

# 05



## Reduced inequalities

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# Our approach



## Promoting greater economic inclusion through transformation

Our transformation efforts focus on gender equality, diversity and inclusion in the workplace, with an acute focus on African women and persons with disabilities. As a member of the 30% Club, we strive for gender balance at board and senior management levels. We comply with the Employment Equity Act, 55 of 1998, and the amended Financial Sector Code (FSC). Our commitment also aligns with the United Nations Universal Declaration of Human Rights. We aim to protect, promote and preserve the sanctity of all human rights and ensure that engagements with our stakeholders are guided by these principles.

### Relevant material matters

 **Contributing to national economic and social transformation**

 Our code of ethics is available at [www.libertyholdings.co.za](http://www.libertyholdings.co.za)

 Our group statement on human rights is available at [www.libertyholdings.co.za](http://www.libertyholdings.co.za)

## UN context

Despite some positive signs, inequality in some form continues to persist – escalating the risks of divisions and impeding economic and social development around the globe. The COVID-19 pandemic has intensified the problem, with vulnerable populations being the most gravely affected. In addition, a global recession increases the severity of the pandemic, particularly if it affects development resource flows for the poorest countries<sup>1</sup>.

<sup>1</sup> The Sustainable Development Goals Report 2020

## South African context

While major strides have been made in addressing gender inequality, these were significantly affected by COVID-19. Women felt the impact of the pandemic the most, experiencing the greatest loss of jobs and decrease in income.

In an already strained economic environment characterised by limited growth and wealth redistribution, South Africa remains one of the most unequal societies globally. The pandemic will further intensify poverty and inequality, with unemployment rates set to increase, and a global recession creating further strain on the economy<sup>2</sup>.

<sup>2</sup> COVID-19 in South Africa – UN Socio-economic impact

## Liberty's contribution to reducing inequality in 2020

Level 2 

**B-BBEE contributor**

(2019: Level 2)

R45,3 million

**invested in CSI projects**

(2019: R45,1 million)

55,4%

**of South African employees are women**

(2019: 59%)

R55,5 million 

**invested in ESD**

(2019: R78 million)

6,7% 

**black women ownership**

(2019: 8,3%)

18,8% 

**black ownership**

(2019: 19,7%)

81%

**of South African employees are black**

(2019: 80%)

# Diversity and transformation

Liberty sees B-BBEE as a business fundamental. People are critical to our success, and we continue to invest in diverse human capital to ensure the sustainability of our business. We have a holistic approach to transformation, which we continue to embed and integrate into how we operate.

Furthermore, our approach runs across our stakeholder value chain, and considers workforce diversification, intermediary and supplier network development, providing opportunities for non-traditional markets to access our products as well as investment in the communities in which we operate.

We understand the value of diversity and believe an inclusive approach will drive superior and sustainable business results. B-BBEE is important to our objectives in the following ways:



## Economic growth

We aim to contribute towards a high-growth environment to help address the high unemployment rate in South Africa, including promoting and sustaining transformation within the financial services industry.



## Social equality

To create a more equal and inclusive society, wealth needs to be distributed more evenly. B-BBEE helps to facilitate social equality and increase cohesion.



## Historical redress

The legacy of our past remains, with the majority of South Africa's citizens still being excluded from the economy based on their race. B-BBEE is a tool to help redress this.

### We embrace diversity and actively develop a culture of inclusion through:

#### Collaboration

#### Our transformation goals are promoted through collaboration and conversation

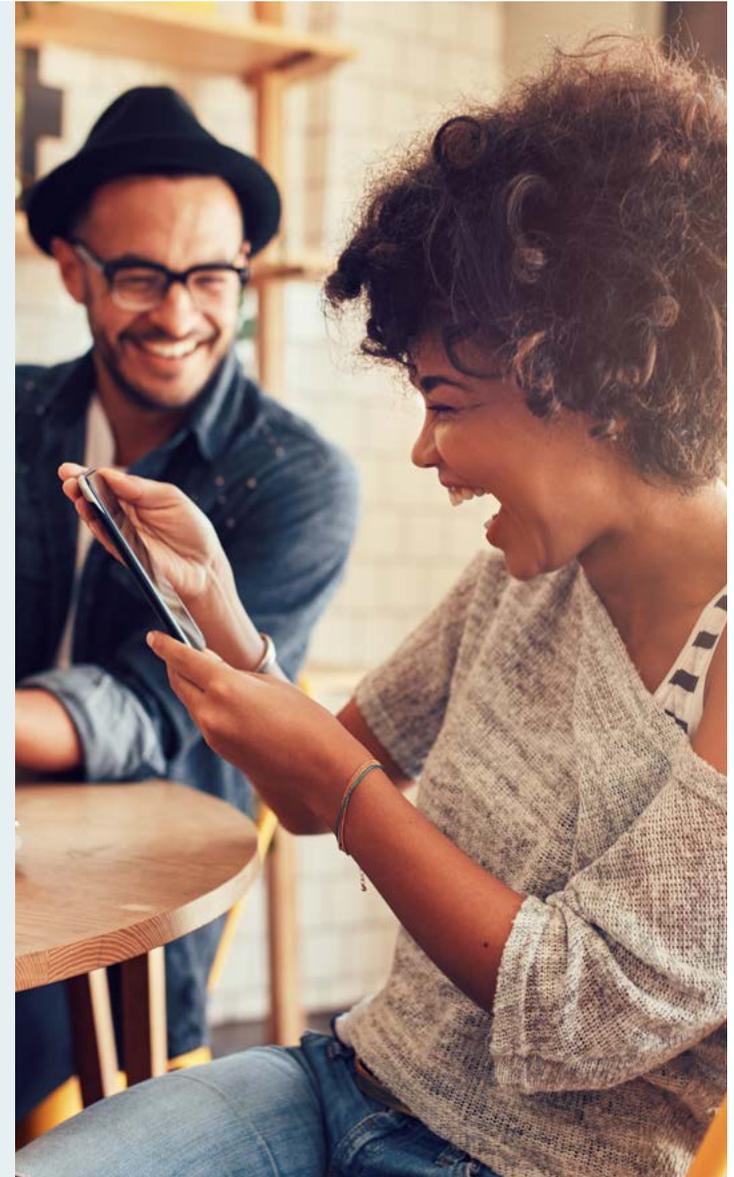
between our leadership and employment equity and skills development (EESD) forums. Our group EESD forum met 14 times during the year.

#### Ongoing dialogue

We facilitate targeted conversations relating to EE, diversity and inclusion.

#### Employee experience

We embed the employee experience through continuous conversations, covering topics such as our employee value proposition, culture, conduct, ethics and trust.



# Diversity and transformation (continued)

## Our transformation storyboard – 2020 B-BBEE level 2 maintained

### PREFERENTIAL PROCUREMENT



FSC Target  
**15 points**

2020 actual **10,5 points** ▼  
2019 actual **13,1 points**

- Minimise international spend
- Increase spend on exempt micro enterprises (EMEs) and qualifying small enterprises (QSEs)
- Focus on 51% black-owned and 30% black women-owned suppliers
- Work with strategic vendors to broaden their transformational contribution

### MANAGEMENT CONTROL



FSC Target  
**20 points**

2020 actual **13,8 points** ▼  
2019 actual **13,6 points**

- Prioritise the development and recruitment of black females and persons with disabilities
- Year-on-year improvement in black female representation at junior, middle and senior management levels

### SKILLS DEVELOPMENT



FSC Target  
**20 points**

2020 actual **16,5 points** ▼  
2019 actual **16,2 points**

- Leadership development training to prepare managers and prospective managers for virtual management
- Growth mindset training across the organisation in support of the Liberty leadership principles
- Skills programmes in support of our employees' personal development

### EMPOWERMENT FINANCING AND ESD



FSC Target  
**24 points**

2020 actual **23,0 points** ▼  
2019 actual **26,0 points**

- Support the industry via ASISA's ESD Investment Fund to develop SMMEs
- Continued promotion of the Liberty Blue Skies black intermediaries' development programme

### OWNERSHIP



FSC Target  
**23 points**

2020 actual **23,8 points** ▼  
2019 actual **19,7 points**

- Increase the economic interest of black people where possible

### ACCESS TO FINANCIAL SERVICES



FSC Target  
**12 points**

2020 actual **12,0 points** ▼  
2019 actual **11,5 points**

- Our bancassurance collaboration with Standard Bank helps us improve access to financial services to lower income communities

### SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION



FSC Target  
**8 points**

2020 actual **6,0 points** ▼  
2019 actual **6,8 points**

- Investment in the Maths, Science and English skills of scholars
- Digital financial literacy education of society

### EE comparison

	Internal Targets	Liberty at 31 December 2020
<b>Senior management</b>		
Black	51,6%	52%
Black women	21,9%	22%
African	21,9%	20%

	Internal Targets	Liberty at 31 December 2020
<b>Middle management</b>		
Black	66,5%	67%
Black women	33,8%	35%
African	33,5%	33%

**R26,5 million**  
socio-economic development spend  
(2019: R26 million)

**R17,2 million**  
consumer education spend  
(2019: R16,5 million)

**>31 800**  
consumer education training  
(2019: >46 700)

**350**  
teachers trained  
(2019: 350)

*NQF-accredited by SAQA for Liberty's Mind My Money programme.*

# Diversity and transformation (continued)

## Our EE Plan

We began the process of developing our 2020/21 EE Plan at the beginning of 2020. We are committed to inclusion and diversity and, in the spirit of this, we sought our stakeholders' opinions as part of the process.

Our EE Plan sets out Liberty's commitment to EE targets as well as the actions we will take to prevent any discriminatory practices. We created interactive campaigns requesting employees' views on important topics including, among others, persons with disabilities, their working environment, the human capital minimum standards and guidelines, and inclusivity. Our collaborative efforts included engaging in dialogue around the concerns of employees, which we enacted once we received the results of the surveys.



## Financial adviser transformation strategy

We aim to be the preferred financial services organisation for black financial advisers, empowering them to create successful businesses and impactful, long-lasting relationships with their clients and Liberty.

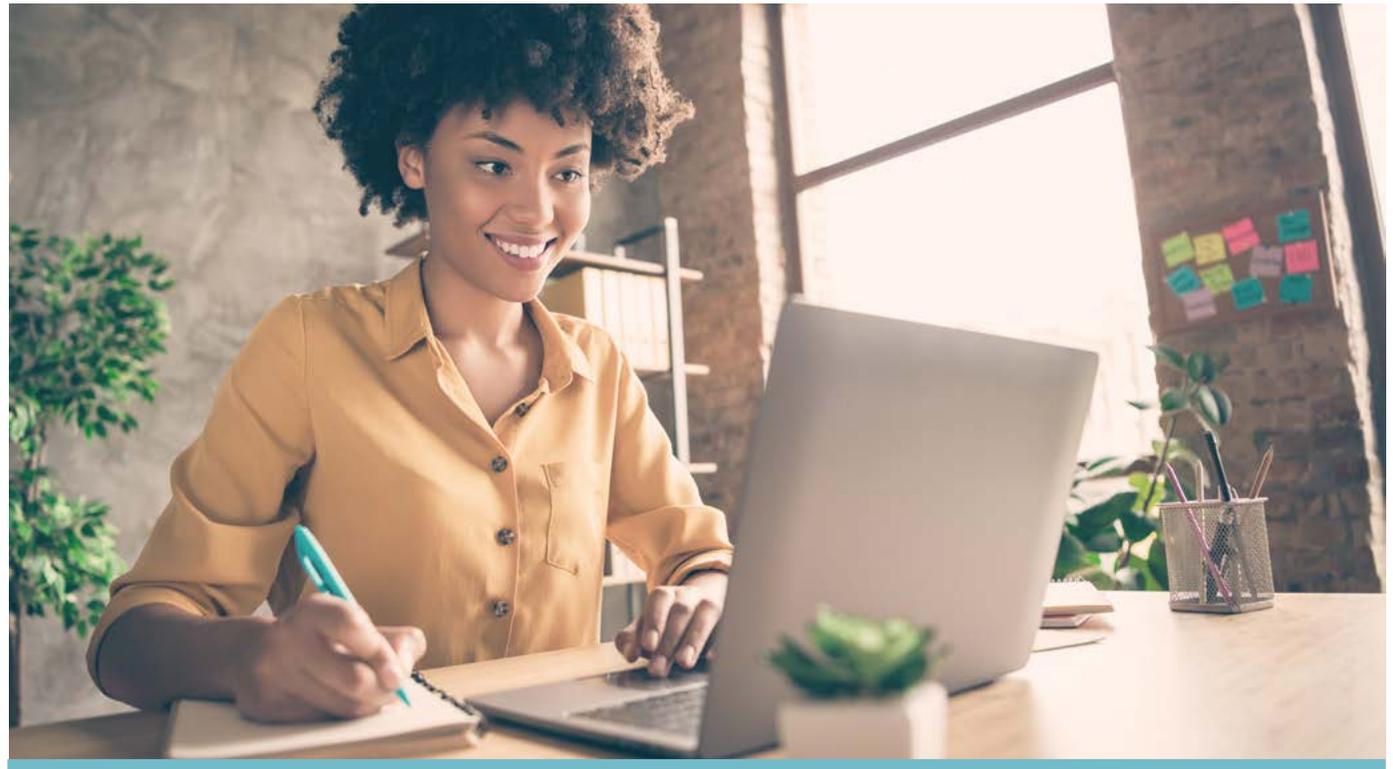
To this end, we established a working group in 2020, mandated to develop and implement a strategy that will holistically guide the transformation of Liberty's financial advisers. The group prioritised and accelerated solutions to support client and adviser interactions, while rethinking our transformation objectives using novel approaches to leverage new and emerging needs. This is in line with our transformation strategy to create a diverse and inclusive workforce that represents the demographics of South Africa.

## Talent management and succession

Liberty needs to proactively engage, attract and retain the best talent to fulfil our current and future business needs. We create long-term value by ensuring stakeholder satisfaction, cost efficiencies, overall culture management and meaningful transformation. Our talent management and succession planning is therefore an integrated, long-term proactive pursuit, in line with our strategy and human capital objectives.

In 2020, we focused on talent management and succession planning from a foundational level. As part of our succession planning processes, we aim to proactively develop a strong talent pool of future leaders and critical specialists, and to provide them with opportunities to develop the necessary skills needed to lead the organisation into the future. Our succession model will pinpoint talent risks and gaps, so that we can continually improve our talent pipeline and succession planning process.

Going forward, as we navigate our way into the post COVID-19 "evolution of work" we will identify new skills and focus on equipping our current employees to grow and evolve.



# Promoting transformation through enterprise and supplier development (ESD)

ESD is key to creating a transformed and inclusive society. As such, we focus on providing financial and non-financial support to entrepreneurs and small businesses in South Africa, thereby enabling job creation and economic growth. We do this through the ASISA ESD Investment Fund, which benefits the entire industry and our Blue Skies ESD programme, which aims to eliminate barriers to growth for participating SMMEs.

46

SMMEs have received support from Blue Skies since inception

248

full-time jobs sustained

The Blue Skies ESD programme supports the growth and expansion of high-potential SMMEs, and we provide mentorship, grant funding and growth project support. To date, the programme has provided business development support to 46 suppliers, of which 100% were black women-owned businesses.

## Liberty Blue Skies

The three phases of the Liberty Blue Skies ESD programme:

### ENGAGE

**We create a pipeline of businesses** with growth potential.

### EMPOWER

**We support the businesses** to increase their turnover and profitability, while also creating job opportunities.

### ENHANCE

**We provide ongoing support for the businesses**, with strategic growth initiatives enabling independence in the future.

## Helping to build resilient businesses

Rose\*, who graduated from the Liberty Blue Skies ESD programme in 2018, is the CEO of a small cabinets installation business that has grown from strength to strength over the past few years. Rose has enormous self belief and continuously challenges the paradigms and principles that she faces daily, testing them for ongoing relevance to her company's context and needs. While South Africa's business landscape remains challenging, Rose believes that her ability to critically analyse situations and opportunities is the reason for the success of her business.

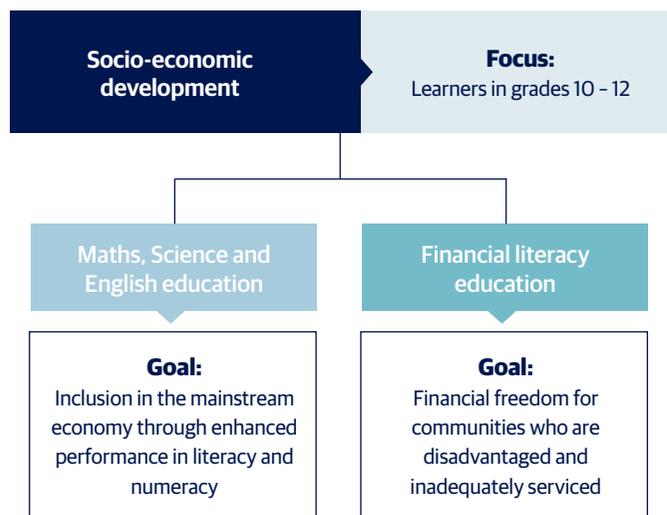
Rose attributes the Blue Skies ESD programme and its assistance with helping her to leapfrog her peers. Liberty helped Rose purchase her own manufacturing facility, growing the business from three to 13 people, enabling her to accelerate her company's performance.



\* To protect the participant's identity, we did not use her real name and image.

# Socio-economic development and consumer education

Our CSI strategy aims to maximise our impact by consolidating and aligning our initiatives. We invested R45,3 million (2019: R45,1 million) in CSI initiatives during the year, and specifically R20,2 million (2019: R22 million) in programmes targeting Maths, Science and English education. We also invested R17,2 million (2019: R16,6 million) in financial literacy programmes, with a focus on adults who are income earners or who have income-earning potential.



Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. **World Bank**

## Promoting financial literacy through Mind My Money

Through our Mind My Money programme, we promote financial capability and freedom for all consumers by empowering them with the knowledge they need to make informed financial decisions that will bring their goal of financial freedom closer. We are pleased to have provided training to 31 455 community members during the year, exceeding our target of reaching 25 000 learners by the end of 2020.

The integration of the Mind My Money programme with business and employee programmes has increased its popularity. Due to the national lockdown, we had to – for the first time – create awareness of the programme through the press and social media to reach our audience. We did this by:

- Driving awareness** through appropriate and relevant digital media that **encourages engagement**
- Creating and delivering compelling, human-centric content** given the financial circumstances of many South Africans
- Positioning Liberty as a trusted thought leader** when it comes to **financial literacy**

Despite the impact of the national lockdown on traditional face-to-face learning, we pivoted our business to provide e-learning and live webinars through digital channels. We launched the online Mind My Money platform in July 2020 with content that was relatable, impactful and mindful of the financial circumstances of South Africans.

The zero-rated online platform repurposed content for better decision-making during COVID-19 and beyond. We also developed and implemented a specific COVID-19 programme, which covered information on how to adapt a budget due to changes in income, insurance-related matters, debt management, protection of money and savings, and the support available in the case of retrenchment.



Challenges	How we responded
<b>Data affordability</b> The high prices of data prove unaffordable for many South Africans.	The Mind My Money app was zero-rated on all four major network providers, making financial literacy education more accessible.
<b>Lack of devices</b> Many recipients do not own smartphones, making it difficult for them to participate in the programme.	We partnered with service providers to make the online platform available on more feature phones.
<b>Technological literacy</b> Some recipients had never used an online system or their device for training.	Our trainers remain aware of this challenge and have understood it to be part of the learning curve.
<b>Connectivity and loadshedding</b> Network issues and loadshedding often resulted in training being cancelled.	We adapted our training schedule to Eskom's loadshedding schedule.

# Socio-economic development and consumer education (continued)

## Employee volunteerism

Through our "RolledUpSleeves" employee volunteerism programme, our employees volunteer their time or money to support the development and advancement of communities. Using an online portal, employees can register and select a cause they feel passionate about. Employees receive two additional annual leave days to volunteer for in-house initiatives or to support recognised NGOs. Employees responded to 102 development needs through connections during 2020, the most popular being children and youth, followed by hunger and disaster relief. Monetary donations were made to initiatives helping children, fostering education and alleviating hunger.

To adhere to social distancing protocols during COVID-19, we shifted the way our employees could volunteer this year. We offered virtual volunteer opportunities, where employees could take on tasks that reflected their expertise, such as writing, marketing or social media support, or they could donate money towards relevant causes.



### Giving in a time of crisis, a **COVID-19 campaign** (April 2020)

- Employees donated money to those in need, pledging a total of R26 000

### **International Mandela Day** (July 2020)

- Employees donated funds to supply personal protective equipment (PPE) for 87 primary schools across the country
- Through our virtual Trivia Challenge, 20 employees won and donated R6 700 each for their chosen charities
- Employees donated a total of R134 000 during Nelson Mandela Month

### **Women's month** (August 2020)

- Employees voted for one of six causes that benefit vulnerable girls, seeing 1 630 girls receiving a year's supply of sanitary towels

### Creating awareness around **GBV**

- Employees pledged money, provided emotional support or volunteered their skills to listed organisations

### **Virtual readathon during literacy month** (September 2020)

- Liberty and STANLIB hosted a readathon, where employees signed up to virtually read stories to children from the Winnie Mabaso Foundation

### **Early Childhood Development (ECD) mobile classrooms**

- Employees donated R100 000 towards the development of 10 mobile ECD classrooms, enabling six young men to be employed

## Snapshot of employee participation in 2020

A total of **622** employees participated in our **employee volunteerism programme**

Employees **donated** a total of **R129 900** towards **PPE for schools**

The **Trivia Challenge** raised **R151 388** for **Mandela Day**

Over **900 000** **beneficiaries benefitted** from monetary donations

Over **1 million** **total beneficiaries impacted**

# Promoting financial freedom in our communities



Tiyani Health Centre, 40 employees

"I have attended one of the training sessions at the Ngwe Campus. I've learned about how to budget my money and also provision income, it's such a wonderful thing you are doing. Keep up the good work."

**Ndifelani Mudzanani**



Femane and Mothobekhi, 55 employees

**Mind My Money**  
training during  
2020



"Don't buy impulse goods. Pay your debt. Focus on the needs you want. Buy important goods."

**Tlangelani Witness**

"This programme has taught me about the significance of budgeting, saving and how to utilise my funds during the pandemic."

**Palesa Mabulane**

"Thanks for the training, it is very important to manage our finances as a family. Credit card must be used wisely. Employers must familiarise themselves with TERS. It is advisable not to withdraw your retirement funds before the retirement age to avoid tax implications."

"There is greatness within everyone of us."

**Patrick Mokgoba Mashilo**

"This programme is so important, especially during this stressful COVID-19 time."

**Malinda Kganyago**



Hlanganani SASA employees, 52 employees

"Find quick wins - focus on needs than wants. Continue to pay your debt - cut some expense to pay debt. Don't buy on impulse buying - ask yourself if you really need the item."

**Ody Mulaudzi Phathutshedzo**



Rotterdam Clinic, 25 employees