

# Combined group chief executive and chairman's review

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JACKO MAREE

DAVID MUNRO



## Introduction

At Liberty, we are driven by our purpose of "Improving people's lives by making their financial freedom possible". Despite the weak economic and intensely competitive macro environment in 2019, we are pleased to report that we remained true to this purpose, supporting our clients, delivering resilient performance and continuing to invest for the future. This report to society reviews our performance in this regard during the 2019 year.

2020 has presented unexpected and unprecedented challenges in the form of the global COVID-19 pandemic. Notwithstanding the impact of declining economic activity, the complexity of operating under the enforced lockdown conditions, and the extreme volatility in financial markets across the globe, Liberty remains financially strong. Liberty has remained open for business to support clients and financial advisers with business continuity arrangements in place. Various new measures are in the process of being implemented to provide relief to clients, advisers and tenants of our retail shopping malls. We have continued to pay clients' claims as they have arisen and have been able to operate at near normal servicing levels during the lockdown period, even though nearly all our staff are working remotely. Now more than ever, we need to remain focused on why we are in business - using our purpose to guide our actions as we navigate this evolving situation. Our responses and actions in this regard will be comprehensively addressed in our 2020 report to society.

## Reflecting on 2019

As we reflect on 2019, it is pleasing to report that we continued to fulfil our promises to our clients and support them through their life journeys. We paid R10,5 billion in death and disability claims, R7,8 billion in annuity payments, insured over six million lives and continued to provide the highest standard of advice through more than 3 400 tied financial advisers. We underwrote more than 1,6 million policies in the emerging consumer sector, and STANLIB, our asset management subsidiary, managed nearly R600 billion on behalf of our clients.

The world we operate in is continuously and rapidly evolving but remains fraught with socio-economic and environmental challenges including poverty, inequality, slow economic growth and climate change. These existing challenges will only be exacerbated by the pandemic we now face.

The Sustainable Development Goals (SDGs) offer a global call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. As a responsible corporate citizen, we support the SDGs and have identified five goals, towards which we believe we can make a meaningful contribution. This report is structured around these goals and strives to encapsulate the social, economic and environmental (SEE) impacts of our business on the economies and communities in which we operate. We are committed to understanding and

reporting on these impacts, direct and indirect, and using this understanding to inform our decision-making at every level.

Our employees remain central to Liberty's success, and we strive to ensure alignment between their aspirations and Liberty's purpose. We employ more than 5 600 full-time employees and partner with over 3 400 tied financial advisers. This year, we invested more than R35,5 million in employee training and development, with 9,4% of our employees participating in leadership or management programmes, growing the depth of our team.

We are committed to supporting responsible investment. Liberty, as an insurance company, and STANLIB, as an asset manager, both endorse the Code for Responsible Investing in South Africa (CRISA), and STANLIB is a signatory to the UN PRI on behalf of the group, which serve as the overarching frameworks for responsible investment across the group. We support infrastructure development across Africa as an enabler of economic growth. We recognise that power generation and energy sector projects are key to creating sustainable economic growth. To date, we have invested more than R7,1 billion in renewable energy projects. Furthermore, we have invested more than R1 billion in infrastructure projects, including toll roads and rail development projects.

While our direct environmental impact is not significant, we remain committed to responsible resource stewardship. We have installed water conservation systems at our Braamfontein head office, Century City regional office and Umhlanga regional office, as well as solar photovoltaic (PV) technology at our head office and Midlands Mall. We recycle 36% of our waste and have installed composters at the Sandton and Eastgate Shopping Centres to reduce the amount of waste to landfill.

Transformation and economic inclusion remain a priority for the business, and we are proud to retain our Level 2 B-BBEE status. We believe that education is a critical enabler of meaningful transformation and have invested R40,7 million in Maths, Science, English and financial literacy education programmes, with more than 91 000 students participating.

## Celebrating the life of Sir Donald Gordon and celebrating our legacy

As we build for the future, we recognise that our strong heritage underpins our legitimacy. This is a legacy we honour and protect by delivering against our promises. This year, we sadly said farewell to our founder, he established Liberty Life Association in 1957 to enable individuals to provide for themselves and their families in retirement or death. From this grew the Liberty we know today, one of the leading life insurance companies in Africa.

More than 60 years later, we remain inspired by the principles Sir Donald Gordon set for himself and employees:

- I will remember the humanity in what we do
- I will help people leave a legacy for their families
- I will make Liberty not just our name but what we do

## Looking ahead

While we have made good progress against our goals during the year, we believe there is more to do in the year ahead. We believe that the most critical role we play in society is protecting individuals and organisations during times of uncertainty. As the COVID-19 crisis continues to unfold, our focus will remain on fulfilling this role.

We recognise that the COVID-19 pandemic is, first and foremost, a health crisis. As such, we remain committed to the wellbeing, health and safety of our employees, clients and financial advisers. Liberty is fully supportive of Government's efforts in response to the pandemic in the countries in which we operate. While the impact of the COVID-19 pandemic continues to unfold, there is uncertainty regarding the impact it will have on Liberty's financial performance for the 2020 financial year.

On behalf of the board and the exco team, we would like to thank our clients, advisers, employees, investors, suppliers, and the communities in which we operate, for their continued support. We look forward to serving you further in the year ahead.

Stay safe,



**Jacko Maree**  
Chairman



**David Munro**  
Group chief executive