lives by enabling their financial freedom, along with our brand promise of being "In it with you".

Shared value means that as a responsible corporate citizen we leverage our resources to create solutions that will benefit society and build a more prosperous future for all. We nurture our relationships and skilfully navigate risks to deliver products that help our clients prepare for life's traumatic events and increase their wealth. At the same time, the value we create for our clients must benefit other stakeholder groups. Our approach focuses on the value that we create, and SEE issues create an opportunity for growth, innovation and differentiation for our business.

**Ending poverty goes hand in hand with strategies to improve health, wellbeing and education, reduce inequalities and spur economic growth. This is encapsulated in the UN SDGs which outline the vision for a more prosperous and peaceful future for people and the planet, and guides our SEE strategy.**

As an urgent call for countries, both developed and developing, the SDGs aim to create a global partnership where the focus is on ending poverty, reducing inequality, improving education and health, preserving our environment and tackling climate change. The SDGs provide a roadmap for a shared global vision for the private sector and civil society, one that can be incorporated into national development plans and strategies.

## Our SEE impact material matters

Shared value aims to identify and expand the integration between societal and economic progress. In order for us to achieve this, we identified seven SEE impact material matters with the potential to substantially impact our ability to create value for our stakeholders.

-  Supporting the physical, emotional, social and financial wellbeing of our employees, clients and society throughout the COVID-19 pandemic
-  Enabling financial freedom, inclusion and access to financial services
-  Promoting inclusive economic growth through quality education
-  Responding to stakeholder expectations, with a focus on ESG principles and climate change
-  Managing and protecting our physical environment as well as the health and safety of our employees
-  Funding national infrastructure development and the transition to a green, low-carbon economy
-  Contributing to national economic and social transformation

 For more information on our SEE impact material matters, refer to page 19.

# Our approach (continued)

Guided by our SEE impact material matters, Liberty has prioritised seven SDGs we consider could have the most impact on the communities in which we operate. We believe that in doing so, we can meaningfully contribute to transformation and equality while creating prosperous futures for our employees, clients, shareholders, stakeholders and communities.



We measure our contribution to our selected SDGs through, among others:



By measuring our progress, we create value for our stakeholders:



How we create societal value and preserve our natural capital

Through various programmes focusing on education for young learners, university students, employees and consumers, we **contribute towards skills development, financial literacy, Maths, English and Science** – enabling beneficiaries to improve their life situations, creating economic and societal inclusion as a whole, and working towards financial freedom.

**Our employees add value through our volunteerism programme** and, on a personal level, donating their time or money, or sharing their skills and knowledge where they can.

**We engage with our stakeholders to understand their needs,** support them during important and life-changing events, and provide them with knowledge on how to improve their financial situation.

**Our transformation programme encourages diversity, inclusion and gender equality,** with a focus on human rights and an emphasis on an ethical culture.

**Through our resource management programmes,** we focus on our **water and energy use and waste management,** continuously finding innovative ways to reduce our consumption and contribute towards a more sustainable environment.

**Our climate change policies aim to make meaningful changes that enable us to contribute towards a climate-resilient economy,** and create transparency in the reporting and mitigation of our risks and impacts.

**STANLIB invests in ESG initiatives** that will benefit both communities and the environment, creating a more prosperous and peaceful future for all.

## Our approach (continued)

Liberty is aligned with the objectives of Agenda 2063. We also support the South African National Development Plan (NDP) 2030 and the UN Global Compact Principles to uphold our responsibilities to the societies in which we operate.

### Agenda 2063: The Africa we want

Agenda 2063 is Africa's blueprint for transforming the continent into a global powerhouse, and delivering on its goal of inclusive and sustainable development. The agenda is the manifestation of a drive for unity, self-determination, freedom, progress and collective prosperity. It prioritises economic and social development, democratic governance, peace and security, and continental and regional integration.

Agenda 2063 has identified seven African aspirations, each with their own set of goals:

- **A prosperous Africa** based on inclusive growth and sustainable development
- **Political unity** and an integrated continent
- **An Africa of good governance**, democracy, respect for human rights, justice and the rule of law
- **A peaceful** and secure Africa
- **An Africa with a strong cultural identity**, common heritage, shared values and ethics
- **Development is people driven**, relying especially on the potential of women and the youth, and caring for children
- **A strong, united, resilient and influential** global player and partner

### NDP 2030

In order for South Africa's NDP to succeed, government needs its citizens and corporations to individually contribute towards development. The NDP aims to eliminate poverty and reduce inequality by 2030; objectives that align with Liberty's own transformation goals. Setting out guidelines that define the desired achievements, the NDP identifies the roles of different sectors of society to achieve these aims.

The NDP defines a holistic and pragmatic approach towards reducing poverty and inequality through six focused priorities:

- **Citizens** are active in their own development
- **Faster and more inclusive** economic growth
- **Uniting South Africans** around a common programme
- **A capable** and developmental state
- **Leadership and responsibility** throughout society
- **Building** capabilities

### UN Global Compact Principles

As part of upholding our responsibilities to people and the planet, we incorporate the UN Global Compact Principles into our strategies, policies and procedures. We understand that good practice in one area does not negate harm in another, therefore we place great emphasis on establishing an ethical culture that values integrity, diversity and inclusion.

The UN Global Compact Principles include:

- **Supporting and respecting** the protection of internationally proclaimed human rights in our sphere of influence
- **Ensuring we are not complicit** in the violation of human rights in any way
- **Upholding freedom of association** and recognising the right to collective bargaining
- **Eliminating** all forms of forced or **compulsory labour**
- **Eradicating** all forms of **child labour** in our value chain
- **Eliminating** any form of **discrimination** in the workplace
- **Assuming a responsible, preventative and proactive approach** towards environmental challenges
- **Developing initiatives and practices** to promote greater socio-environmental responsibility
- **Promoting the development and dissemination of** environmentally responsible technologies
- **Fighting corruption** in all its forms, including extortion and bribery

# Stakeholder engagement

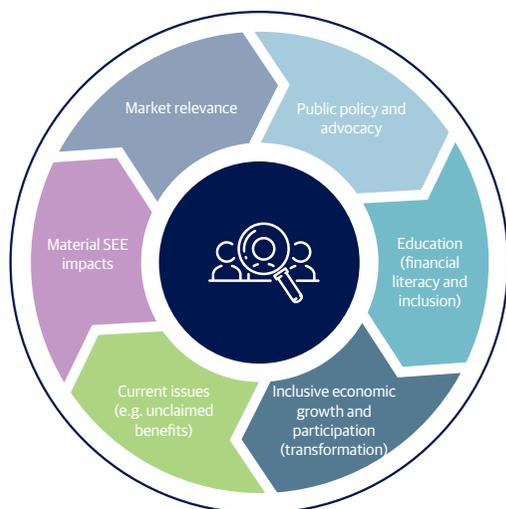
In 2020, the prevalence of the COVID-19 pandemic impacted our operating model. We found new ways of engaging with our stakeholders, and revised our approach by considering various protocols. While establishing, developing and maintaining relationships remotely was challenging to begin with, we managed the transition well and we continue to find innovative ways of working to support our business, clients and financial advisers.

## Proactive engagement areas (PEAs)

**In line with our strategy, we engage with our stakeholders in six PEAs. In identifying these fields, we considered context, objectives, stakeholder groups and action plans, including timelines and performance measures.**

In line with our PEAs, we facilitated and participated in national, regional and global dialogues concerning the socio-economic and political impact of COVID-19. We continued to liaise with B4SA, ensuring we received regular insights and updates on business's response to COVID-19.

Our stakeholder engagement champions from across all business areas were enlisted to participate in a digital dialogue, the "Practice of Stakeholder Capital", organised by the Institute for Stakeholder Relations South Africa. This participation continues with a monthly digital dialogue, illustrating our ongoing commitment to effective and transparent stakeholder engagement.



**Engagements with our key stakeholders in the health industry were focused on disruptions brought on by COVID-19, and what to expect in 2021. We held the 2021 Liberty Health launch virtually in October 2020, which was attended by brokers, clients and the pan-African media from across our markets, enabling us to reposition the business in the minds of key stakeholders across the continent. In planning for 2021, we have engaged with key stakeholders in this sector to get their views on our current product and service offerings, with these insights allowing us to revamp the Liberty Health business going forward.**



## Clients and advisers

**Our financial advisers are central to our business, and it is important they remain up to date on any socio-economic and political developments that could impact our clients.**

We make it a point to collaborate with both tied advisers and independent financial advisers to share our analyses on current events, including the State of the Nation Address, national budget speeches and the general impact of COVID-19 on the economy. We also encourage our financial advisers to regularly participate in digital dialogues with independent analysts and commentators, and we periodically share information on key subject matters with them. We continue to engage directly with our clients through several channels, including our call centre that deals with complaints, service issues, product sales and advice.

### Priorities and concerns of clients and advisers

#### Clients

- Accessibility and assistance during the COVID-19 pandemic
- Financial strength
- Responsible and objective advice
- Products that meet their needs
- Quality service
- Pricing and fee transparency
- Investment performance

#### Advisers

- Support during the COVID-19 pandemic
- Quality service and reporting
- Reduced administrative burden
- Support with product information
- Enabling tools
- Investment performance

# Stakeholder engagement (continued)



## Employees

**As a critical stakeholder, our employees are vital to the sustainability of our business. Through a variety of engagements, we gain insight into their needs and empower them to execute their roles confidently and successfully.**

We increased our engagement with employees during COVID-19 to ensure they were kept informed about developments. These engagements also served to support them on both professional and personal levels during the crisis. We used a variety of tools and platforms, aiming to meet their psycho-social needs during the constantly evolving environment. The wellbeing of our employees was paramount, and management made every effort to ensure employees were kept safe and motivated.

All health and safety protocols were fully observed in compliance with regulations and government mandates, and employees were able to work remotely where possible. We conducted frequent training and, where necessary, information regarding COVID-19 guidelines was disseminated and explained.

With a holistic view of wellbeing, our betterME employee wellness programme is based on five pillars, each with its own drivers. We encouraged all employees to participate in the programme to promote personal development, a healthy body, emotional wellbeing, social development and financial freedom.

### Priorities and concerns of employees

- Health and safety during the COVID-19 pandemic
- Working from home
- Job security
- Gender equality
- Transformation
- Career progression
- Skills development
- Fair remuneration
- Ethical culture



## Regulators

**Our engagements with South Africa's main industry regulators, the Financial Sector Conduct Authority (FSCA) and the Prudential Authority, continued in 2020, albeit in a different guise. Our senior group executives continued to represent the group at quarterly meetings with the FSCA that were held virtually. We also engaged with the FSCA on loyalty bonuses as part of an industry-wide review. To monitor the effects of the pandemic, the Prudential Authority requested daily reports on liquidity risk, insurance risk, market risk and operational risk data, effective from March 2020.**

We successfully engaged with other key regulatory authorities during the year, including the South African Reserve Bank, the Competition Commission, the Council for Medical Schemes, and the Association for Savings and Investment South Africa (ASISA) on amendments to the Financial Sector Code. The B-BBEE Commission is also driving a proactive agenda regarding penetrating ownership by requiring data on African, Coloured or Indian employees. This is further supported by developments around the Conduct of Financial Institutions Bill and institutional clients. Liberty is working through ASISA to engage with regulators in this regard.

In South Africa, we held a number of engagements with the long-term insurance ombudsman relating to client complaints. We are pleased that discussions were successful and to the benefit of clients.

### Priorities and concerns of regulators

- Fair treatment of clients
- Capital adequacy
- Employment equity in South Africa
- Skills development
- Compliance
- Cybercrime and the upgrading of information systems
- Protecting personal information
- Broader access to financial services
- Pension fund administration costs
- Unclaimed benefits

# Stakeholder engagement (continued)



## Investors, shareholders and debtholders

**As a critical stakeholder group, investors, shareholders and debtholders need to be well informed on the details of our operational and financial performance to achieve their investment goals.**

Our smooth transition to digital interaction in 2020 paved the way for fruitful engagement and interaction, culminating in a successful virtual annual general meeting held in May 2020. We remain committed to consistent engagement with this stakeholder group, with a view to expanding our strategy and key initiatives to align their expectations with our goals.

 For more information, refer to [www.libertyholdings.co.za](http://www.libertyholdings.co.za)

### Priorities and concerns of investors, shareholders and debtholders

- Performance during and beyond the COVID-19 pandemic
- Adequacy of the pandemic reserve
- Concentration of property assets in shareholder funds
- Dividends
- Value of new business, earnings and dividends
- Delivery of strategy
- Sufficient capital
- Investment performance
- Governance, ethics, market conduct and internal controls
- ESG issues and performance



## Civil society

**Our targeted and meaningful engagement with different segments of civil society allows us to gain an understanding of our communities' needs as well as insight into the quality of our relationships with these communities. This year, we mainly engaged with representative groups such as BLSA, Business Unity South Africa (BUSA), B4SA and South African Chamber of Commerce and Industry (SACCI), contributing significantly to efforts in the fight against COVID-19.**

An important objective for 2021 is to partner with civil society to trace, identify and pay unclaimed benefits to the legitimate recipients. Liberty has identified these partnerships, which have large memberships, as instrumental in our efforts to address the ongoing issue of unclaimed benefits.

### Priorities and concerns of civil society

- Access to financial services
- Responsible investing
- ESG performance
- Promoting inclusive economic growth through education
- Resolving unclaimed benefits



## Government

**Liberty continued to support the South African government's national development agenda through engagements with, among others, National Treasury and the Department of Trade, Industry and Competition. We engaged with government across all three tiers, with the majority of our engagements centred around supporting efforts to address the impacts of the COVID-19 pandemic. Our engagements were conducted through BLSA, BUSA, SACCI and ASISA. We also participated in various dialogues at the National Economic Development and Labour Council (NEDLAC).**

Through B4SA, we joined the "Payin30 SME" campaign, an initiative that aims to ensure SMEs are paid within 30 days to mitigate the effects of the pandemic on their operations. We also supported government through our contribution to the B4SA Solidarity Fund, set up to fund COVID-19-related relief initiatives.

