

8 DECENT WORK AND ECONOMIC GROWTH



Decent work and economic growth

Living with dignity is a fundamental human right

UN context

While the number of workers living in extreme poverty has declined dramatically over the past 25 years, slower growth in the global economy has resulted in widening inequalities as well as inadequate jobs to keep up with a growing workforce. By encouraging job creation, innovation and entrepreneurship, the world can create sustained economic growth, higher levels of productivity and technological innovation¹.

¹ https://www.za.undp.org/content/south_africa/en/home/sustainable-development-goals/goal-8-decent-work-and-economic-growth.html

South African context

South Africa continues to face slow growth which has exacerbated already high levels of unemployment, inequality and poverty, particularly among women and the youth. South Africa's commitment to achieving SDG 8¹ is embodied in the NDP, which aims to eliminate poverty and reduce inequality through increased and inclusive economic growth². While the goals are clear, strong economic growth – enabled through political stability, improved business confidence and investment in infrastructure and innovation – remains elusive.

² https://sustainabledevelopment.un.org/content/documents/23402SOUTH_AFRICA_RSA_Voluntary_National_Review_Report_Final_14_June_2019.pdf, page 86, accessed 9 December 2019.

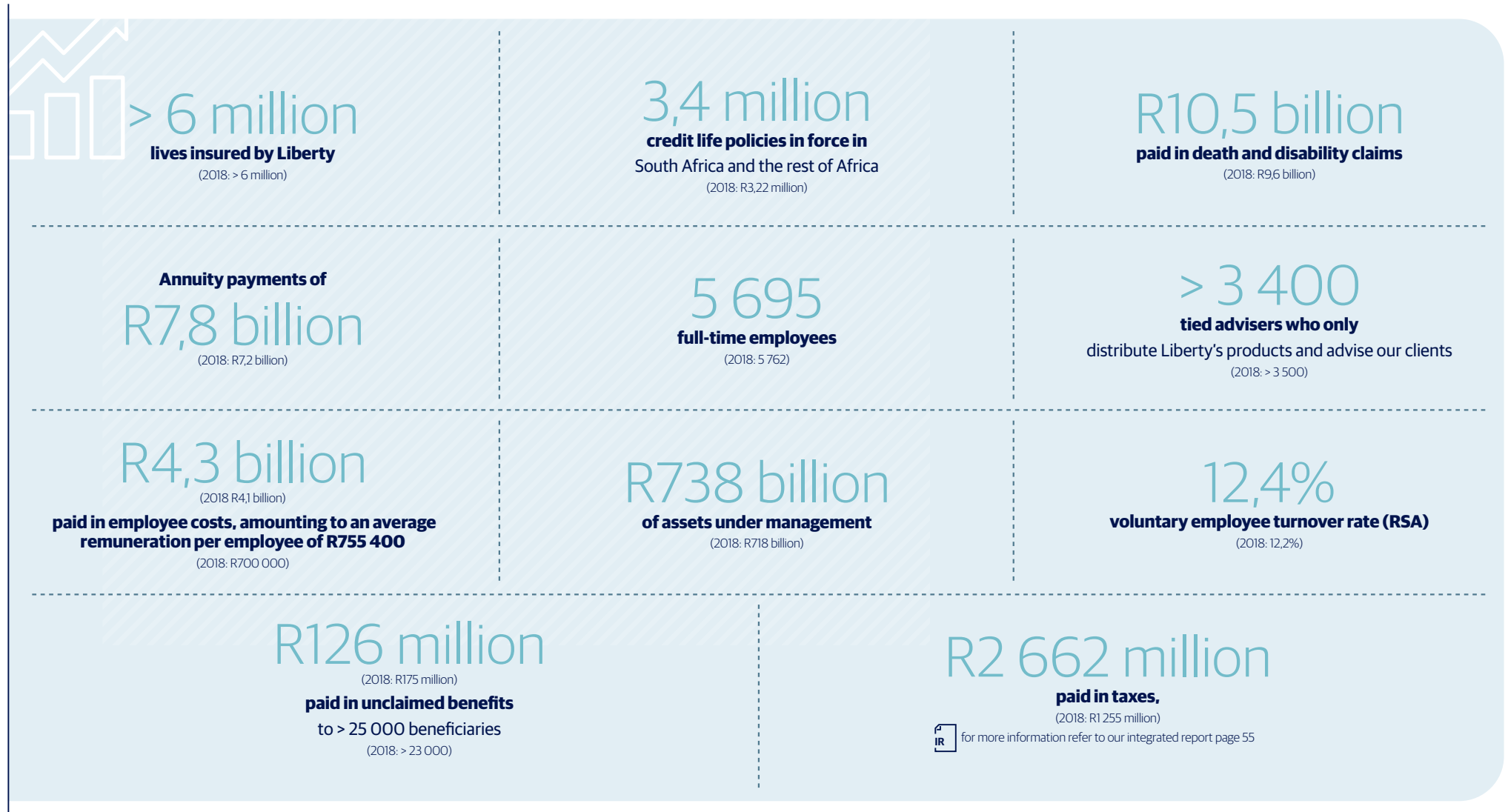
Our approach

Our support and contribution to SDG 8 is captured in our purpose – improving people's lives by making their financial freedom possible. Liberty is committed to responsible corporate citizenship and recognises the importance of building a responsible financial services sector to enable sustainable economic growth.

We understand that our employees enable the delivery of our strategy. We strive to create an environment of empowerment where our employees feel connected with our purpose and the needs of our clients. We invest in the growth and development of our people to allow them to reach their full potential.

We encourage economic inclusion by supporting meaningful transformation through a variety of initiatives, including employment equity, financial literacy programmes and ESD programmes.

Liberty's contribution to decent work and economic growth in 2019



Decent work and economic growth continued

Working at Liberty

At Liberty, we recognise that our employees are central to our success. We employ more than 5 600 full-time employees and partner with over 3 400 financial advisers.

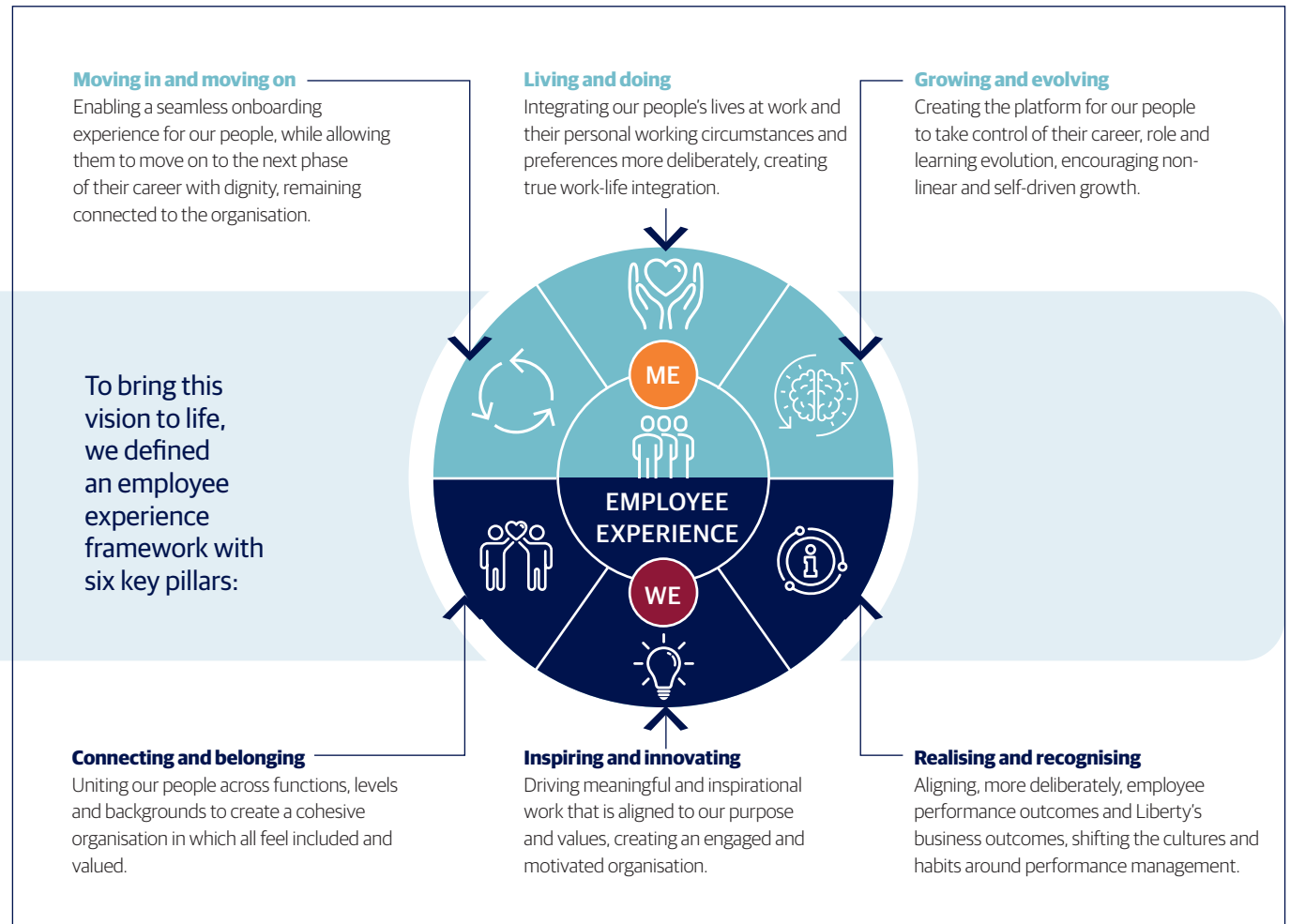
Our people philosophy

Having the right people deliver the right solutions for our clients is imperative. We focus on attracting talent with the right skills to ensure we build a diverse team that is uniquely qualified and experienced. We offer employees competitive pay and benefits, aligned to the market, for different functions and skills.

Our employee experience

We aim to create a workplace where our people feel deeply connected with both our purpose and our clients, where they are empowered and recognised for delivering against our strategic objectives and have every opportunity to achieve their full potential.

 For more information on our initiatives, refer to our integrated report.



Promoting employee wellbeing and financial freedom

The purpose of employee wellbeing is to enable our employees to identify their personal wellness goals and provide them with the tools to manage these.

Our employees have access to Libcare, a comprehensive medical aid. We have also contracted a number of service providers to deliver quality care to our employees. Our Liberty Wellness Centre at our head office provides our employees with access to medical practitioners, including a physician, occupational nurse, optometrist, dietitian, reflexologist, psychologist, physiotherapist and a pharmacy. Our offices in Century City, Melrose Arch and Umhlanga Ridge have access to medical facilities onsite or in the vicinity. Our employee assistance programme, delivered through Independent Counselling and Advisory Services, allows employees and their relatives to consult with qualified psychologists and counsellors telephonically or face-to-face at no cost to the employee. A number of trauma interventions were conducted in 2019.

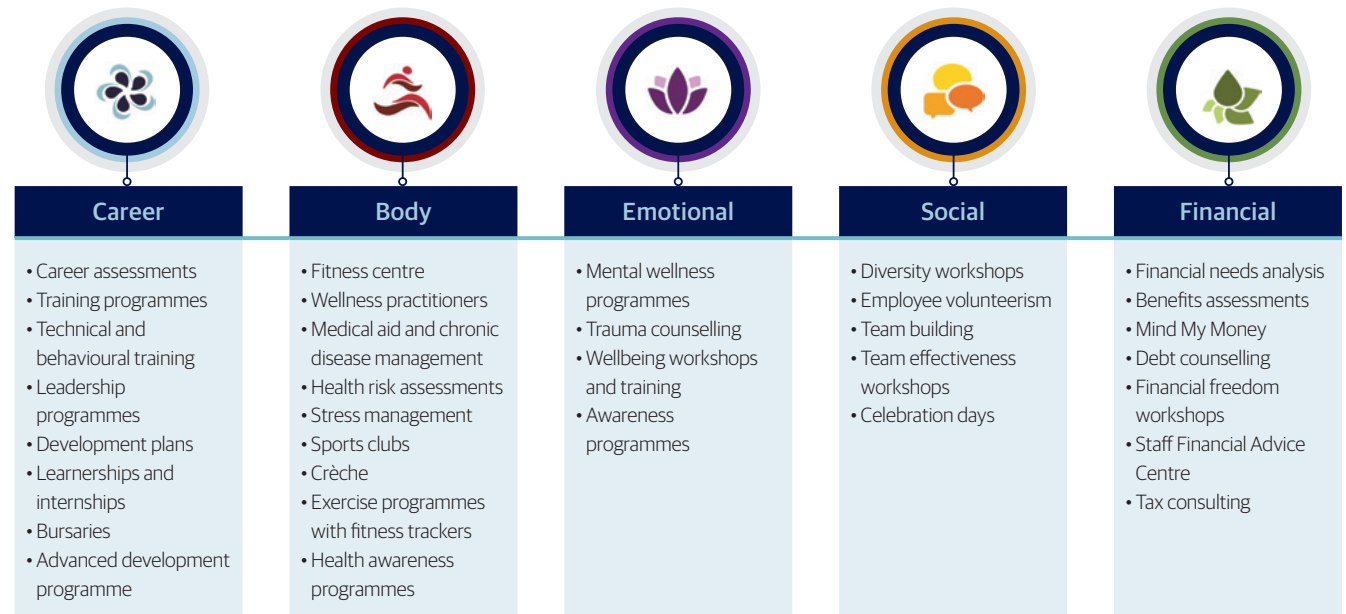
In 2019, we continued to deliver our betterME programme, which is aligned to our employee experience framework and aims to improve our employee wellbeing holistically. Specific wellbeing initiatives during the year included the following:

- We piloted a betterME wellbeing challenge, and conducted over 1 806 free health risk assessments regionally
- Over R20 000 was raised by employees through the CANSA Shavathon initiative. The money was donated to cancer research initiatives
- Through our Liberty Athletics Club, we supported employees who ran the 2019 Comrades Marathon
- We launched a successful flu vaccination campaign
- Workshops were held on a variety of topics, including how to manage stress, healthy eating habits, money management practices, mental health, increasing awareness on the early warning signs of cancer and diabetes prevention and management
- Blood donation drives were conducted, and
- A mobile mammogram clinic and prostate testing were offered to employees.

Liberty's purpose is to enable financial freedom, and this is a key pillar of employee wellbeing. Our Mind My Money masterclasses are offered to all our employees. These workshops empower them to adopt the right financial behaviours to prevent them from falling into financial distress or,

if they already find themselves in this position, remind them of available support, and where it fits in their broader financial planning journey. The workshops are based on five content pillars, namely managing your money, debt, risk, future and legacy. Upon completion of the workshops, our employees are able to understand how to:

- Have better control of their day-to-day financial management
- Repay their existing debt or, where they are currently overindebted, seek help from appropriate resources
- Take out appropriate and holistic cover for themselves and their dependants
- Make better savings and investment decisions, and
- Embark on estate planning to protect their dependants.



Decent work and economic growth continued

Working at Liberty continued

Occupational health and safety (OHS)

Liberty is responsible for the safety and security of employees, clients and tenants in our buildings. Our OHS department is responsible for awareness and training initiatives throughout the year, including emergency response procedures, as well as ensuring that the correct processes and procedures are in place and complied with. Our exco members are appointed in accordance with section 16.2 of the Occupational Health and Safety Act, 85 of 1993. During 2019, there were 54 trained health and safety team members across the group.

Occupational, health and safety (South African salaried employees)	2019	2018
Injuries		
Total number of incidents reported to workmen's compensation commissioner	16	15
Medical treatment cases	10	9
Lost-time incidents	6	6
Injury frequency rate		
Lost-time injury frequency rate (LTIFR) (per 200 000 hours)	0,14	0,14
LTIFR (per 1 000 000 hours)	0,72	0,71
Number of fatalities	1	0
Absenteeism		
Total number of sick leave days taken	18 382	19 676
Average sick days per employee	3,8	4,0
Absenteeism rate (%)	1,4	1,5

This year, the OHS team audited our branches to ensure compliance with the OHS Act. In addition to the compliance exercise, we conducted OHS and emergency awareness training. A total of 35 branch audits were completed, with no significant findings identified.

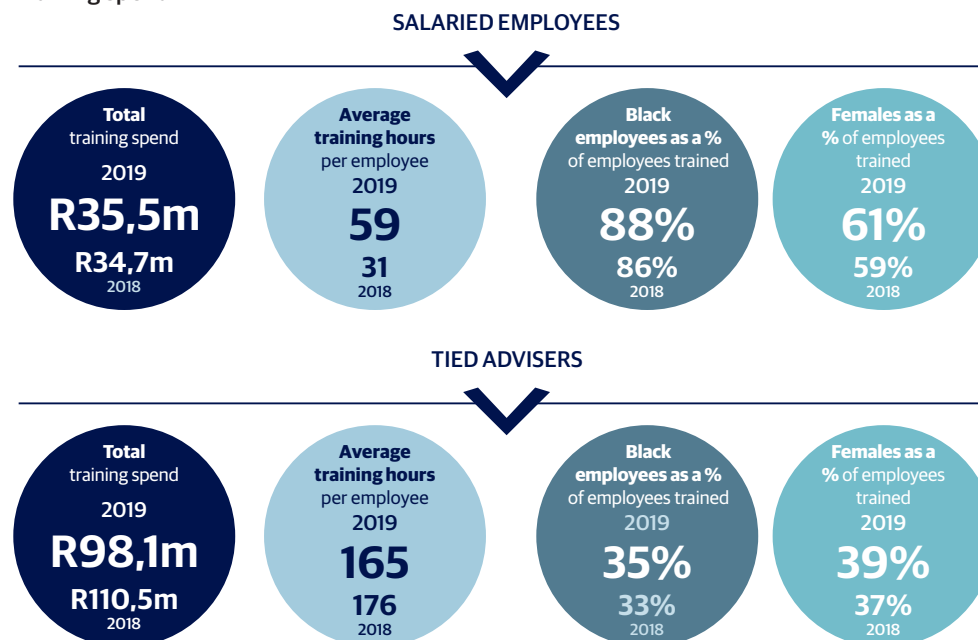
Unfortunately, on 5 February 2019, while on our premises, an employee suddenly fell ill, became non-responsive and was declared deceased by the sister from the Liberty Wellness Centre and Netcare paramedics. The employee was not busy with any work-related activities or operating any machinery at the time of the incident. Our sincere condolences go out to his family, friends and fellow colleagues.

Empowering our people through learning and development

Liberty recognises the value of investing in skills development. Our learning and development philosophy aims to build our internal capabilities to support the successful execution of our strategy. We follow a targeted approach to maximise efficiency and effectiveness, and offer development programmes to our employees that aim to strengthen technical, leadership, product and compliance capabilities. We ensure that our training programmes are relevant to the skills needed to deliver our purpose, and seek opportunities to upskill or reskill our employees as we implement new technology solutions.

In 2019, Liberty's external salaried training spend in South Africa increased to R35,5 million (2018: R34,7 million), representing 0,96% of total staff costs. This increased investment led to an increase in the average number of hours of training each employee received, from 31 in 2018 to 59 hours in 2019. Liberty is currently transitioning to a new digital platform, which will enable us to record our investment in training with greater accuracy and insight.

Training spend



Our talent management and succession philosophy seeks to appoint the right people, evolving their talent over time so they can prosper, along with our business. By understanding talent capabilities, we can appropriately match critical roles in the organisation, thereby amplifying employee potential.

MyAccess, our SAP Success Factors software, enables our employees to manage their own careers. Our first phase of implementation, successfully completed in 2018, focused on recruitment, onboarding and offboarding, as well as performance management. In 2019 we successfully implemented the second phase of MyAccess, which focused on the learning management system (LMS) and succession management. The LMS software application has assisted with the improvement of learning administration, tracking and creating a single source of training data. LMS provides access to e-learning content and encourages self-directed learning. Since the implementation of the LMS, we have achieved 80% user access. All mandatory awareness training is completed on the LMS and for our face-to-face classroom training, learners can register themselves on the LMS. In respect of succession planning, 249 critical roles were identified and prioritised, and work has commenced to identify the successors for these critical roles.



Refer to pages 40 and 41 for more detail on Liberty's training and development programmes.

Passion, persistence and patience: One person's journey from cleaner to financial adviser

From humble beginnings as a part-time cleaner eight years ago, Papi Kholoza is now a financial adviser with a tireless work ethic and persistent approach to building his dreams.



"At the end of the day, our clients are all people, often coming to us in difficult times. As call centre agents, we need to understand that. You have to have a heart for this job."

"I believe that everything I've learnt along the way has helped me to become a good adviser. You must be persistent and enjoy what you do."

Papi had his heart set on working for Liberty – a company he viewed as a proud member of the South African business landscape. Gaining entry, however, proved difficult. Papi was certain that all he needed was a foot in the door, which is why when he was offered a job as a cleaner in 2012, he knew it was a step in the right direction towards achieving his longer-term goals.

A friendly conversation with a senior member of Liberty's executive team inspired Papi to increase his learning to support his career ambitions, with him initially obtaining his matric certificate before he pursued qualifications in public relations, computer literacy and intelligent communication.

In 2015, Papi realised a long-time goal and began a year-long learnership in our call centre. At 35, Papi was the oldest in the programme, committed to getting as much out of the learnership as he could. Once he had completed his learnership, Papi was offered a job in Liberty's call centre. Here he worked hard to support clients. His biggest lesson from his time in the call centre was to always put himself in the clients' shoes. "It's important to understand where the clients are coming from. At the end of the day, our clients are all people, often coming to us in difficult times. As call centre agents, we need to understand that," Papi says. "You have to have a heart for this job."

As Papi became more familiar with Liberty's products and his experience with clients grew, he knew he could make a greater difference as a financial adviser – getting to know his clients over time and supporting their journey towards financial freedom. In 2019, Papi began working as a financial adviser for the company he knew he wanted to work for way back in 2012. Papi is accredited by Liberty to advise on its policies, and is on track to write the financial adviser accreditation exam during 2020, which will certify him as a financial planner. Papi also plans to expand his capabilities with a diploma in wealth management.

When asked what he would say to someone inspired by his journey, Papi says: "It's important to know what you want and not to give up – even if it takes time. I believe that everything I've learnt along the way has helped me to become a good adviser. You must be persistent and enjoy what you do."

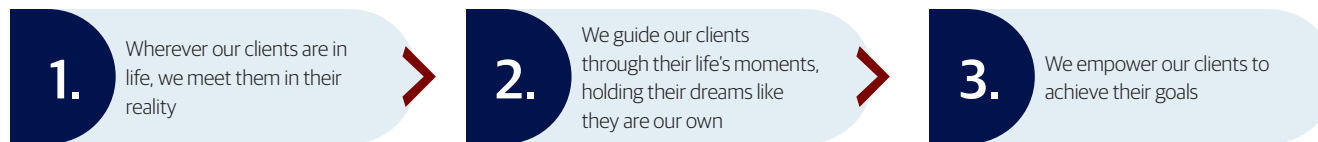
Decent work and economic growth continued

Contributing to economic growth

Liberty contributes to economic growth in the regions in which we operate by creating value for our stakeholders.

Clients and financial advisers – placing the client at the heart of our business and understanding the critical role that our financial advisers play

We endeavour to place our clients and financial advisers at the heart of what we do. Our products are designed to support our clients through life's uncertainties, delivering risk and investment solutions for each stage of their lives. Clients purchase these products through financial advisers, and in turn expect the highest levels of advice and service. To meet these expectations, our advisers must understand the client's unique life journey, offering them responsible and objective advice. We are transitioning towards a holistic, relationship-based experience for our clients, and underpinned the following three key constructs to support our advice philosophy:



Our more than > 3 400 tied financial advisers provide individuals, families and employers in South Africa and the rest of Africa with tailored guidance on a wide range of subjects, including financial planning, economics, investments, risk, healthcare and taxation, ensuring that they can make informed decisions. In 2019, Liberty invested over R98,1 million in the training of our tied distribution network. Whether the advice provided by our advisers results in a sale or not, our goal is to enhance the clients' understanding of their financial position and the risks they could face in the future, enabling greater participation in the economy.

An overview of how our products create value

Risk products

In the event of death, our life insurance products provide for the families of clients, allowing their beneficiaries to settle outstanding debt, pay for a child's education or be financially secure in retirement. Our insurance clients can continue their lives knowing that, through life's ups and downs, they or their loved ones will be provided for.

Clients who suffer from a disability, dread disease or redundancy are positioned to meet continuing obligations, as well as the increased costs associated with illness or disability. Furthermore, these products remove potential burdens from the government and contribute to a continuing level of consumer spending.

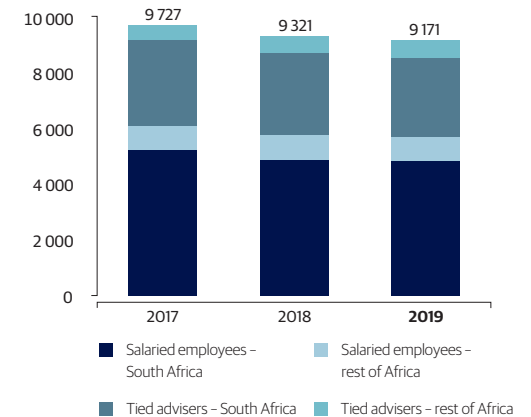
Investment products

Our investment clients save for themselves and contribute to the capital required to grow the economy. By saving for a personal goal, such as retirement, clients will contribute to the country's economy through consumer spending, meeting their obligations and reducing the burden on the government.

Credit life products

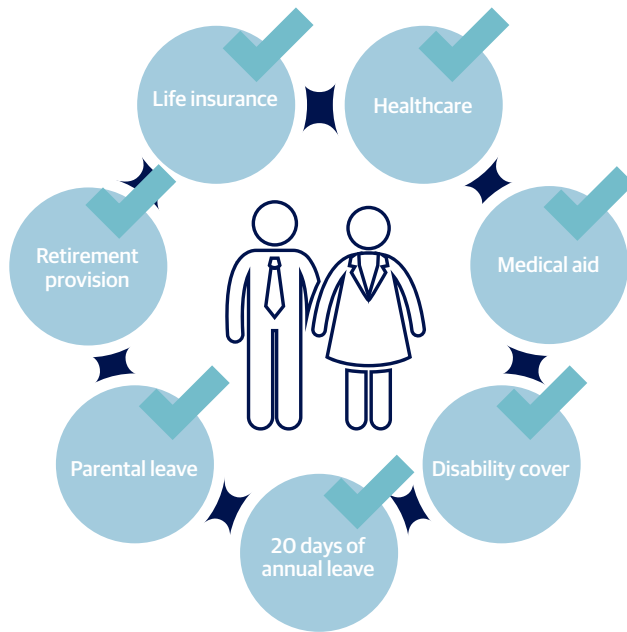
These products allow clients to raise finance, knowing that their debt will be settled in the event of their death or permanent disability. Credit life facilitates lending by financial institutions, contributing to a growing economy.

Headcount



As at 31 December 2019, the average age of our employees was 39 years (2018: 39 years), with approximately 52% of our permanent salaried South African employees below this age (2018: 52%). The average tenure of our employees in South Africa was nine years (2018: nine years). The voluntary turnover rate of our South African workforce increased to 12,4% (2018: 12,2%) and the non-voluntary turnover for 2019 was 2,3% including retrenchments, dismissals, intra-group transfers and mutually agreed separations (2018: 2,3%).

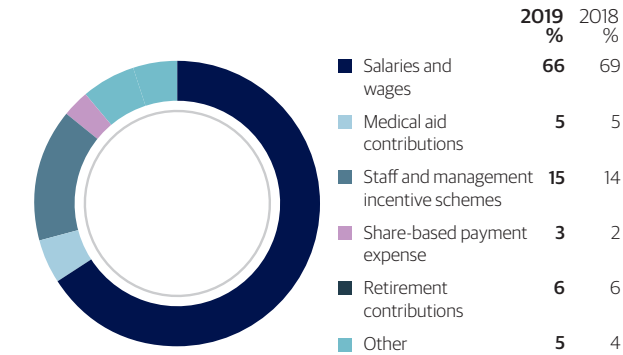
Our full-time employees have the following benefits:



Liberty is committed to providing our employees with fair, performance-related remuneration, providing career and skills development opportunities and value-added benefits in an inclusive work environment. Remuneration packages are geared to each employee's level of influence and role complexity. The balance between guaranteed and variable pay is appropriately structured and all employees have some level of variable pay as part of their remuneration package.

In 2019 Liberty incurred employee costs totalling R4,3 billion (2018: R4,1 billion) on a permanent salaried workforce of 5 695 people (2018: 5 762) people. Average remuneration per employee increased by 5,3% to over R755 400 per annum.

Employee cost analysis



RTS For more information on working at Liberty, refer to page 26 and our
REM Remuneration report

Regulators - enhancing our reputation and building trust

A well-regulated and trusted financial services industry contributes to greater economic growth. We aim to enhance our own and the industry's reputation and build trust by doing the right business the right way. We manage our business ethically, and ensure that we comply with the laws and regulations, codes and standards applicable to Liberty. We also strive to conduct our business responsibly - from managing our environmental footprint to protecting clients' and employees' personal information.

In a highly regulated industry, compliance with laws and regulations relevant to our business is non-negotiable. Any contravention comes at a cost in the form of financial losses, fines or diminished reputation. Compliance, together with ethical behaviour, enhances our stakeholders' trust in Liberty, building our reputation and reinforcing our licence to operate.

Liberty hosts compliance management forums, aimed at identifying and analysing emerging trends in the regulatory landscape, to ensure that the business remains agile and responsive. Our combined risk and assurance departments are responsible for our internal controls, with independent oversight supplied by external assurance providers. We engage regulators

directly and through industry forums to inform our strategy development and identify risks and opportunities that may arise.

Managing our capital levels promotes regulatory compliance and facilitates business growth, encourages client confidence, and creates value for our shareholders and other stakeholders.

IR More details on how we manage risk and our risk appetite is provided in the integrated report.

Solvency capital requirement cover



Liberty was within its risk appetite on all dimensions as at 31 December 2019, and we are comfortable that there are no material unreported risks. The risk management system is functioning effectively, and the business continues to be managed within the group risk appetite.

Ethics

Ensuring that we embed and maintain an ethical culture throughout our business is critical to safeguarding our reputation as a trusted financial services provider. To this end, this year we started the process of updating our code of ethics to ensure that it fully aligns with the principles of King IV™. This will be completed during 2020. We also established an ethics office, along with an ethics champion and permanent ethics officer. Our employees will undergo ethics awareness training in 2020.

IR Our code of ethics is available at www.liberty.co.za/Documents/code-of-ethics.pdf

Decent work and economic growth continued

Liberty Financial Advisers' Ethics Committee

Our vision is clear – to transform into the trusted leader in South Africa and other chosen markets by delivering superior value through exceptional client and adviser experiences. A key enabler of this vision is our financial advisers. Their day-to-day conduct and behaviour can build or erode the trust our stakeholders have in Liberty. Our advisers are committed to building trust with our clients by behaving ethically and with integrity, and by cultivating loyal relationships that support our clients throughout their life journeys.

To entrench these behaviours in the way we conduct ourselves, the Liberty Financial Advisers' Ethics Committee was voluntarily formed by Liberty financial advisers in 2015. The committee consists solely of well-respected Liberty financial advisers, who are voted onto the committee by their peers after meeting strict eligibility requirements.

The objective of the committee is to advocate for and instil an industry-leading culture of ethical behaviour within our salesforce. To support this, the Financial Adviser Code of Conduct was developed. The code embodies the objectives of the committee and was created by financial advisers, for financial advisers. The committee remains the custodian of the code of conduct, and serves in an advisory capacity to ensure we all hold ourselves accountable for our own behaviour, as well that of our colleagues.

The committee has through their operation delivered very successful results, as well as improved relationships between our financial advisers, ultimately delivering better service for our clients.

While all advisers face conflicts of interest and ethical challenges as a part of their job, we believe that Liberty financial advisers have established themselves as a professional, trustworthy, financial intermediary salesforce who differentiate themselves through their ethical behaviour.

Our sophisticated forensics and risk departments protect our clients and our business by preventing financial crime, fraud, theft and corruption. We have approved financial crime, whistle-blowing and conflict of interest policies in place. These policies detail our approach to preventing, monitoring and reporting fraud and corruption. All our employees and intermediaries receive fraud awareness training and we conduct fraud risk assessments within the business to identify key risks and controls. We also engage with key stakeholders, including SBG, to ensure that fraud risk management and sanctions are applied consistently across the group.

We have zero tolerance for fraud and theft and cultivate a culture of honesty and integrity within the business. We are members of the Association of Certified Fraud Examiners, an international body that provides guidelines and training in fraud prevention, and work closely with the Association for Savings and Investment South Africa to combat financial crime. We investigate all reports of fraud and theft promptly, and the appropriate corrective action is taken.

2019 financial losses as a result of fraud

Actual losses of	Prevented losses of	Recoveries of
R10m	R213m	R3m

Fraud reporting channels are as follows:

Liberty Group Forensic Services

e: fraud@liberty.co.za

t: 0860 456 789

w: (intranet) <https://libertyapps/GFSSuspiciousActivity/Default.aspx>

a: Liberty Centre,
1 Ameshoff Street, Braamfontein,
Johannesburg, South Africa,
2001

Vuvuzela – The Hotline

e: Fraud@thehotline.co.za

t: 0800 63 67 25

sms: 30916

w: www.thehotline.co.za

mobi: www.thehotlineapp.co.za

Our whistle-blowing channels encourage anonymous reporting of fraud, corruption, ethics breaches or misconduct. The channels include the Liberty app, reporting via online platforms and independent hotlines.

Cyber security



Globally, cyber security skills are in high demand, but resources in this regard are limited. We therefore embarked on multiple initiatives to address the skills shortages throughout the year, including the formation of a group cyber security academy, which was created in partnership with SBG. The academy was designed to attract staff into the cyber security field, taking candidates through a carefully planned curriculum with opportunities to solve real-life cyber security challenges.

Our people are a critical part of securing and protecting our information assets. We continue to drive a culture of cyber security awareness through the deployment of an awareness tool across Liberty, as well as data mining techniques to create cyber situational awareness. This year, more than 2 500 employees participated in groupwide security phishing awareness training (KnowBe4). We remain on track to implement the planned recommendations noted by external assessments, post the cyber breach in June 2018. We did not experience any material incidents warranting either media or regulatory agency reporting during the year.

The nature of our business gives us access to the detailed, personal information of our clients. Their privacy is of the utmost importance to Liberty, and we continuously ensure that our systems and employees are

equipped to protect this data. All data is handled in strict compliance with the Protection of Personal Information Act, 4 of 2013, which governs the way personal information is collected, stored, used, disseminated and deleted. This year our employees completed privacy training in collaboration with the SBG. Liberty has established a robust data and information management capability and continues to enhance governance in this regard.

Client complaints

During the year, we continued our efforts around complaints handling by centralising and further enhancing our capability. The centralised complaints-handling function focuses on setting policy, framework, ensuring compliance and adherence to legislation and standards, and continuous measurement and monitoring. We believe that dealing with complaints appropriately from the beginning has a direct positive result on client experience and outcomes and this further supports our commitment to our clients.

We continued to ensure, through thorough review, the alignment of our complaints management framework and policy, against the amendments to the Policyholder Protection Rules, rule 18, prescribed under section 62 of the Long-Term Insurance Act, 52 of 1998. We also continued our efforts to further enhance our client experience and continue to address all complaints through thorough investigation based on fairness principles.

Our commitment to put our clients at the heart of everything we do has led to measurable improvements in our complaints capability. The upgrade to our website made the reporting of a complaint more accessible for our clients. The complaints volume recorded during the year increased from 6 437 in 2018 to 7 095 in 2019, but there has been an improving trend downward, towards the end of the year. Liberty's upheld rate – the percentage of complaints in which the long-term insurance ombudsman has found against Liberty and in favour of the client – has shifted from above the industry average to below industry average. The percentage of transfer cases – complaints where the insurer did not have an opportunity to address a client's complaint in the first instance – resolved to the satisfaction of the client, and not pursued at the long-term insurance ombudsman, decreased from 53% in 2018 to 47% in 2019. Furthermore, the number of second reminders from the long-term insurance ombudsman decreased from five in 2018 to zero in the first three quarters of 2019.

 More details on the number and outcome of complaints received by Liberty during 2019 are provided in our integrated report.

Investors – delivering sustainable returns

Group financial performance

Liberty has two main lines of business that generate value, namely long-term insurance (risk and investment products) and asset management. Additional value is created by the efficient management and investment of available capital, being the financial capital held for regulatory requirements.

Liberty's primary basis of value measurement for investors is group equity value. Share price growth and dividends paid are the tangible gauges of value created for shareholders. The nature of the long-term insurance business results in a high percentage of contracts having a term of well over 10 years. In addition, the term of contracts is often variable as it depends on events not under management control, such as when a client dies or their policy lapses. Determining value and assessing performance therefore requires comprehensive valuation models that include forecasting future long-term trends in investment markets as well as policyholder behaviour.

The group's performance reflects continued progress in moving towards our medium-term financial targets. The 10% increase in normalised operating earnings, together with significantly higher earnings from the Shareholder Investment Portfolio, resulted in normalised headline earnings per share of 1174,2 cents, a 44% increase on 2018. This represents a normalised return on equity of 14% for the year. The normalised return on group equity value (RoGEV) increased to 11,5% from 3,8% at 31 December 2018. The group value of new business (VoNB) margin improved to 1%. STANLIB South Africa's net external third party client cash flows remained strong. The Liberty Group Limited capital position remains at the upper end of the target range.

Given our improved performance during the year, the board has declared a final dividend of 436 cents per share, which is an increase of 5% over the 2018 final dividend of 415 cents. This represents a 3% increase in the 2019 full-year dividend of 712 cents over the 2018 full-year dividend of 691 cents. This dividend is in line with the group's dividend policy, reflecting the strong capital position and the board's confidence in the business following the group's improving operational performance.

Earnings by business unit

Rm (Unaudited)	2019	2018	% change
South African Insurance Operations	1 986	1 954	2
SA Retail ⁽¹⁾	1 505	1 544	(3)
Liberty Corporate ⁽¹⁾	85	34	>100
LibFin markets	396	376	5
South African Asset Management			
STANLIB South Africa	460	355	30
Africa Regions	54	8	>100
Liberty Africa Insurance	29	(19)	>100
STANLIB Africa	25	27	(7)
Operations under ownership review⁽²⁾	(147)	(166)	11
Central costs and sundry income⁽¹⁾	(152)	(145)	(5)
Normalised operating earnings	2 201	2 006	10
Shareholder Investment Portfolio	1 004	250	>100
Normalised headline earnings	3 205	2 256	42
BEE preference share adjustment	(6)	(8)	25
Reversal of accounting mismatch arising on consolidation of L2	55	397	(86)
Headline earnings	3 254	2 645	23

⁽¹⁾ The 2018 results have been normalised to reflect the change in operating model as reported in the 31 December 2018 disclosures, whereby certain functions and therefore related costs were transferred from the Liberty holding company to the South African insurance businesses.

⁽²⁾ Disposals of the short-term insurance technology start-up, STANLIB Ghana and STANLIB Botswana were effective on 27 February 2019, 1 December 2019 and 31 December 2019 respectively. Remaining operations under ownership review at 31 December 2019 were asset management operations in Uganda and Kenya, the Health solutions business and short-term insurance businesses in Botswana and Malawi.

For more information on our financial performance please refer to the following resources:



Our 2019 integrated report

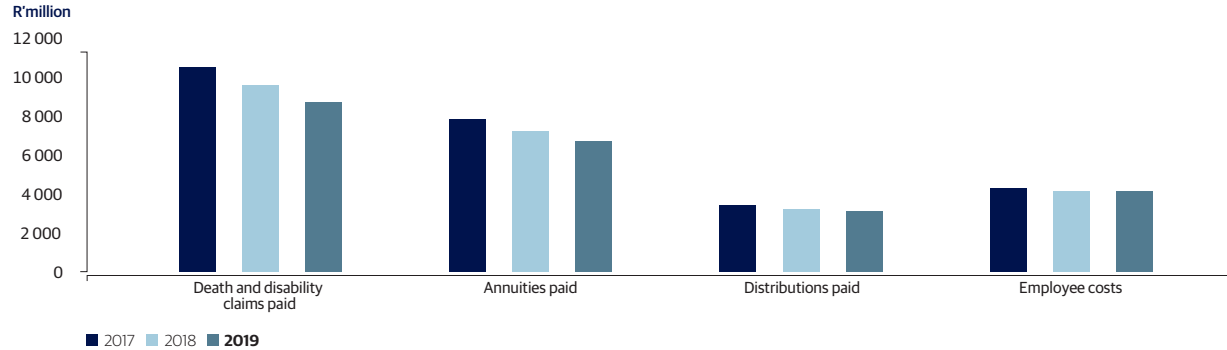
Our 2019 annual results presentation

Our 2019 annual financial statements and supporting information, including risk management

Our SENS announcements

Decent work and economic growth continued

Direct economic value created



Indirect economic value created

In addition to the direct financial value created, Liberty also has significant indirect economic impacts. In 2019, we contributed to indirect economic value in a variety of ways.



Enterprise and supplier development (ESD)

ESD strengthens and empowers our supply chain, enabling us to meet our procurement requirements. Given South Africa's historical context, we support preferential procurement to ensure that black-owned businesses have access to markets and the necessary support to grow into sustainable businesses.

For more information, see pages 44 and 45.



Infrastructure investments

Liberty is committed to supporting infrastructure development in South Africa and the rest of Africa. We recognise that power generation and projects in the renewable energy sector are key to creating sustainable economic growth for the regions where we operate.

For more information, see pages 51 to 55.



Employee retirement and post-retirement medical schemes

The group operates a retirement and post-retirement medical scheme that benefits our employees.



Fraud and corruption

We operate in an environment that is vulnerable to fraud and corruption, which is why we have several systems in place to prevent, detect, investigate and remediate instances of fraud, corruption, theft and misconduct. We actively identify and repudiate false claims before we pay them, recognising fraudulent policy applications at the onset and recovering fraudulent payments.

For more information, see page 32.



Civil society – creating societal value and preserving our natural capital

We drive our SEE strategy by creating societal value and preserving our natural capital, all while mitigating and managing potential negative impacts. Our ultimate aim is to deliver shared value by supporting the communities in which we operate.

Transformation and community investments

ESD is a critical component of creating an inclusive society. By investing in these initiatives, Liberty can contribute to economic growth, reduce poverty and assist small, medium and micro enterprises (SMMEs).

More details regarding Liberty's contribution to transforming South African society are provided on pages 44 and 45.

Our CSI initiatives are focused on educational initiatives in Maths, Science, English and financial literacy, which will unlock opportunities for the youth of our country.

More details on our contribution to quality education are provided on pages 36 to 42.

Financial literacy

Our commitment to financial literacy led to the implementation of our Mind My Money programme in the communities where we operate. We employ community members as trainers, equipping them to ensure that their knowledge is relevant and that the programme content can be delivered in an easily understandable manner.

Training is conducted in business environments, community forums and schools. This year, we trained 350 teachers through our teacher's toolkit, enabling them to pass on financial literacy knowledge to scholars.

We set a target of 25 000 consumers to be trained by the end of 2019 and exceeded our target by training 46 792 consumers, compared with 41 755 consumers in 2018.

More details on our contribution to quality education are provided on pages 37 to 39.

Unclaimed benefits

Unclaimed benefits, which occur when a member or former member of a fund, or that member's beneficiary, has not been paid for at least 24 months from the date when payment should have occurred, remain an industry-wide issue in South Africa. There is an estimated R42 billion in unclaimed benefits owed to more than four million South Africans, of which Liberty administers approximately R2,2billion.

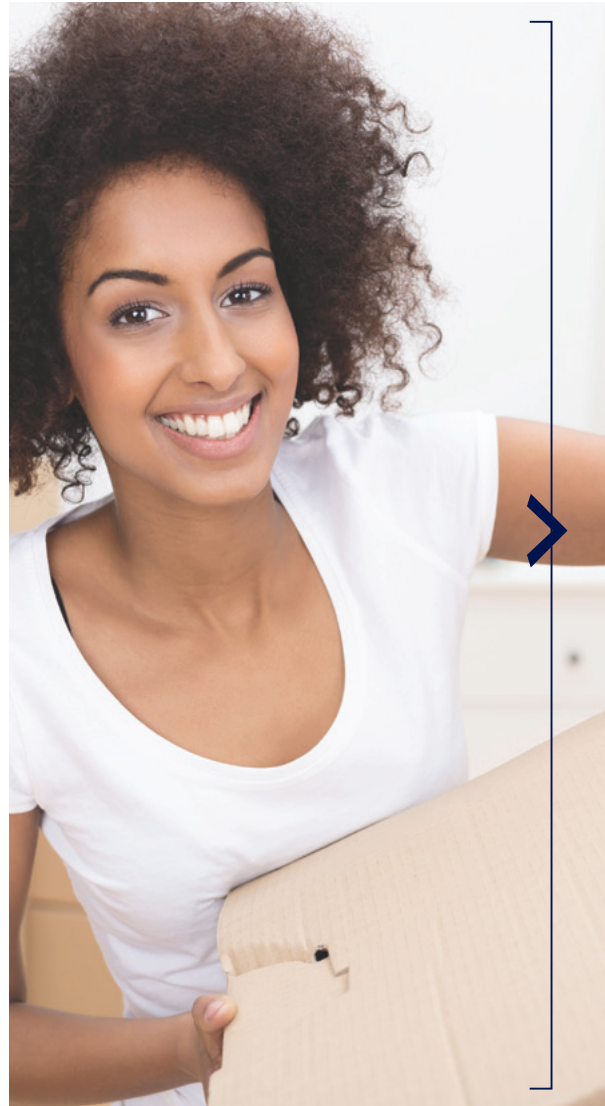
This year, we continued our efforts to trace unclaimed benefit beneficiaries, paying more than 25 000 unpaid claims (2018: > 23 000). R126 million (2018: R175 million) in unclaimed benefits was paid during the year. We continue to meet with various unclaimed benefits stakeholder groups to hear their perspectives on unclaimed benefits and believe we can work together with relevant industry bodies to address this societal challenge.

Unclaimed benefits also present a high risk of fraud, and precautions are taken to safeguard the company and the Unclaimed Benefit Fund assets. As part of the continued focus to pay benefits to their legitimate beneficiaries, Liberty Corporate is enhancing tracing and claims operations through various strategic initiatives. Liberty continues to waive its administration fees on claims below R800, to preserve the benefit, and funds the cost associated with tracing beneficiaries.

Liberty continues to actively work with the regulator and fund trustees to address the issue of dormant retirement funds and ensure benefits are paid to beneficiaries as quickly as possible. The key to resolution is the confirmation of fund records which will allow the payment of any additional unclaimed benefits associated with them.

To see if you have any unclaimed benefits, visit the FSCA website at www.fsc.co.za/customers/pages/unclaimed-benefits.aspx and click on "unclaimed benefits search", or contact Liberty on +27 11 558 2999 or UnclaimedBenefit.Queries@liberty.co.za

The bills kept coming long after my pay cheques stopped



Your lifestyle depends on the income you earn while working. However, unexpected events in life may interrupt or even prevent your ability to continue earning. In some instances, these events may even add to the cost of living.

Vicky¹ was set on building her career as a human resources manager at a small sales-based company. However, after a sustained period of poor sales, the company was forced to downscale. It came as an enormous shock to Vicky when she was told that she would be retrenched.

Despite this setback, Vicky knew her good work and self-development ethic meant that her skills are valuable and transferable. Finding a new job was an urgent priority, but she knew it could take some time until she was employed again. Fortunately for Vicky, earlier on in her career, she purchased Retrenchment Protector under her Lifestyle Protector policy.

Because Vicky had retrenchment protection, Liberty paid her 75% of her after-tax salary from September last year until February this year – a total of R186 372. Instead of worrying about how to keep paying for everyday expenses and keeping her policy in place, Vicky was able to put her efforts into getting a new job. As an added benefit, her claim for retrenchment did not decrease her total insured amount for the rest of her Lifestyle Protector cover.

Vicky's story demonstrates how Liberty delivers on our purpose of enabling financial freedom. While we cannot predict or ease the impact of retrenchment, we can provide financial protection during those times when our clients need us most.

Retrenchment Protector

Lifestyle Protector's Retrenchment Protector allows you to cover up to 75% of your after-tax insurable monthly income (capped at R30 000 per month) for up to six months per period of retrenchment.

¹ To protect our client's identity, we did not use her real name and image. However, the story is the sentiment of an interview of her actual Liberty claim case.