



# Combined group chief executive and chairman's leadership review

**David Munro**  
Group chief executive



## A message from our leadership

During 2018, Liberty made meaningful progress towards its financial transformation. While the tough economic conditions impacted the recovery of our South African business, we achieved significant strategic shifts to support our financial advisers and deliver excellent client experiences. During the year, Liberty continued to fulfil its promises to clients and supported them through their life journeys. We paid R9,6 billion in death and disability claims, R7,2 billion in annuity payments, provided advice through approximately 3 500 tied financial advisers and insured over six million lives. These statistics reflect Liberty's contribution to economic growth and the outcomes of our business for our clients.

In this, our report to society, we seek to provide insights into Liberty's social, environmental and economic impacts, to identify risks and opportunities for our sustainability and report on how Liberty impacts and contributes to a broader range of stakeholders.

At the start of the 21st century, the world faces enormous challenges including hunger and poverty, inequality across race, gender and nations, poor education, slow economic growth and unemployment, and climate change. Internationally, the United Nations has set targets for individuals, corporates and nations to achieve by 2030 – the 17 Sustainable Development Goals. In South Africa, our primary area of operation, the National Development Plan 2030 provides local guidance for all sectors of society to eliminate poverty and reduce inequality.

In 2018 we identified five Sustainable Development Goals which are most relevant to our business and the societies in which we operate. These are the areas where we already have an impact, either positive or negative, and where we look to build on the positive and eliminate or reduce the negative. In 2019 we will conduct an exercise that sees us align our activities more closely with the National Development Plan, allowing us even greater focus.

This report to society accordingly articulates our performance in relation to the matters we consider most material to our business, believing that exceptional performance in these areas will contribute to our long-term sustainability.

Our employees remain central to Liberty's success. Providing an enabling environment for our people to thrive, to grow and develop is the goal for those who manage our human capital. Providing equal opportunities, eliminating prejudice and enhancing our employees' skills will qualify Liberty as an employer of choice. Employees in such an environment will provide excellent client service and be committed promoters of Liberty.

Our financial advisers assist our clients to achieve their hopes, dreams and aspirations, partnering with them through their life journeys. Our ambition is for our humanity to differentiate Liberty in the provision of advice, insurance and investments.

Liberty maintained its level-2 B-BBEE contributor status through increased points for skills development and socio-economic development, including consumer education. The tough employment environment in 2018 and focus on the organisational redesign process conducted during the year resulted in little meaningful progress being made from an employment equity perspective. This will receive greater focus in 2019.



**Jacko Maree**  
Chairman

As part of our transformation journey, we support small and emerging Black owned suppliers and in 2018 onboarded 12 new suppliers to our Blue Skies supplier development programme.

Promoting greater inclusion and participation in the economy is a goal for Liberty and something that will enhance our sustainability. Our corporate social investment activities are directed at educating young people and providing financial literacy to all ages. Our employee volunteerism portal allows us to encourage and track involvement of employees with NGOs and other deserving causes.

The speed of technological development generates challenges as well as opportunities for Liberty. We have continued to embrace the digitisation of our systems and operations to further enhance the experiences of our clients and financial advisers. It is imperative that we continue to protect personal data and uphold this principle in the design of new initiatives or systems.

Liberty strives to improve our understanding and responsiveness to our stakeholders' legitimate needs. Our engagement this year with Unclaimed Benefit Fund members was productive and demonstrates our commitment to the principles of shared value. Liberty continues to trace beneficiaries who are unaware of their potential benefits, through organised public awareness campaigns.

Finally, while Liberty has a small environmental footprint, we are committed to measuring and managing our resource consumption, reducing it wherever possible. In 2018 we installed solar PV panels on the roofs of our head office and parkade in Braamfontein, introduced a grey water and rainwater capture project, and successfully recycled 35% of all our waste.

In 2018, management and the board identified areas that will fast-track our transformation to a financial services provider of the future. We embarked on, and completed, a comprehensive redesign of our organisation, reconnecting value chains that had become disconnected and focusing on the needs and requirements of our clients and financial advisers. This was a complex but necessary exercise which triggered high levels of anxiety and stress in our teams in South Africa but created the critical foundation for an aligned and successful business going forward. In 2019 our focus will be on delivering on our strategy by implementation of our plans and on strengthening our organisational culture to deliver our turnaround.

We would like to express our sincere gratitude to our employees, investors, clients, advisers, suppliers and the communities in which we operate for their support during this year. By working together, we can harness our collective efforts and move towards achieving our broader societal goals and responsibilities.



**David Munro**  
Group chief executive

10 May 2019

**Jacko Maree**  
Chairman

10 May 2019