



# DISCOVERY

## SUSTAINABILITY REPORT

for the year ended 30 June 2022





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## NAVIGATING OUR REPORT

This is an interactive report. Navigation tools at the top right of each page and within the report are indicated below.



**CLICKABLE POINTS OF INTEREST**





# A MESSAGE FROM OUR CEO

“Almost three decades after Discovery was established to make people healthier and enhance and protect their lives, we continue to focus on this core purpose as we work to be a force for good for our stakeholders.”

ADRIAN GORE

Now more than ever, we see the importance of our shared-value model, which utilises Discovery’s unique capabilities to create a positive impact for our clients and society. The past year highlighted the ongoing macroeconomic and epidemiological complexity in our operating environment due to COVID-19, conflict in Ukraine and supply-side constraints creating new challenges, risks and opportunities.

I fundamentally believe that it is during complex and difficult times that a great organisation illustrates the power of its purpose and values. As a business, we believe the most important role we can play in being a force for good is to scale boldly to positively impact more lives in the markets that we operate and partner in.

This year, in terms of our Ambition 2023, we achieved our target of 10 million directly insured lives. Furthermore, we measured nearly 40 million lives impacted – we are also equally proud of the unquantified impact on the lives of millions of South Africans in the broader healthcare system, through the work of Discovery Health and Discovery Foundation, and on millions globally through the increased traction of wellness programmes.

The world of ESG and sustainability is rapidly evolving, and we see ourselves playing a pivotal role in improving global health outcomes aligned with the United Nations Sustainable Development Goals (UN SDGs). We are an authentic force for good with two clear sustainability approaches:

- Intensely focused ESG contributions to differentiate our social impact and achieve best-in-class environmental management and governance
- Increased focus on measuring, disclosing and reporting goals and progress.

In this context, I am incredibly proud of Discovery’s recent recognition in Fortune Magazine’s 2022 *Change the World* list, ranking in the top 5 amongst a seminal list of 50 global organisations that have had a positive social impact through activities that are part of their core business strategy. We were recognised for our shared-value banking model, helping people to adopt better financial behaviours – and rewarding them for it. This has been based on the same tenets as our shared-value insurance model, for which we ranked on the list in 2015, and we believe this recognition validates our ongoing focus on making people and society healthier in all aspects of life, in line with our core purpose.

We recognise the importance of measuring impact – as such, we launched a new goal to drive the global impact of our shared-value model:

## 1 BILLION HEALTHY ACTIVITIES PER ANNUM BY 2030

True to our purpose to make people healthier, we recorded 470 million healthy activities in FY22, **more than two million life years saved**, and **R11.4 billion in value** returned to clients – with a target to achieve **one billion healthy activities per annum by 2030**.

Through our advanced technology, we can measure activity at a personalised level, including the impact of activity through our rich data, global reach and in-depth research. The results of our internal models demonstrate significant improvement in risk and societal outcomes based on levels of engagement in our programmes. We continue to evolve and publish research to advance the measurement of outcomes on a global scale.

As a result of being able to measure healthy activities, we have quantified, using published research an impact of more than two million additional life years through physical exercise across our platforms.

In addition, we provided R11.4 billion in value to customers by incentivising better behaviour and outcomes – our shared-value model.

This goal drives our purpose forward and ensures we can transparently measure our progress. I look forward to reporting on our progress in the year ahead.



In addition, we have clear targets that we continue to work towards:

**E Restoring the climate and environment:** achieving carbon neutrality in our operations by 2025 and net-zero greenhouse gas emissions by 2050 or earlier.

**S Making people healthier and building the nation:** in addition to improving health outcomes globally, we work towards strengthening healthcare and other systems as we help build the nation through efforts like our vaccination drive.

**G Governance:** ensuring a diverse and inclusive workforce with fair and responsible pay. Our people remain our greatest asset and we continue to improve diversity and inclusion, with a clear focus on employment targets and fair remuneration.

We enable our goals through our strong governance structures, which include our newly formed Environmental, Social and Governance (ESG) Committee – a key evolution in our journey. It is a highlight for me to chair this strategic committee, and I believe the strong and broad executive representation in place will result in focused delivery. In this regard, I am supported by David Danilowitz, our Head of ESG and Investor Relations, who is charged with ensuring our ESG strategy and goals are implemented across the Group.

Our bold goals align with our core purpose and our ambition of being a powerful force for good. As a global financial services provider we have accomplished much in this area, but realise that more needs to be done. Sustainability is a world of depth and complexity and we have an infinite ability to innovate, grow and positively impact the society and environment around us.

**ADRIAN GORE**  
CEO



“I BELIEVE IN THE POWER OF DISCOVERY’S SHARED-VALUE MODEL TO POSITIVELY CHANGE LIVES. IN MY ROLE, I HAVE HAD THE OPPORTUNITY TO WORK WITH OUR TEAMS TO DEVELOP GOALS THAT REFLECT THIS AMBITION, AND I LOOK FORWARD TO ENGAGING WITH OUR STAKEHOLDERS AS WE PROGRESS ON OUR ESG JOURNEY.”

DAVID DANILOWITZ  
HEAD OF ESG AND INVESTOR RELATIONS



# DRIVING OUR PURPOSE AS A FORCE FOR GOOD

Focus areas and FY2022 outcomes against our sustainability framework.

## Make people healthier PHYSICAL HEALTH

39.7 million  
lives impacted

470 million  
Healthy activities recorded<sup>1</sup>

>2 million  
Life years saved<sup>2</sup>

R11.4 billion  
Shared-value dividend<sup>3</sup>

## Enhance and protect lives HOLISTIC HEALTH

Recognised in **Top 5 in Fortune Magazine's 2022 Change the World** list

Discovery Bank exceeded **one million accounts**

**Three** Efma-Accenture Innovation in Insurance **awards** including a **silver** for Vaccination Max Payback in the, **Social, Sustainable and Responsible** category

## Strengthen social systems COLLECTIVE HEALTH

R200 million

spend on mass vaccination campaign contributing to **nation building**<sup>6</sup>

Administered over

1 million vaccines  
through vaccine sites

112 448  
potholes

filled through Pothole Patrol

## Restore the environment PLANETARY HEALTH

Lowest  
carbon emitter<sup>4,5</sup>

16.4% reduction  
in global Scope 1 and 2 emissions<sup>5</sup>

## GOOD BUSINESS ENABLERS

Established our **CEO-led ESG committee**

Advancing fair and responsible pay as **2<sup>nd</sup> lowest of 14** in income disparity ratio<sup>7</sup>

Maintained our **level 1 status in Broad-based Black Economic Empowerment**

Creating a diverse and inclusive workforce with **44% females in senior management**

**Highest**  
Peer rating<sup>4</sup>



**SUSTAINALYTICS** 19.8  
2022

**S&P Global** 78%  
2022



**IRAS** 74%  
integrated reporting & assurance services  
Since 2009 2022<sup>4,7</sup>

1 Healthy activities include moderate and intense physical activity events recorded and HealthyFood purchases.

2 Life years saved is calculated from healthy activities recorded, using the methodology in the Rand research paper.

3 Includes R5.2bn and R4.7bn shared value and rewards returned to customers respectively and R1.5bn Vitality behaviour change savings created for DHMS.

4 Relative to the domestic life insurance peer group.

5 Relative to the 2019 base, measured by Scope 1 and 2 emissions, before verification.

6 FY2021 and FY2022.

7 Relative to SA financial services group.



# ABOUT THIS REPORT

The 2022 Sustainability Report is a key part of our comprehensive reporting suite.

## Discovery's suite of reports

Our primary report to our shareholders, providers of financial capital and other stakeholders. It details our financial, economic and social performance.

### 2022 SUSTAINABILITY REPORT

This report provides details on the Group's progress against its Integrated Sustainability Framework. Where appropriate, indicators and disclosures are mapped against the Global Reporting Initiative (GRI), TCFD, Sustainability Accounting Standards Board (SASB) and Institutional Shareholder Services (ISS) indicators.

This report includes information on our governance philosophy, leadership and compliance with the King IV Report on Corporate Governance for South Africa, 2016 (King IV™)\*.

This report demonstrates our commitment to tax transparency and operating as a force for economic and social good through tax contributions. It aims to clearly and concisely communicate information that is material to our stakeholders on our tax disclosures.

\* Copyright and trademarks are owned by the Institute of Directors in South Africa and all of its rights are reserved.

This report provides an overview of Discovery's financial performance to investors.

This Excel file contains our detailed ESG indicators and disclosures. This includes information mapped against the GRI, TCFD, SASB and ISS indicators. For ease and convenience, we included a detailed ESG Index that references selected indicators and disclosures across Discovery's suite of reports.

Includes the consolidated financial results of Discovery Limited and its subsidiaries, the Embedded Value Statement and Five-year Review.

Our TCFD Report provides specific disclosures as recommended by the Financial Stability Board. It provides details on Discovery's climate change response in terms of governance, strategy, risk management and metrics as well as targets related to environmental impacts.

Details the factors that influenced remuneration within our business as well as the remuneration decision made. It further outlines our remuneration policy and provides details of the implementation thereof.

## BOUNDARY AND SCOPE

Disclosures and information pertain to the 2022 financial year ended 30 June 2022 unless specified otherwise. This report includes disclosures on governance as it relates to sustainability, however, comprehensive information on our governance philosophy, leadership and compliance with King IV™ is included in the Discovery Governance Report 2022.

We disclose non-financial information and data in this report, primarily related to our South Africa-based business units, which account for the majority of the Group's revenue and employees.

Our focus this year was to increase our disclosures and **broaden our scope of reporting on the United Kingdom and our Bank business unit.**

As such, we now report on a full set of ESG indicators for South Africa, the UK and Discovery Bank.

We continue to improve the consolidation of non-financial information to reflect a broader Group perspective.

We detail the operational boundary for environmental and social data included in this report by geography – across South Africa, the UK and our partner markets.

Content for this report is framed by Discovery's Integrated Sustainability Framework.

The Group's material matters describe, through a joint process, material content themes for the Integrated Annual Report and Sustainability Report. This year, we conducted a double materiality assessment, taking into consideration our impact on the environment and society, and examining those matters that impact our ability to create and preserve value.



## REPORTING GUIDANCE

The following frameworks, recommendations and standards are used to guide this report's preparation:



CDP (previously named the Carbon Disclosure Project): B for the 2021 reporting cycle (2020: B) (Measured on a scale from A to D, a level B rating indicates management of climate-related issues)



Sustainability Accounting Standards Board (SASB)



Task Force on Climate-related Financial Disclosures (TCFD)



Global Reporting Initiative (GRI)

*Discovery reports in accordance with the GRI's Sustainability Reporting Standards. Our ESG Index outlines where specific GRI reporting elements and indicators are addressed in this report or other sources.*

## BOARD RESPONSIBILITIES

To ensure that our disclosure focuses on sustainability issues significant to Discovery's business and stakeholders, the Social and Ethics Committee approves the structure of this report, and reviews and provides input on its content prior to publication.

The Social and Ethics Committee is satisfied that this Sustainability Report, read together with the 2022 Integrated Annual Report, 2022 TCFD Report and 2022 Governance Report, provides a comprehensive and accurate view of Discovery's sustainability performance for the past financial year and its outlook for the year ahead.

The Sustainability Report content and indicators were gathered from interviews with key information owners, questionnaires provided to key operational teams (as mandated by each team's respective Chief Financial Officer) and internal information resources.

The drafting of the report was managed by Discovery's sustainability team. Drafts were reviewed by specific senior resources at key stages of the process, prior to submission to the Social and Ethics Committee. Approval was provided following review by the Social and Ethics Committee, an assessment of content by Group Internal Audit – who thoroughly reviews each factual statement in the report – and the recommendation of the Discovery Audit Committee. Group Internal Audit also assures and verifies selected indicators.

Independent assurance on selected indicators is provided to the Group Chief Financial Officer and Social and Ethics Committee by Nexia SAB&T in its Independent Assurance Report. Nexia SAB&T is contracted to Discovery to provide assurance services and undertook an assessment to evaluate all relationships between itself and the Group to consider independence and objectivity relating to the audit. Nexia SAB&T concluded that they are not aware of any relationships that may have a significant impact on their independence and the objectivity of the audit engagement team.

### Restatements of information

There are no restatements of information or indicators in this report.

### Feedback

We are constantly working to improve our reporting and the way in which we measure our impact and outcomes. We welcome stakeholder feedback on our Integrated Sustainability Framework, initiatives and reporting, which can be emailed to [sustainability@discovery.co.za](mailto:sustainability@discovery.co.za).





# ABOUT OUR BUSINESS

Discovery is a global, integrated financial services organisation that uses a pioneering Shared-value Insurance model across businesses to achieve our core purpose of making people healthier and enhancing and protecting their lives.



Founded in South Africa, we operate in **35 countries and impact 39.7 million lives**, globally.



We permanently employ **over 13 450 people**, globally.

We are headquartered in Johannesburg, **South Africa**

To understand our business is to understand our **WHY, HOW and WHAT**.



## WHY WE ARE IN BUSINESS

### Our core purpose

To make people healthier and enhance and protect their lives.



## HOW WE OPERATE

### What sets us apart

Our core purpose manifests through our pioneering and bespoke Shared-value Insurance model across our three market-specific strategic strands of South Africa, the United Kingdom and Vitality Global – underpinned by our leading behaviour-change platform, Vitality, and supported by our unique foundation and operating model.



## WHAT WE DO

### Our products and services

- Health insurance, administration and managed care of medical schemes
- Life insurance
- Short-term personal and commercial insurance
- Long-term savings and investments
- Banking
- Behaviour-change programmes

## Ambition 2023

### Our medium-term strategic focus:

To be a leading global financial services organisation through our pioneering Vitality Shared-value Insurance model, while being a powerful force for good.

Our **WHY, HOW** and **WHAT** guides our long-term objectives across our four strategic business strands, which are scaled through our strategy and medium-term ambition statements. This approach has transformed Discovery into the business it is today.

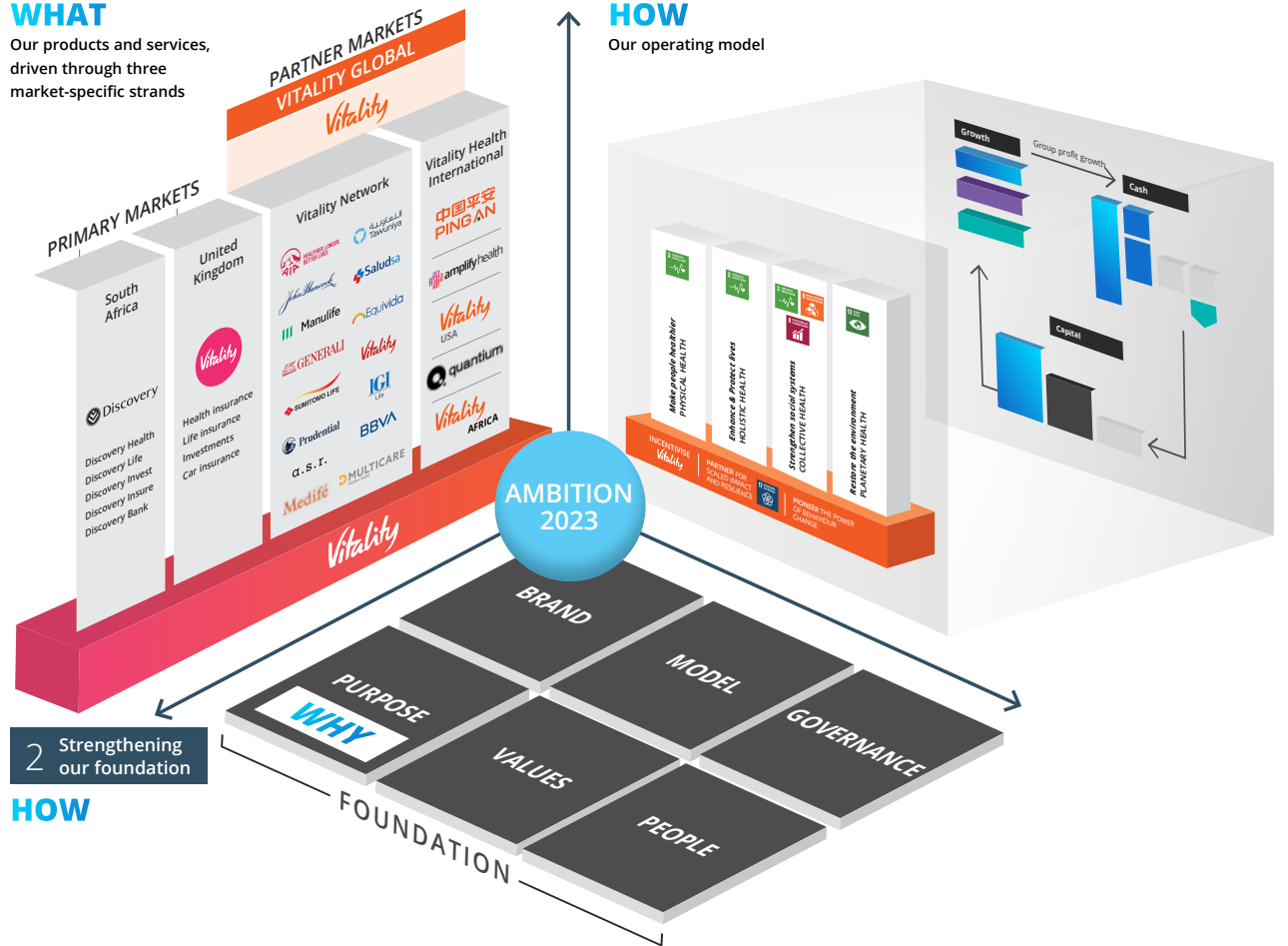
To deliver on our core purpose and strategy to achieve certain ambition statements, we focus on three strategic objectives: **1 Building brilliant businesses** **2 Strengthening our foundation** **3 Enhancing our financial and social impact**

### WHAT

Our products and services, driven through three market-specific strands

### HOW

Our operating model







# OUR INTEGRATED SUSTAINABILITY FRAMEWORK

## HOW SHARED VALUE INFORMS OUR APPROACH TO SUSTAINABILITY

We understand that business exists in a broader social and environmental context, which can have direct and indirect impacts on its sustainability. This is why it is imperative that businesses address these issues tenably. Sustainability is deeply embedded in our business model and strategy, and is integrated into the products and services we deliver, our interactions with stakeholders, and our metrics and results.

We ensured that our Integrated Sustainability Framework aligns to our core purpose – making people healthier and enhancing and protecting their lives. The framework allows us to maximise our impact through our Shared-value Insurance model, enabling us to drive improved health incomes and strengthen healthcare systems while delivering robust environmental and governance performance.

### Our sustainability differentiators

Structured around four sustainability differentiators, the framework focuses on physical and mental health (make people healthier), holistic health and financial security (enhance and protect lives), collective health (strengthen social systems) and planetary health (restore the environment).

Our differentiators are the areas where Discovery leverages our Shared-value Insurance model and Vitality chassis (which underpins the four pillars) to achieve scaled impact. They are also areas where Discovery can be most impactful in contributing to the attainment of the UN SDGs, by harnessing the power of behaviour change and global partnerships.

### Our good business enablers

The four sustainability differentiators of our framework are supported by our good business enablers, the foundation components of our Ambition 2023 strategy (purpose, values, people, brand, model and capabilities, and governance) – which form the material ESG factors that enable sustainable business. Governance is a new foundation component in our framework – a visible indication of the importance we place around performance in this area.

Discovery continues to work at a Group and business level to develop ambitious goals and science-based targets to drive and demonstrate our progress against the framework. This will provide the basis for an integrated and active approach to working with stakeholders to address the myriad socio-environmental issues that we all face.

## OUR TWO-FACETED SUSTAINABILITY STRATEGY IS PURPOSE-LED TO DRIVE SCALED IMPACT

**WHY** Driven by our purpose to make people healthier and enhance and protect their lives

We are driven to support global efforts in achieving the SDGs. We selected SDGs where our Shared-value Insurance model and global partnerships can achieve sustained scaled impact and align our impact across the Group to make a meaningful contribution. This is over and above the good corporate citizenship we ascribe to in our day-to-day business operations.

**HOW** Our Integrated Sustainability Framework sustainability differentiators

These four goal areas form the social and environmental impact dimensions unique to Discovery and our Shared-value Insurance model. They guide how we allocate resources for the greatest impact as we leverage Vitality and shared-value thinking. Vitality underpins these sustainability differentiators.

We considered our ecological model in the design of our framework to account for the range of impacts of our behavioural change model – from individual and collective, to environmental.



**SR** Our report is structured around our sustainability differentiators (page 18 to 56) and our good business enablers (page 57 to 101).

**HOW** Our good business enablers of our Integrated Sustainability Framework



These are the material ESG factors that are strategic enablers for the Group.

The enablers allow us to deliver on our sustainability differentiators and are aligned to the foundation of our operating model. They represent the risk and opportunity factors of ESG to our business and stakeholders.



## LEVERAGING SHARED VALUE TO DELIVER ON OUR INTEGRATED SUSTAINABILITY FRAMEWORK

Sustainability and shared value are integrated into the fabric of our organisation; to understand both means to understand the power of our Shared-value Insurance model. We leverage our Vitality platform to guide and incentivise people to engage in healthier behaviours, and then share the value of this behaviour change with our clients and broader society. We call it Vitality shared-value Insurance and it drives a virtuous cycle of shared value for the individual, insurer and society.

**This concept is brought to life by the data that supports it. Based on over 25 years in behavioural insurance, we see how our impact is extended:**

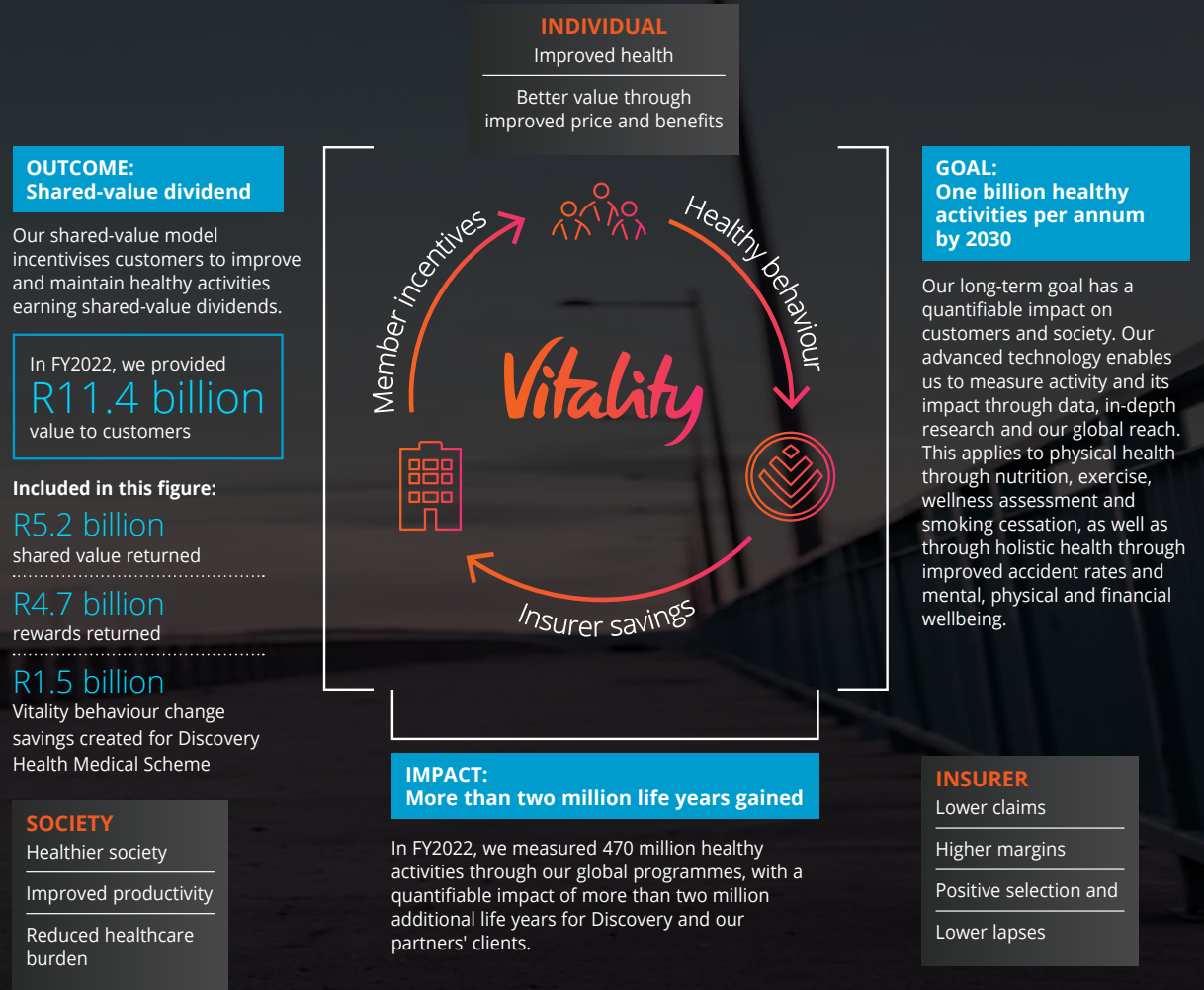
**7% to 15%**  
lower cost of insurance

**10% to 50%**  
increase in value of new business margin

Up to **40%**  
improvement in health outcomes, including physical activity, health screenings and healthy food purchases

Through our Vitality platform, Discovery is a global leader in shared-value insurance. We leverage fintech, actuarial and behavioural science to achieve our purpose of making people healthier and enhancing and protecting their lives.

## SHARED VALUE IN ACTION – HOW WE AMPLIFY OUR CONTRIBUTIONS





# OUR ESG APPROACH

## STAKEHOLDER ENGAGEMENT

The success of our Integrated Sustainability Framework is dependent on our ability to effectively engage with our stakeholders. Only by understanding the impact of various material topics and recognising the mutual relationships between Discovery and our stakeholders can we better identify, anticipate and respond to significant sustainability challenges and opportunities. Our approach to ESG is informed by our engagements with stakeholders and in particular our Stakeholder Engagement Framework.

### OUR STAKEHOLDER GROUPS



We engage regularly with stakeholders who have a vested interest in what we do and who we are. We adopt a strategic approach to our stakeholder engagements and follow the principles that are formalised in our Stakeholder Engagement Framework. The framework includes a matrix guiding our levels of engagement with each stakeholder group, which varies depending on our objectives, outcomes, timeframes and resources – and the level of influence or interest of stakeholders.

## MATERIALITY

We determine materiality through a robust materiality determination process. This year, we aligned our integrated and sustainability materiality determination processes through a **double materiality assessment**. This approach considers our impact on society and the environment, and those matters that impact our ability to create and preserve value.

The assessment enabled us to develop a list of potential material matters for both the Integrated Annual Report and Sustainability Report, ensuring they were interrogated through both an internal and external lens. This process further offers the benefits of aligning the reports and ensuring cohesive messaging across both.

### An overview of the materiality process



#### IDENTIFY

- Conduct an internal review of the prior year's material matters, the current strategy and latest risks and opportunities
- Conduct an external review of the global risk registers

#### PRIORITISE



- Develop and prioritise a list of potential material matters

#### EVALUATE AND VALIDATE

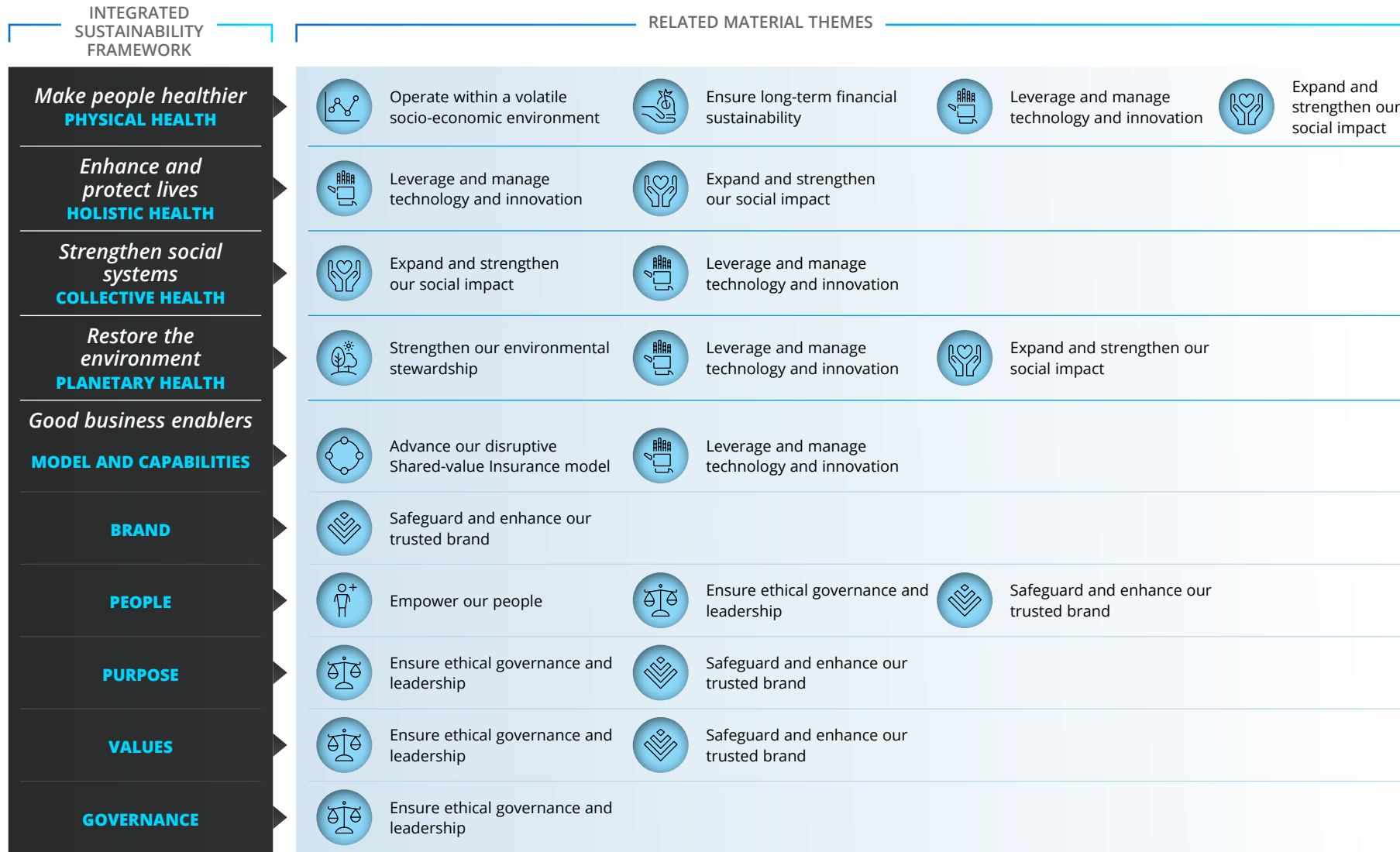


- Validate potential material matters through an online survey to the Board and senior management
- Board approval of the final material matters





The results of the survey identified the following material themes.





## ALIGNING WITH LEADING BEST PRACTICE

Our commitment to ESG is underpinned by our support of global goals and local development, alignment with leading best practice and our commitment to enhance our transparency and ensuring that our stakeholders have the information necessary to understand our ESG journey and make informed decisions where necessary.



### Key memberships, index inclusions and commitments

Level 1 Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice

Ten Principles of the United Nations Global Compact (UNGC)

UNGC Climate Ambition Accelerator

World Economic Forum Stakeholder Capitalism Metrics

Signatory and active participant of the United Nations supported Principles for Responsible Investment

Participant in the UNGC Target Gender Equality programme

Through its membership of the Health Funders Association, Discovery supports and assists the South African government in establishing the mechanisms necessary to achieve a sustainable system of universal healthcare as outlined in the Presidential Health Compact

Active collaboration with a wide number of regulatory bodies, such as the Health Professions Council of South Africa, South African Pharmacy Council and South African Nursing Council

### S&P Global Ratings

S&P Global (Dow Jones Sustainability Index): 53 score in the 78% percentile in 2022



Sustainalytics risk rating: 19.8 score and a low risk rating for 2021 reporting cycle (medium risk rating for 2020)



MSCI ESG Index: BBB\* rating for the 2020 reporting cycle



IRAS Sustainability Data Transparency Index (SDTI): 74% and ranked first in the financial services – insurance and benefits sector



### FTSE4Good







Discovery remains a constituent of the FTSE4Good Index Series following a review in June 2021.

\* We await our rating for the 2021 period from MSCI, which has been delayed.



## SUSTAINABLE DEVELOPMENT GOALS

As we continue our SDG journey, this year we have identified specific targets relating to our identified SDGs. In the year ahead, we will begin reporting on our progress against these targets.

		  		 	
Specific targets Discovery is focusing on	For more information	Specific targets Discovery is focusing on	For more information	Specific targets Discovery is focusing on	For more information
<p><b>3.4</b> Reduce, by one third, premature mortality from non-communicable diseases through prevention and treatment, and promote mental health and wellbeing</p>		<p><b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making</p>		<p><b>13.2</b> Integrate climate change measures</p>	
<p><b>3.6</b> Halve (50% less) the number of global deaths and injuries from road traffic incidents</p>		<p><b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation</p>		<p><b>13.3</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	
<p><b>3.8</b> Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>		<p><b>8.5</b> Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>		<p><b>17.16</b> Enhance the global partnership for sustainable development</p>	
<p><b>3.b</b> Support the research and development of vaccines and medicines for the communicable and non-communicable diseases</p>		<p><b>9.2</b> Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product</p>			
<p><b>3.c</b> Increase health financing and the recruitment, development, training and retention of the health workforce in developing countries</p>		<p><b>9.3</b> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p>			
<p><b>3.d</b> Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</p>					



# OUR ESG TARGET AREAS

To amplify the impact of our Integrated Sustainability Framework in **pursuit of** our core purpose, we have set internal targets that we will use to measure our progress, **aligned with SDGs.**

		FY2022	Progress	Related SDGs
SOCIAL	Healthy activities (millions)	470	✓	3 GOOD HEALTH AND WELL-BEING
	Lives impacted (millions)	39.7	✓	3 GOOD HEALTH AND WELL-BEING
	Life years saved (millions)	>2	✓	3 GOOD HEALTH AND WELL-BEING
	Female composition in senior management (%)	44	✓	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
	Racial composition in senior management (%)	36	✓	
ENVIRONMENTAL	CO <sub>2</sub> emissions reduction (vs base year) (%)	16.4	✓	13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
GOVERNANCE	Global ESG rating (percentile) (%)	71	✓	
	Board female composition (%)	28	✓	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
	Board racial composition (%)	33	✓	





# GOVERNANCE AND SUSTAINABILITY

## Governance commitments

Our commitment to partner for planetary and social health is underpinned by the following governance commitments:

→ The CEO is responsible for sustainability and the implementation of ESG topics within the Group

→ Assigning responsibilities at Board and executive level to deliver on our Integrated Sustainability Framework

→ Assessing, managing and publicly disclosing ESG risks and opportunities across the Group

→ Implementing financial and sustainability performance measures, including climate-related and ESG targets linking back to remuneration

→ Reviewing our capabilities, organisational structure and remuneration to deliver on our ESG ambitions and goals

## GOVERNANCE AND SUSTAINABILITY

Governance is a critical component of value creation, promoting strategic decision-making that balances short-, medium- and long-term outcomes to reconcile the interests of the Group, stakeholders and society. The Group is committed to a values-based and ethical culture, built on the principles of non-discrimination, fairness, integrity and transparency.

Compliance with Discovery's values is monitored throughout the organisation. The Employee Engagement Survey includes specific questions on the application of values across various operational and management areas.

The Board delegated some of its responsibilities to appropriately constituted Board committees to assist in the fulfilment thereof, established in line with the requirements of the Companies Act and King IV™. The Chairperson of each Board committee is appointed by the Board and reports directly to the Group Board after each meeting. This enables the Board to monitor

performance and ensure that the committees are acting in line with the delegations provided.

The stakeholder inclusive approach to corporate governance, with the support of our risk and compliance functions, ensures that the highest standards of risk management and compliance are embedded across the Group. The Discovery Board is committed to ensuring its independence and diversity, and that both filter through into its committees.

The Board and executive management also perform an annual assessment of the Group's strategy, business model, performance and sustainable development as it applies to our core purpose. Regular reports are provided to the Board on the sustainability of Discovery's business and its impact on the environment, communities and other stakeholders through the implementation of Board-approved policies.

The Social and Ethics Committee assists the Board in implementing and monitoring strategies that facilitate sustainable social and economic development, and in integrating ethics and transformation across Discovery. The committee also makes recommendations to the Board on good corporate citizenship, climate change strategy, environmental health and safety, stakeholder relations, and an inclusive economy.

The Social and Ethics Committee is chaired by an Independent Non-executive Director, and comprises at least five members, of which three are Independent Non-executive Directors and two are Executive Directors.

The implementation of strategy related to sustainability cascades throughout the businesses and functional areas of the Group in the same way as other strategies, with defined reporting channels and independent reporting back to the Board. Ultimately, the CEO is responsible and accountable to the Board for the implementation of economic, environmental and social topics identified by the Board or its committees.

Discovery's culture of learning applies to its Board and committees. Considering the pace of change

in sustainability and correspondingly, ESG reporting, the Board and Social and Ethics Committee continue to increase skills in sustainability. Key teams in the business, including the CEO's office, present and provide insights and education based on internal competencies, research and guidance from external experts.

The Remuneration Committee provides oversight to the Group scorecard encompassing financial and sustainability performance measures, such as climate-related and ESG targets, which are linked back to executive remuneration. Discovery Group's Single Incentive Plan measures performance over the short and long term and considers management performance at a Group, business and individual level. In addition, overall performance against ESG ratings agencies is assessed as a performance measure.





## GROUP BOARD

Responsible for the strategic direction of the Group's ESG strategy and monitors the progress thereof

### SOCIAL AND ETHICS COMMITTEE

Assists the Board in implementing and monitoring ESG strategies and in integrating ethics and transformation across Discovery.

### RISK AND COMPLIANCE COMMITTEE

- Oversees the management of Group risks and opportunities, which incorporates those related to ESG issues
- Monitors these risks
- Recommends mitigation plans to manage these risks

### REMUNERATION COMMITTEE

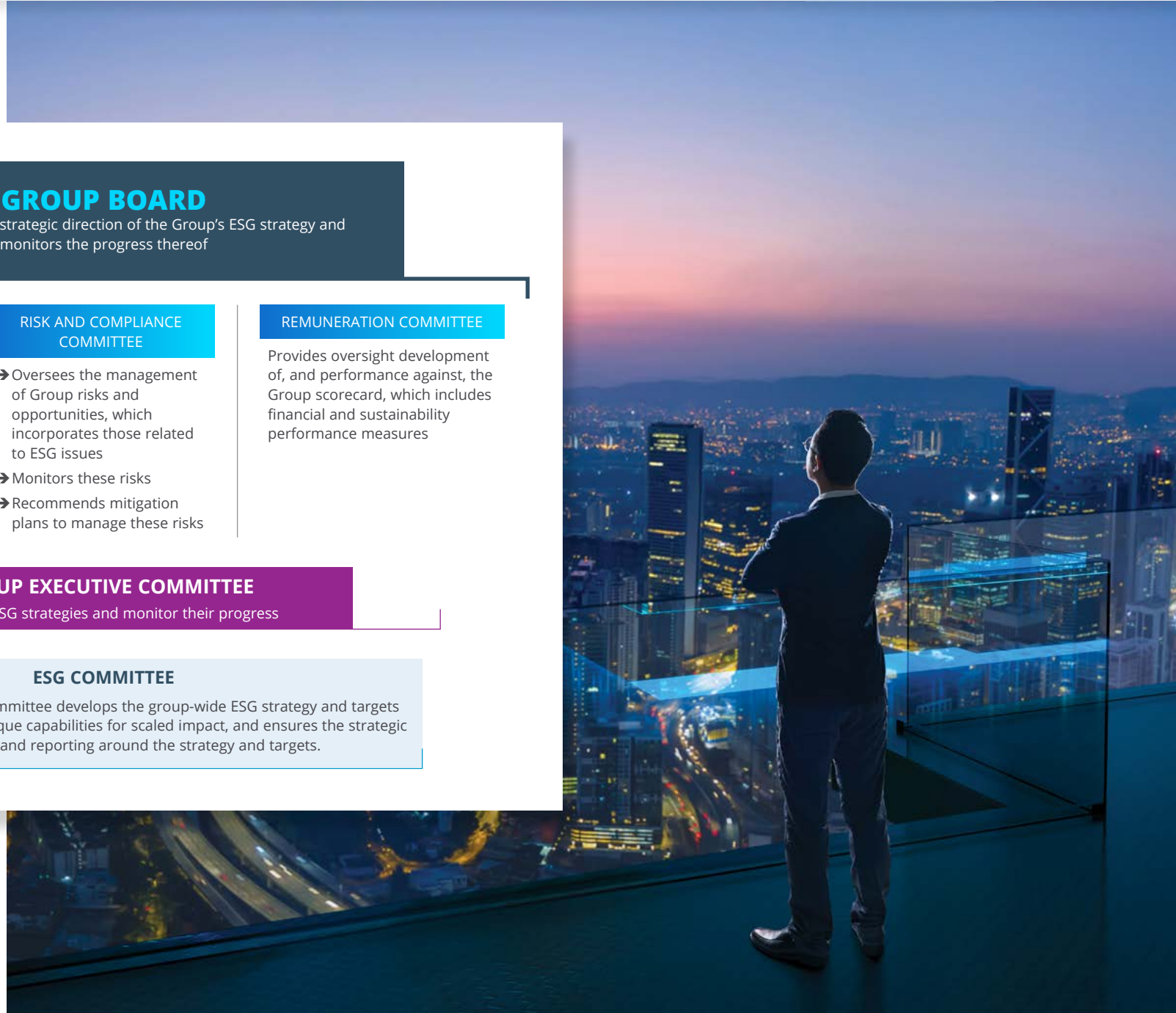
Provides oversight development of, and performance against, the Group scorecard, which includes financial and sustainability performance measures

## GROUP EXECUTIVE COMMITTEE

Approve ESG strategies and monitor their progress

### ESG COMMITTEE

Chaired by the CEO, the Committee develops the group-wide ESG strategy and targets that leverage Discovery's unique capabilities for scaled impact, and ensures the strategic implementation and reporting around the strategy and targets.





# RISK AND COMPLIANCE

The risk management approach at Discovery fosters an environment where consideration of risk is embedded in the Group's culture, business planning, decision-making and day-to-day business activities. Discovery considers compliance with applicable laws, industry regulations, codes, and its own ethical standards and internal policies as integral to conducting business in line with our commitment to being a good corporate citizen.

The Board is committed to developing and maintaining the Group's strong compliance management capabilities and culture while providing appropriate protection to policyholders, clients and stakeholders. At the core of this approach is strong governance and a robust risk and compliance framework, supported by procedures and systems to ensure that we adhere to high levels of personal and professional integrity.

Discovery's well-established Enterprise Risk Management (ERM) Framework details the appropriate principles and processes to manage risk within its business. Sustainability risks are included in Discovery's universe of risks under strategic risk, which span the short, medium and long term, to ensure related impacts are considered in the risk management process.

The ERM framework defines how to manage, identify, measure, report and monitor any issues relating to sustainability, business, credit, insurance, strategic, regulatory, operational, market and liquidity risks. The objective of the ERM Framework is to align business strategy, risk strategy, capital management, business processes, people and technology to evaluate and manage business opportunities, uncertainties and threats in a structured and disciplined manner. Risk management is a dynamic process, and we continue to refine the sustainability risk and management approaches within the ERM Framework.

The Group Risk and Compliance Committee oversees the implementation of the ERM Framework and reports regularly to the Board.





# SUSTAINABILITY DIFFERENTIATORS





# MAKE PEOPLE HEALTHIER



## PHYSICAL HEALTH

### WHY

#### IS THIS IMPORTANT?

As the first sustainability differentiator of our Integrated Sustainability Framework, **making people healthier links directly to our purpose and stands as the core of our business.**

We apply a preventive lens to healthcare to first understand health risks at an individualised level and then incentivise healthy behaviours that are scientifically proven to reduce the risk.

### WHAT DO WE DO?

Our business is completely aligned with the health and wellbeing of our clients.

**Through our unique, dynamic and science-based approach we combine leading data analytics with rewards and incentives to help clients make healthier choices.**

This allows us to **maximise the positive impact of our business** by aligning our positive social outcomes with our differentiators.

Ultimately, by being more competitive and effective in driving our Shared-value Insurance model, we also drive social good.

### HOW

#### DO WE DO THIS?

We focus on making people healthier by:

**Understanding the current and emerging trends** in the healthcare sector and proactively addressing them

**Leveraging our Vitality platform** to improve health through personalisation to improve outcomes

**Offering personal and corporate healthcare solutions** that support health, wellness and productivity

### Approved Groupwide targets to drive healthy outcomes globally:

- One billion healthy activities per annum by 2030
- 50 million lives impacted\*

### Key developments on our journey to make people healthier:

- Impacted 39.7 million lives globally
- Recorded 470 million healthy activities during FY22, including 96 million HealthyFood items purchased
- 2.59 million screenings
- Launched Hospital@Home to accommodate the shift in how care is provided
- Launched Connected Care, which redefines the way healthcare is accessed
- Launched the Vitality Mental Wellbeing programme to help members gain a detailed view of their state of mental wellbeing
- Helping to break the iron triangle through affordable digital healthcare models

\* Our ambitions are bold – despite having met our target of positively impacting 10 million directly insured lives, we have refreshed our medium-term goal of total number of lives impacted from 100 million to 50 million, to ensure a better defined and measurable metric that aligns to engagement experience with our partners.

### SUPPORTING THE SDGS



Our contribution is underpinned by the Vitality chassis, which supports:



### Related material matters





## UNDERSTANDING THE HEALTHCARE CONTEXT

Increasingly, the healthcare industry faces challenges in delivering quality and affordable healthcare. The rise in non-communicable diseases and longer life expectancies adds to the challenges, and require multi-faceted, expensive care. Medical resources are falling short of meeting the growing patient demand, and the volume and complexity of diagnostic imaging and data is increasing at a faster pace than the availability of human expertise to interpret these.

Digital connectivity is helping to change this status quo. More than three billion people globally are connected to the internet, and harnessing this power is key to solving healthcare challenges. Digital connectivity can also empower patients, giving them unprecedented access to personalised medical information and targeted treatment options.

Today's healthcare environment is rapidly evolving, shifting to health and wellbeing, to care at home and from quality and volume to value-based care. AI's capacity for seamless Big Data analytics has accelerated medical breakthroughs, brought efficiencies to areas plagued by waste and enhanced patient care through faster diagnoses.

The quality of medical treatment decisions has tremendous bearing on health outcomes and cost of care for patients. Discovery's increased access to the large volumes of available patient data and medical technologies enhances our capacity for patient-centred, value-based care, which is our ultimate goal. New digital medical technologies and health platforms enhance our understanding of illness and wellness and allow us to root out inefficiencies in our own practices while understanding who our patients are.

### Emerging trends and how we are responding

The past year saw significant shifts in global healthcare systems, driven predominantly by the pandemic. Discovery reacted quickly to these changes, seeking innovative ways to expand access to affordable, quality healthcare and find opportunities to create shared value.

#### SIX KEY TRENDS INFLUENCED THE HEALTHCARE INDUSTRY IN 2022:

##### Changes in disease burden due to COVID-19

The disease burden measures the impact of living with illness and injury and dying prematurely. COVID-19 was the largest driver of claims in 2021, and added 11% to the cost of healthcare in 2022.

Following COVID-19, people are more aware of the risks of chronic illness and the complications from chronic disease.

##### Our response

We provide interventions for high-risk populations living with chronic diseases to reduce overall costs.

##### Decreased use in non-COVID-19-related healthcare

We saw a reduction in prevention and screening, although less so for Vitality members. There was also a decrease in elective surgical procedures and non-COVID-19-related medical admissions.

##### Our response

To address this, we actively encourage preventive screening through Vitality.

##### A change in place of care

We have seen a move from in-hospital to treatment at home and in day clinics for certain medical conditions.

##### Our response

Through our Hospital@Home service, we can increase access to cost-effective, quality care for clients.

##### Increases in mental health challenges

We have seen the increase in mental health challenges through a rise in claims, costs and therapy. There has also been an increase in virtual consults and out-of-hospital care for these challenges.

##### Our response

We support our members' and employees' mental wellbeing through various initiatives.

##### A move towards value-based care payment arrangements

Value-based care is a healthcare delivery model that is premised on a fee-for-value system based on patient outcomes. The system promotes rewarding healthcare providers for helping patients prevent illness and chronic disease. In comparison, a fee-for-service system emphasises volume of services instead of value.

##### Our response

To address this, we have implemented a hospital scorecard rating for service providers to radically enhance the quality of the delivery of care. We also drive reduced costs and increase quality and access to healthcare.

##### Accelerated trend towards digital healthcare

Telehealth (including telephonic and video virtual consults) platforms were rapidly adopted, allowing patients to connect with healthcare providers for remote diagnosis and treatment.

##### Our response

Our digital health platforms, including Connected Care and HealthID support an integrated healthcare ecosystem.



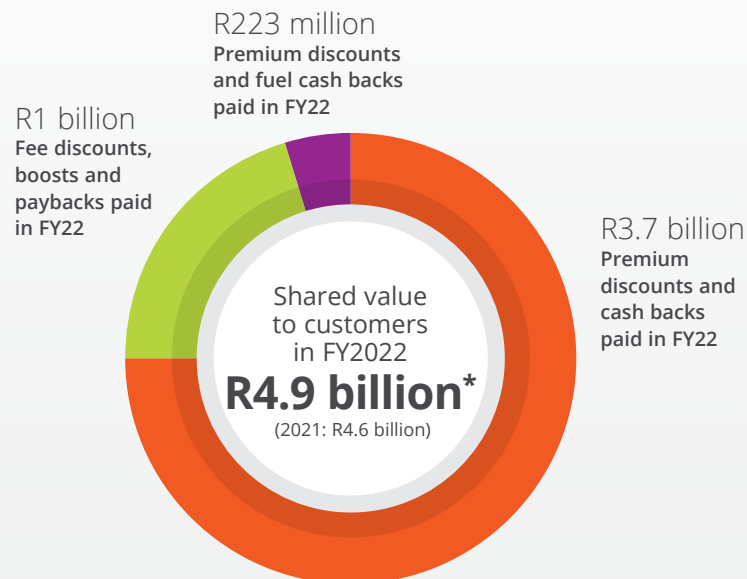
## LEVERAGING THE VITALITY PLATFORM TO DRIVE CHANGE



### How Vitality works

Vitality creates shared value by combining behavioural economics, clinical science, and financial incentives to encourage and reward members for taking steps to improve their health. By incentivising clients to engage in beneficial behaviours, such as going to the gym and making better-informed food choices, they remain healthier and live longer.

The Vitality Shared-value Insurance model focuses on behavioural components that decrease risk by offering clients a range of personal pathways and rewarding them in the process. This creates a virtuous cycle – as people engage in Vitality and improve their behaviours, our business benefits, and in turn, society thrives.



\* The shared value returned excludes the contribution from Discovery Bank, Vitality UK and Vitality Global. These are included in the total shared-value dividend at Group level.

### The Vitality platform has seen growth and attracted engagement globally through our insurance partners:

**39.7 million<sup>1</sup>**  
lives globally  
(2021: 41.3 million)

**283 918**  
goals achieved per day  
(2021: 600 000)

**12.9 billion**  
steps averaged per day  
(2021: 12 billion)

**16 091**  
health assessments per day  
(2021: 20 000)

**3.72 million**  
workouts logged per day  
(2021: 3.5 million)

**2 873**  
new devices logged per day  
(2021: 4 000)

<sup>1</sup> Given the restructuring of the cooperation with Ping An Life for business written in certain regions of China, the number of reinsured Ping An Health lives reduced to 8.6 million (FY2021: 13 million). This is part of the overall realignment to focus on growing high-quality own licence business.



### Vitality status: supporting improved health

Vitality members are encouraged to accumulate Vitality points – a measure of their engagement in healthy behaviours. Vitality points accumulate each year to give members their Vitality status, beginning with Blue.

Each time a member performs a healthy activity, such as going for a health check, buying healthy food or getting physically active, they earn Vitality points and improve their status. The higher their status, the more rewards received, including discounts, miles and cash backs on a range of goods and services.

Each year, Vitality points reset to zero. This means members must keep earning points to stay on the same status or improve their status, motivating them to become and remain healthy year after year.



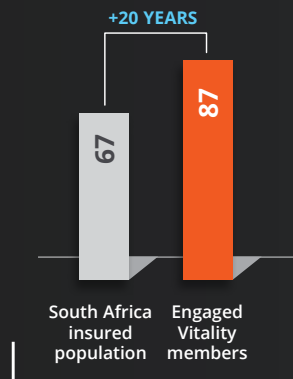
**PHYSICAL HEALTH**  
Leveraging the Vitality platform to drive change



**Measuring Vitality's impact**

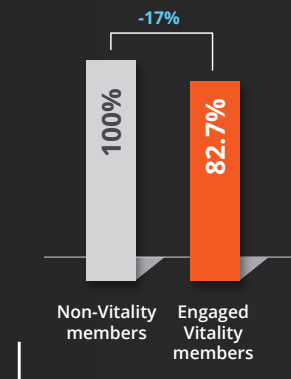
As reported in our 2021 Sustainability Report, across all ages, higher-tiered Vitality members show lower mortality risk and higher longevity than other Vitality status members. The reduction in mortality risk is noticeable among older people where more deaths are due to natural causes linked to lifestyle behaviours.

**LIVE LONGER**  
Average life expectancy



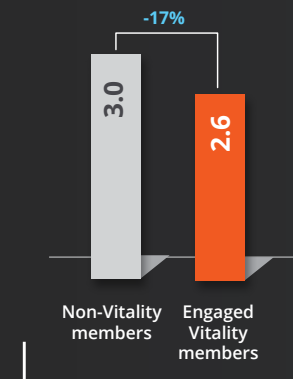
A typical 40-year-old Gold or Diamond member has a life expectancy of 89 years compared with 67 years for the insured population in South Africa. By incentivising people to become healthier, we achieve an average mortality reduction of 13% across all statuses.

**CLAIM LESS**  
In-hospital cover



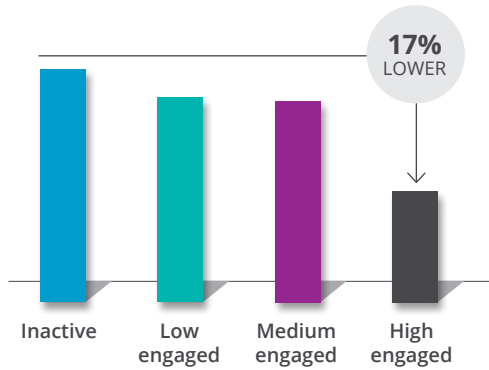
We know that our Diamond and Gold Vitality status members, who are our most engaged members, are likely to live longer and more likely to exercise and eat healthier foods, resulting in better mental wellbeing and health screening outcomes.

**MORE PRODUCTIVE**  
Days absent

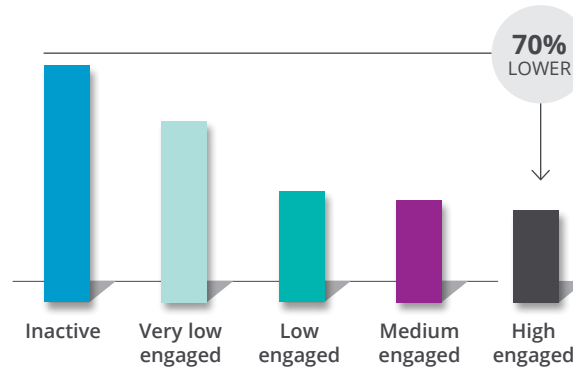




**LEVEL OF ENGAGEMENT WITH VITALITY - IMPACT ON HEALTHCARE COSTS\***



**VITALITY STATUS - IMPACT ON MORTALITY\***



\* As reported in 2021 Sustainability Report.

In the reporting period, of the  
**1 100 922**  
 (2021: 1 058 878)  
**Vitality members** in South Africa:



**54.6%**  
 of members were **physically active**  
 (FY2021: 58.3%)



**63.7%**  
 of members had a **health screening**  
 (FY2021: 63.9%)



**53.5%**  
 of member families purchased **healthy food**  
 (FY2021: 52.6%)





## Vitality interventions

### 1 PHYSICAL ACTIVITY

Through the **science of health behaviour change**, we get members to move more.

### 2 NUTRITION

Through **education, incentives and nudges**, Vitality helps members buy, cook and eat healthier.

### 3 MENTAL WELLBEING

The Vitality mental wellbeing programme uses assessments to determine the **overall state of members' mental wellbeing** and rewards them for taking proactive steps to understand, improve and maintain their mental wellbeing.

### 4 SMOKING CESSATION

Vitality supports members who want to **quit smoking** with discounted access to the world's leading smoking cessation programmes.

### 1 PHYSICAL ACTIVITY

Vitality as a behaviour-change platform champions physical activity by removing barriers (such as cost, access to devices and lack of motivation) to get people into gyms, exercising outdoors and in groups to improve health outcomes. Members can exercise in a way that suits them while paying less when they get active.

The COVID-19 pandemic and associated lockdowns meant that many people were unwilling or unable to go to gym. To encourage the re-uptake of physical activities, we launched **Vitality Pay as You Gym**, which allows Discovery Pay and Vitality members to use gyms on a pay-per-visit basis with no contract or monthly subscription.

We also aimed to engage the unengaged through **Vitality exercise group-based incentives**, encouraging active members to exercise with less-active members, increasing engagement and motivation.

### 2 NUTRITION

Vitality's nutrition strategy aims to decrease the prevalence of lifestyle diseases and their associated long-term complications by influencing behaviour related to food choices and eating patterns. To comprehensively address nutrition, we focus on three key areas: encouraging and incentivising members to **buy better, cook more often and eat healthier**.

We select partners who share our values, offer a significant selection of healthier options, and are willing to work with us on the journey of positive behaviour change. As a result, Vitality members bought 530 million HealthyFood items from January 2015 to December 2021.



### 3 MENTAL WELLBEING

Depression is associated with comorbidities, premature mortality and a financial cost to society. Over 264 million people globally experience depression. In South Africa, Discovery Health has seen an increase in mental health claims, from 3% in 2016 to 5% in 2021, with total generated costs for mental health reaching 25.5% in 2021.

The Vitality Mental Wellbeing programme helps members gain a more detailed view of their overall state of mental wellbeing and rewards them for taking proactive steps to understand, improve and maintain their mental wellbeing.

Members receive Vitality points for completing mental wellbeing assessments twice yearly, enabling them to understand key elements of their mental wellbeing by measuring resilience, depression, anxiety, overall wellbeing, alcohol consumption and sleep.

After completing the mental wellbeing assessments, members activate the mental wellbeing module in the Vitality Active Rewards platform, and are rewarded for tracking their mindful minutes and sleep goals using partner apps.



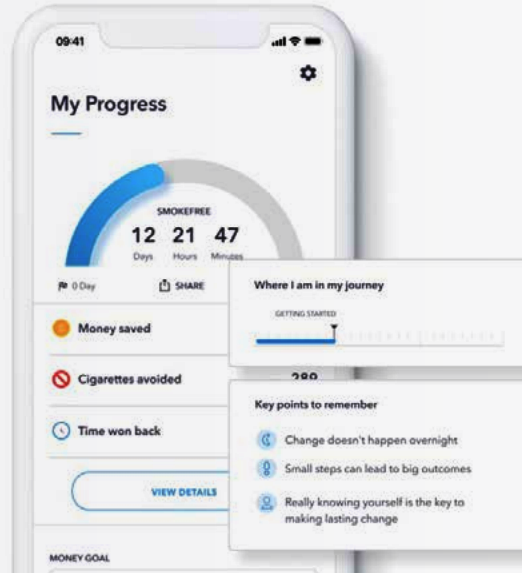
**4 SMOKING CESSATION**

It is estimated that around 22% of the global population (1.3 billion people) currently use tobacco. According to the World Health Organization, smoking is one of the biggest public health threats the world has faced. The economic costs of smoking are substantial, particularly regarding healthcare costs. Estimates reflect that the global economy loses US\$1.4 trillion each year.

Data shows us that most smokers are aware of the negative impacts of smoking on their lives and want to quit, however, fewer than one in 10 smokers succeed each year.

Discovery Vitality understands that professional support and proven cessation interventions can significantly improve a smoker's chance of successful quitting, and offers tools to help tackle the addiction **using technology, psychology and pharmacology**. We have partnered with leading smoking cessation programmes to support members.

Quit Genius is a mobile app with a multi-pronged solution: offering dedicated support for smoking cessation intervention through a technology-enabled digital clinic. The app reflects a **52% quit success rate** over the long term.



**The Quit Genius programme includes:**

- A Quit Coach who provides dedicated, individual support
- Virtual cognitive behavioural therapy through audio session and interactive exercises that help members deal with their craving triggers
- Tracking tools that monitor triggers, cigarettes smoked, money saved and health progress
- Advice and guidance for nicotine replacement therapy to help manage withdrawal symptoms and side effects.

In addition to Quit Genius, Vitality offers GoSmokeFree, a fully supported stop-smoking programme, and Allen Carr's Easy Way to Stop Smoking.



**PERSONALISATION IN ACTION: Next Best Action**



Next Best Action is a data-driven recommendation of the most important actions a member can take to maximise years of good health. Vitality UK provides personalised support and added incentives to complete actions aimed at improving individual health outcomes.

Next Best Action is a fully digital experience, delivered seamlessly through the Vitality member app, and builds on the foundational pathway of the Vitality programme that targets the key health behaviours of physical activity, nutrition and mental wellbeing.

Each Next Best Action corresponds to a curated health improvement experience tailored to each member's circumstances. Where our risk prediction models show that a member could benefit from increasing their physical activity level, we send weekly nudges to try an activity the following week. Completing the recommended activity earns additional Vitality points for their Active Rewards and Vitality status.



**HELPING ONE MILLION PEOPLE IN JAPAN LIVE HEALTHIER, HAPPIER LIVES**



In celebration of Sumitomo Life Vitality's success in helping one million people in Japan live healthier, happier lives, the company planted a giant cherry tree with one million blossoms in its atrium. The tree, known in Japan as the Sakura, signifies hope and renewal. Pink blossoms represent the fragility and beauty of life.

Launched in July 2018, Sumitomo Life Vitality owes its success to its agile response to customer needs by introducing innovations and adapting products. Since enrolling in Sumitomo Life Vitality:

**81%**  
of members feel their **quality of life improved**

**44%**  
**lowered** their blood pressure

**31%**  
**lowered** their fasting blood sugar level

**39%**  
**lowered** their LDL cholesterol

Members' mortality rate was **40% less than** non-members

Members' hospitalisation rate was **10% lower than** non-members





## IMPROVING PERSONAL HEALTH OUTCOMES

Discovery Health is the leading medical scheme administrator in South Africa, providing administration and managed care services to over 3.7 million beneficiaries (FY2021: 3.7 million), while offering the broadest product range with premiums lower than our cheapest competitor on a benefit-adjusted basis.

To understand how Discovery Health is creating value for stakeholders, it is important to understand the traditional description of the healthcare paradigm: the iron triangle.



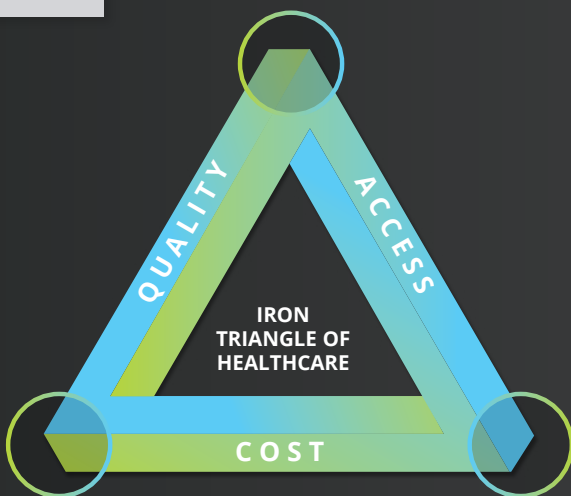
### The iron triangle

Healthcare is traditionally presented as a trilemma between access, cost and quality: called the 'iron triangle'. The iron triangle describes how improvement in one aspect is expected to come at the cost of the others.

### Breaking the iron triangle

For Discovery, advances in technology and disruptive innovations allow us to break the iron triangle and offer improved access to healthcare, reducing the associated costs without reducing quality.

Examples of affordable digital healthcare models Discovery has introduced to increase access to lower-cost, quality healthcare:



#### IMPROVING ACCESS

- Hospital@Home
- Flexicare
- Healthy Company
- Prepaid Health
- Connected Care
- KeyCare Start Regional
- Virtual Urgent Care



#### IMPROVING QUALITY OF CARE

- Prepaid Health
- Hospital@Home
- Connected Care
- HealthID
- KeyCare Start Regional
- Point of Care Pathology
- Virtual Urgent Care
- Hospital Scorecard rating



#### REDUCING COSTS

- Flexicare
- Prepaid Health
- KeyCare Start Regional
- Point of Care Pathology

Ongoing innovation and investment in technology optimises operational efficiency and service levels, supporting better business and member satisfaction, and lowering healthcare costs.

Managed care services have a material impact on managing the cost of claims, through rules-based programmes that use clinical and financial risk assessments to provide appropriate, quality and value-focused healthcare services.

Discovery's Shared-value Insurance model enables Discovery Health to ensure a sustainable medical scheme by reducing costs and retaining younger and healthier lives. A healthier membership has a material benefit to the scheme.

Discovery Health Medical Scheme (DHMS) members pay an average of

**14.9% less**

compared to members of the next eight largest open schemes (FY2021: 17.3%).

Discovery Health offered financial relief for its members during the COVID-19 pandemic through an innovative pricing strategy that deferred 2021 and 2022 contribution increases.

DHMS innovative contribution deferral strategy was highly effective in balancing affordability for members and scheme sustainability, and

**R6.8 billion** worth of contributions was saved for DHMS members in 2021 and 2022.



Make people healthier

Enhance and protect lives

Strengthen social systems

Restore the environment

## PHYSICAL HEALTH

## Personalisation and digitisation

A trend facing the healthcare industry is the digitisation of healthcare and adoption of telehealth platforms to connect with healthcare professionals (see trends on page 20). Part of our response to this trend is to leverage technology to broaden healthcare access. Our platforms, such as Connected Care and Discovery Prepaid Health, enable individuals to digitally access high-quality, affordable care.

### Improving chronic disease outcomes through personalisation

Discovery Health provides comprehensive, best-in-class interventions for high-risk populations to improve quality outcomes for members living with chronic diseases while reducing overall healthcare costs. We achieve this through improved care coordination, reduced long-term complications and access to best practice care.

Discovery's care programmes for chronic diseases are based on individualised clinical and lifestyle guidelines. Through the programme, patients and doctors agree on key goals and track their progress via a personalised dashboard on HealthID. This helps patients and doctors identify areas requiring attention to improve the management of their conditions and overall health.

The Discovery Care Maintenance Organisation works to significantly improve chronic disease clinical outcomes and healthcare costs, and is founded on a fully integrated and unique approach to managing chronic disease.

## 238 088 members

as of August 2022  
enrolled in chronic care programmes

Members in programmes are **more regularly monitored** (80% of members in a diabetes programme monitor glycaemic control regularly versus 65% not in a programme)

In FY2022, DiabetesCare enrolments **increased by 77%** and CardioCare enrolments **increased by 114%**

Members in **programmes better control disease** (3% more patients than expected remain stable or improve their disease stage rather than experiencing disease progression)



## Improved access

Scaled distribution of our insurance products helps address gaps in financial provision in the South African market where access to quality private healthcare is particularly limited. We work towards finding solutions to affordably extend quality healthcare to more people, and reduce the burden on the public healthcare system.

In the UK, engagement with digital healthcare journeys is at record levels, giving members faster and more seamless access to care. Care Hub engagement has seen a significant increase in the number of users: the platform has grown to over 35 000 unique visitors per month.

### Care Hub in 2021:



Over **100 000** virtual health consultations



Approximately **80%** of **talking therapy consultations** are now digital



**60%** of **physiotherapy care** is via a digital triage journey



Make people healthier

Enhance and protect lives

Strengthen social systems

Restore the environment

## PHYSICAL HEALTH



### Connected Care

Connected Care is Discovery's telehealth solution for online doctor bookings. Launched in 2021 with native and Recomed-integrated bookings, members can book virtual, telephonic and in-person consultations with doctors.

### Strategic partnerships

We also partner with multiple organisations globally across digital care, technology platforms and knowledge-sharing networks to leverage Discovery Health and VitalityHealth's assets, capabilities and intellectual property.

Through these strategic partnerships, we helped to develop affordable digital healthcare models in developing countries.

Our partnerships extend to Asia and our years-long Ping An Health Insurance collaboration, and to unlock growth we are now partnered with AIA in South East Asia through Amplify Health.

### IMPROVING ACCESS TO GENDER-BASED VIOLENCE SUPPORT THROUGH #DISCOVERYOURVOICE

Discovery supports its medical scheme members who experience gender-based violence and other traumatic crime through our #DiscoverYourVoice service. Members are encouraged to reach out for immediate and confidential trauma support and scheme benefits.

People who use the service connect directly with a dedicated specialist who takes the individual through a high-touch journey. Support is confidential and free to the individual seeking help.



Access the service at

**0860 999 911**

(the Discovery 911 emergency line operated by Netcare 911)

**24 hours a day, seven days a week.**

*(Press 5 to reach our dedicated trauma-related or gender-based violence support.)*



### Increasing resilience through corporate healthcare

Investing in employees' health and wellness is good business. Studies show that, compared with those in poor health, healthy employees are 17% more productive, experience fewer motivational problems, are more resilient to change, and are more likely to engage with business priorities. Ensuring employees have access to good, quality healthcare is essential to sustain the health and productivity of a workforce. While traditional health insurance models provide this access, they fund access when necessary, rather than continuously.

Our Shared-value Insurance model goes beyond the traditional insurance model by incentivising employees to remain in good health, reducing the cost of their insurance, and sustaining their health and productivity.



### IMPROVING HEALTH OUTCOMES FOR EMPLOYEES ACROSS AFRICA

#### IMPROVING EMPLOYEE PRODUCTIVITY AND PERFORMANCE WITH VITALITY

PRODUCTIVITY

Lower absenteeism:  
**Gold and Platinum status** employees work seven additional days

SICK DAYS

**46%** fewer sick days

SERVICE DEFECTS

**23%** fewer defects for engaged employees

WORK ENGAGEMENT

**35%** greater work engagement

Through the integration of Vitality and Vitality Health International, employees across Africa have access to world-class health insurance. Employers keep their employees healthy, leveraging the key assets of the Discovery Group to provide comprehensive, quality healthcare.

Vitality Health International partners with Medical Services Organisation International (MSOI) to deliver health insurance in Africa, and to manage and expand healthcare networks available to clients. MSOI, a subsidiary of Discovery Health, is a leading provider of integrated healthcare risk management and third-party administration solutions to over a million beneficiaries throughout Africa. MSOI has direct access agreements with over 6 000 healthcare providers (hospitals, clinics, pharmacies, laboratories and individual doctors in 51 countries across Africa) with a dedicated network management team maintaining relationships and assessing the capabilities and quality of providers to ensure optimal service delivery to members. MSOI has seven offices with 85 full-time employees in Africa.

#### Healthy Company

Healthy Company is Discovery's digitally enabled, comprehensive employee assistance programme that identifies and proactively supports at-risk and healthy employees to improve overall employee wellbeing.

Health Company Coaches assess employees' physical, emotional and financial wellbeing, and refer them to professionals such as psychologists, trauma and debt counsellors or legal advisers.

The Discovery app and website provide a comprehensive overview of employees' health and wellbeing, and access to wellbeing assessments and relevant interventions.

#### BRITAIN'S HEALTHIEST WORKPLACE

Britain's Healthiest Workplace is the UK's largest and most comprehensive workplace wellness study. Funded and developed by VitalityHealth, this annual survey is conducted in seven countries. It tracks employees' lifestyle, mental wellbeing, clinical risk and productivity factors. The survey provides important insights into productivity and employee health interventions.

Since its launch in 2013,  
**520 organisations**  
and **185 000 employees**  
in the UK have participated.

The initiative aims to empower organisations to support their employees' health, wellbeing and performance through insights and data, and celebrates the success of organisations with these indicators as core to their business.



# ENHANCE AND PROTECT LIVES



## HOLISTIC HEALTH

### WHY

#### IS THIS IMPORTANT?

As the second sustainability differentiator of our Integrated Sustainability Framework, holistic health incorporates Discovery's broader view of health as interconnected, dynamic and beyond the singular lens of physical health. We know that the various states of health are interdependent; individuals and families that manage life and health risk, reduce accident and retirement risk and manage their money well experience greater wellbeing.

### WHAT

#### DO WE DO?

As a catalyst for behaviour change, we leverage Vitality to incentivise and reward our members to improve their health, driving and financial behaviours to generate greater wellbeing. This supports Discovery, our partners and networks through more business and less risk, and society through healthier and wealthier citizens.

### HOW DO WE DO THIS?

We focus on enhancing and protecting lives by:

**Revolutionising risk cover and providing significant rewards for healthy behaviours** to help people derive value from their life insurance policies through smarter choices

**Incentivising good driving** to make a material difference to the health and safety of our clients and broader society

**Protecting businesses** by taking steps to help businesses lower their insurance risks and providing an opportunity for shared value where clients, Discovery and society can benefit

**Helping members achieve financial independence** by helping to educate them on financial matters and incentivising healthy financial behaviours

**Revolutionising banking through our Shared-value Banking model** as the first behavioural bank that incentivises people to make better financial decisions

### Key developments in our journey to enhance and protect lives:

- Recognised in Top 5 in Fortune Magazine's 2022 Change the World list for Shared value banking model
- 6.95% lower drawdown in retirement through Discovery Invest
- Road fatality rate of 15.4 per 100 000 compared to South African rate of 25.1 per 100 000
- Discovery Bank exceeded one million accounts
- Discovery wins three awards at the Efma-Accenture Innovation in Insurance Awards, including a silver for Vaccination Max Payback in the Social, Sustainable and Responsible category

Individuals and families can improve their holistic health and wellbeing and lengthen their lifespans by managing life and health risks, reducing accident and retirement risk and managing their money well. We help people by providing the resources to meet their broader health goals and obligations by incentivising behaviour changes that lead to better holistic health. The result is a better model for clients, banks, insurers and society.

### SUPPORTING THE SDGS



Our contribution is underpinned by the Vitality chassis, which supports:



### Related material matters







Make people healthier

Enhance and protect lives

Strengthen social systems | Restore the environment

## Revolutionising risk cover and providing significant rewards for healthy behaviours

### Discovery Life

While most life insurers offer a one-size-fits-all approach to life insurance, Discovery Life recognises that the needs and lifestyle of every client are unique. We offer a collection of customisable benefits covering the full range of possible life-changing events, from death and disability to severe illness and loss of income, among others. This comprehensive offering ensures that clients of all life stages are covered, rewarded, and financially secure.

Discovery Life's shared-value model has revolutionised the life insurance industry by rewarding clients for making healthy decisions and controlling their underlying risk. A unique advantage of a Discovery Life Plan is the benefit structure that rewards clients throughout their policy term for managing their health and finances.

We create shared value by using behavioural change to improve clients' health and finances. Shared value refers to the actuarial surplus created when the experience is better than the underlying assumptions used to price insurance policies due to the positive behaviour of policyholders. Our model creates this shared value through lower premiums, better persistency and lower claims for clients; greater value for the insurer; and a healthier society.

The surplus generated by clients manifests in a range of unique benefits and financial rewards, including Discovery Life's PayBack benefit, which provides clients with a percentage of their premiums back.

We actively drive shared value by encouraging policyholders to improve their underlying mortality and morbidity risks by engaging with Vitality, and through significant rewards on their Discovery Life plan, including the PayBack benefit.

### Innovation

Discovery Life prides itself on bringing innovation to the industry and its clients, both in terms of product and process enhancements. Recent enhancements include:

- A market-first product to cater for the unique risks of COVID-19
- Enhancements to underwriting and risk assessment in light of COVID-19, as well as incentives to encourage clients to get vaccinated
- Improvements to the shared-value model to simultaneously create additional value for clients and Discovery Life, such as the Double PayBack benefit
- Digital innovations to improve the new and existing business journeys for clients and advisers
- An offering of estate planning

**Over the last few years, we have been recognised through multiple national and international awards, including:**

#### The Financial Intermediaries Association:

Long-term Insurance Product Supplier of the Year – Risk Products (multiple wins)

**The Efma-Accenture Innovation in Insurance and Banking Awards:** multiple awards for shared-value products, underwriting enhancements, as well as social, sustainable and responsible enhancements



### VACCINATIONS: Taking an innovative approach to lower risk and protect people

Discovery Life recently received the silver award in the Social, Sustainable and Responsible category of the Efma-Accenture Innovation in Insurance Awards for the Vaccination Max Payback which made us the first and only insurer in the world to reward clients for being vaccinated against COVID-19.

We were also the first globally to introduce vaccinations and a pricing and underwriting rating factor – a move that was emulated by the South African insurance market. Our novel approach of including vaccination status in life insurance received broad coverage including a feature piece in the Wall Street Journal, helping to elevate the conversation on vaccination at a critical time.

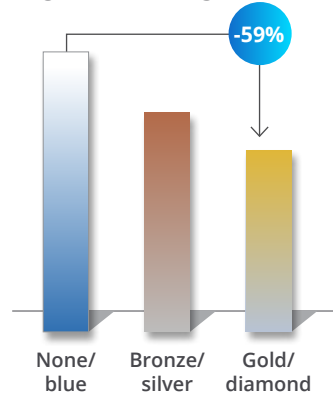


### POSITIVE ENGAGEMENT HAS HELPED DRIVE POSITIVE OUTCOMES

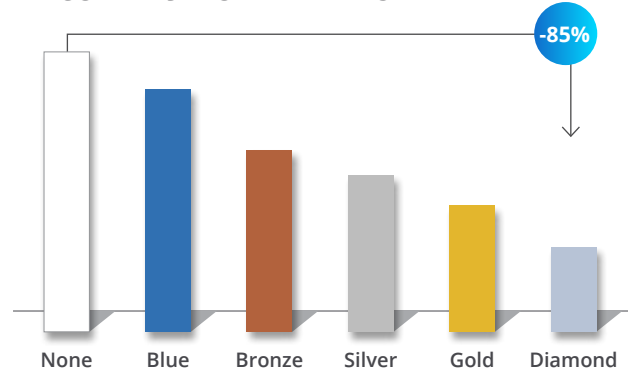
#### The results: healthier clients with lower risk profiles

By integrating Vitality into our life offering results, there is a pronounced reduction in mortality risk for engaged clients, positive lapsation benefits and better persistency; all of which allow us to offer even deeper discounts and more rewards, and we share the positive actuarial surplus with policyholders through a shared-value dividend.

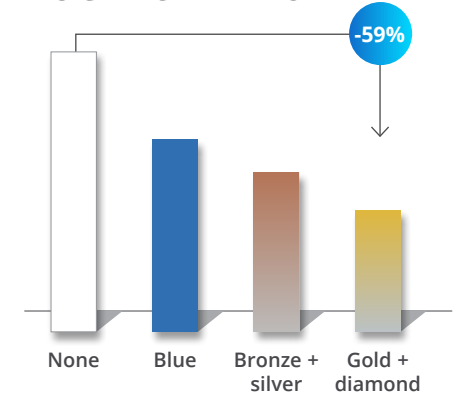
#### REDUCTION IN MORTALITY RISK



#### SIGNIFICANT REDUCTION IN COVID-19 MORTALITY RISK



#### SELECTIVE LAPSES CREATE SIGNIFICANT VALUE



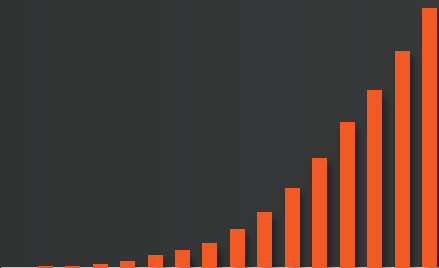
### POSITIVE ENGAGEMENT CREATES SIGNIFICANT CLIENT VALUE

#### ANNUAL INTEGRATED PREMIUM SAVINGS

**R1.8 billion**  
saved annually

#### TOTAL PAYBACKS PAID TO DATE

**R9.1 billion**



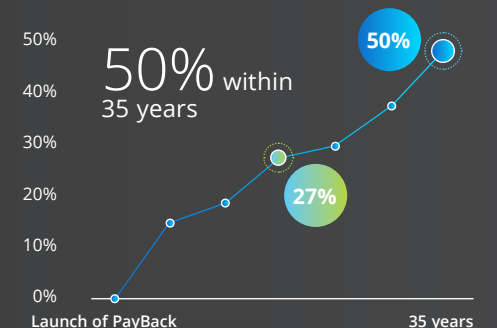
#### TOTAL CASH CONVERSION PAID

Largest payout to date **>10 million**

Total paid to date nearly **R1 billion**

Total projected to be paid in the next 5 years **≈R5.6 billion**

#### PAYBACKS AND CASH CONVERSIONS RELATIVE TO TOTAL CLAIMS





### Incentivising good driving

#### Discovery Insure

Discovery Insure is underpinned by our shared-value model, which uses incentive-based insurance principles to encourage behaviour change and reduce insurance risks. Discovery Insure offers home and car insurance backed by innovative service features, rewards and benefits. Plans are designed to be comprehensive, flexible, affordable and use world-class technology to offer shared value.

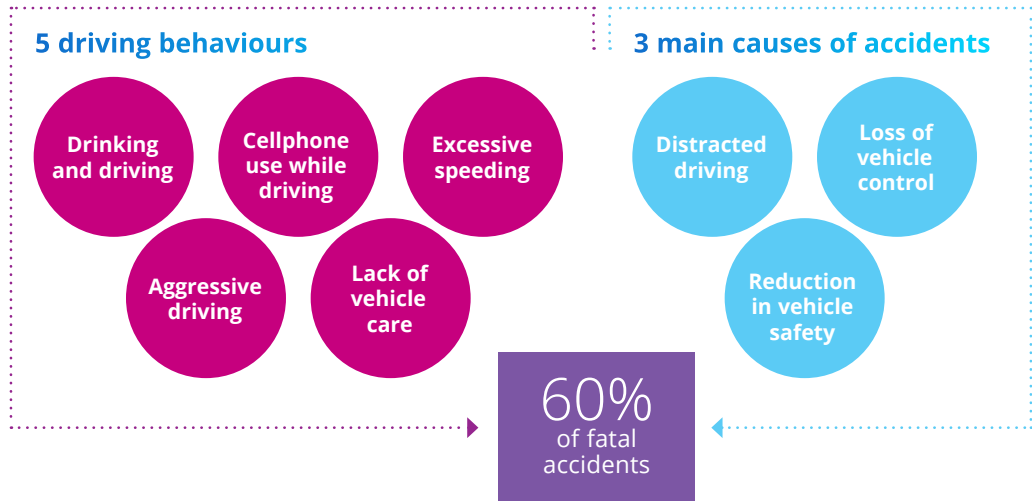
#### Vitality Drive

According to the World Health Organization, approximately 1.35 million lives are cut short due to road accidents, and between 20 million and 50 million people suffer from non-fatal injuries, many resulting in disability each year.

Discovery Insure recognises that driving behaviour is 96% more predictive of risk than actual claims

history. Since its launch in 2011, Discovery Insure has shown incredible success in applying a behaviour-based insurance model to the motor insurance industry – ultimately reducing accidents and saving lives. Shared value is enabled by Vitality Drive, an incentive-based driver behaviour programme that rewards clients for driving well. This work is reflective of our commitment to the target of SDG 3.6: Reduce road injuries and deaths.

We have seen that five behaviours lead to **three key causes** of accidents, which make up **60% of all motor fatalities**.



### Vitality Drive is based on four key concepts:

#### Behavioural economics



The Vitality Drive programme is designed around the concepts and science of behavioural economics. It demonstrates that people can improve their driving by understanding how they drive, with the tools to help them improve, and by receiving the appropriate incentives to drive better.

#### Points structure



Our clients improve their driving through three metrics: driving behaviour, knowledge and awareness, and vehicle safety. By completing these activities, clients can earn up to 1 600 Vitality Drive points a month. Monthly points translate to a Vitality Drive status. The more points clients earn, the higher their status and the more rewards they get.

#### Rewards



Vitality Drive rewards encourage sustained engagement and improved driving. Short-term rewards include weekly coffees, smoothies and shopping vouchers, and up to 50% of fuel spend cash back every month. The higher a client's Vitality Drive status, the greater their discounts on tyres and vehicle maintenance. Long-term rewards include lower premiums and even 0% renewal increases for our best drivers.

#### State-of-the-art telematics technology



Vitality Drive uses the latest telematics technology to collect information about our clients' driving behaviours. By combining the data from the technology and our insights from behavioural economics, we analyse the driving data to develop a measure of driving behaviour. This translates to a Vitality Drive status that provides clients with an objective and easy way to understand how well they drive and how to improve.



**Innovation**

**Impact Alert** keeps clients and their families safe on the road by providing immediate emergency assistance when they detect a severe impact on their vehicle.

When clients join Discovery Insure and activate the smartphone-enabled DQ-Track, they can use their smartphone power button as a **panic alert**. The Discovery Insure call centre will try to contact the client or individual listed on their policy. If the call centre cannot get hold of the client, they immediately dispatch an emergency response team to assist with the vehicle emergency.

**Motion Alert** uses telematics technology to identify when an individual's phone is not in the vehicle when the vehicle is moving, alerting them to possible vehicle theft.

**Discovery 911** is an emergency medical service that ensures you receive the emergency care you need. Our call centre is available 24 hours a day, seven days a week.

Using weather data provided by the South African Weather Services and location data, we warn clients of **imminent bad weather** by SMS.

**Dynamic Distance cash back** was one of our tailored COVID-19 benefits. It was designed to recognise that the less people drive, the lower their risks are for having accidents. Using our Shared-value Insurance model, we are able to turn these savings from our clients' lowered risk into rewards. Since the start of lockdown, clients have earned over R3.5 million in tailored cash back. Through the Dynamic Distance cash back, Vitality Drive for Business clients who drive less during the lockdown period earn cash back on their vehicle premium every month. While benefit has been discontinued, the offering is reflective of Discovery's agile response to the crisis.

**The result: safer roads for clients and other drivers**

The Vitality Drive programme has enabled behavioural change. In the past 10 years, we have seen that by using incentives, our clients have become better drivers – with a lower road fatality rate than other South Africans and fewer and less severe accidents.

This leads to claims savings and improved loss ratios for us as the insurer and safer roads for all South Africans.

**THE RESULT:  
EXCEPTIONAL VALUE FOR CLIENTS IN 10 YEARS**



Road traffic fatality rate of  
**15.4**  
per 100 000



Compared to South African road traffic fatality rate of  
**25.1**  
per 100 000



Over  
**R1 billion**

in fuel cash back with Vitality Drive



**10 million**

Vitality Active Rewards drive goals achieved



**R25 million**

in Uber discounts



**R15 million**

in tyres funded





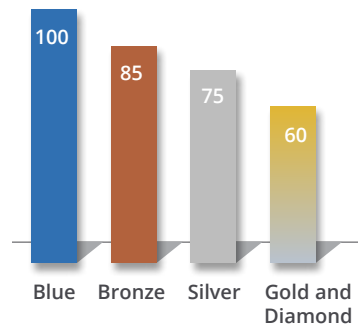
**The more people that drive well, the better the results**

Based on our data analytics and actuarial dynamics, we found that if all South Africans were on Gold or Diamond Vitality Drive status, **the number and cost of road incidents could be reduced by 90%**. In addition, this would result in significant financial and healthcare cost savings and societal benefits

**BETTER DRIVERS HAVE LESS SEVERE ACCIDENTS**

Relative average car accident claims by Vitality Drive status

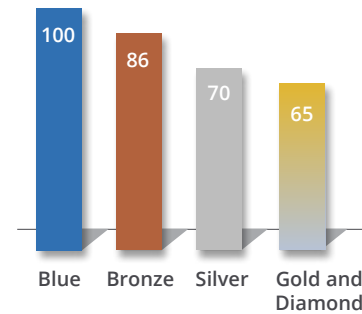
**RELATIVE MOTOR CLAIM SEVERITY BY STATUS**



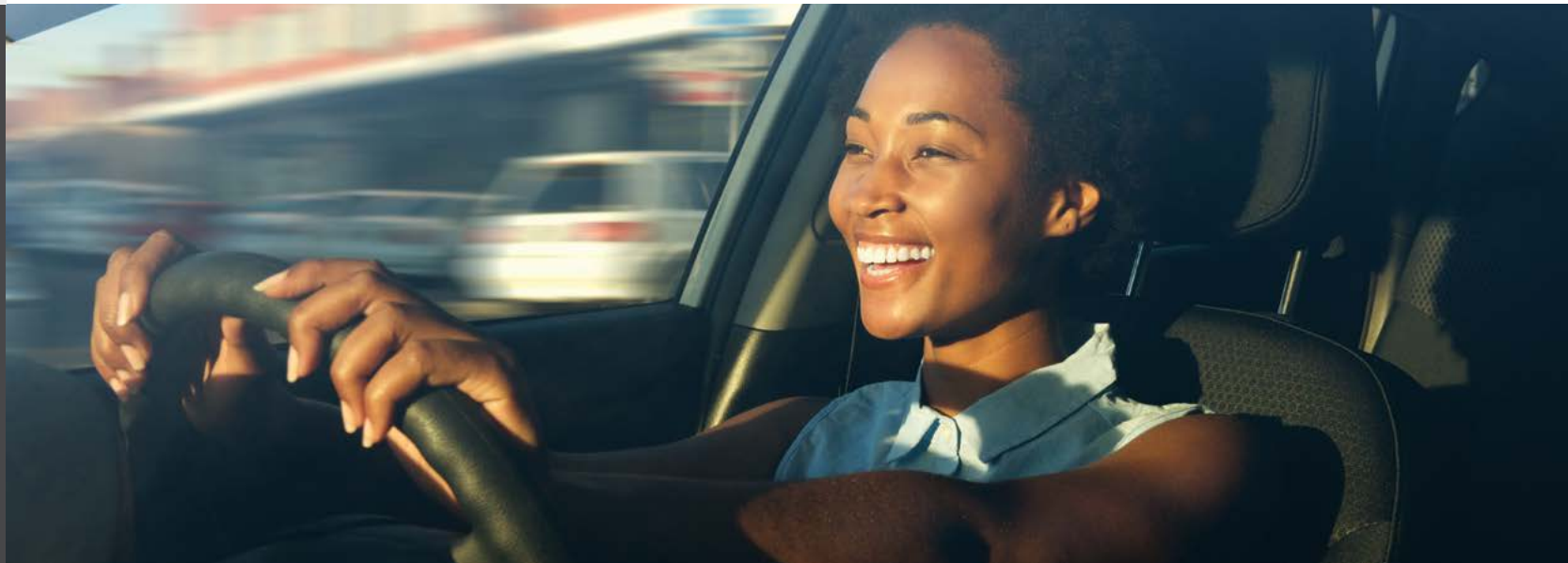
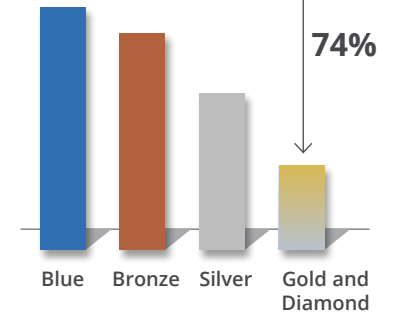
**BETTER DRIVERS HAVE FEWER ACCIDENTS**

Relative number of accident claims by Vitality Drive status

**RELATIVE WEATHER CLAIM FREQUENCY BY STATUS**



**LAPSES BY STATUS**





**Protecting businesses**

Discovery Business Insurance believes that businesses that take proactive steps to grow have lower insurance risks. This provides an opportunity for shared value where clients, Discovery, and society can benefit.

Through the driver behaviour programme, Vitality Drive for Business uses telematics technology and incentive-based insurance principles to encourage and reward good driving behaviour. Discovery Drive's Motion Alert was extended to fleets and heavy vehicles, giving business owners peace of mind. Drivers can also be rewarded in their personal capacity through Driver Active Rewards, earning rewards from one of our partners.

Through our partnership with Endeavor, a global leader in supporting high-impact businesses, business clients of all sizes in South Africa have access to a business health diagnostics tool that helps them identify key areas of risk and development to grow their business. We also offer access to a tailored network of partners to provide entrepreneurial support, cyber security, web services, brand and communication support, and more.



**Helping members achieve financial independence**

**Discovery Invest**

Discovery Invest provides the only shared-value investment platform in South Africa, which rewards healthy financial behaviour by incentivising clients to save more, save earlier, retire later and draw down as little as possible during retirement. Integrated with other Discovery products, we give our clients bonuses on their investments if they live healthier, drive better, and manage their finances well. This Shared-value Investment model is underpinned by reputable global asset managers who manage our clients' money.

**The result: driving smarter choices**

**R9.8 billion**

value accrued to clients\*  
(2021: R9 billion)

**17.58 years**

average policy term on pre-retirement products (how many years until retirement from when a policy starts)(2021: 17.31 years)

**6.95%**

lower drawdowns  
(2021: 6.44%), improving preservation of savings

These figures demonstrate shared value in action. By rewarding smarter choices, clients receive more value and invest more with Discovery for longer. This enhances the sustainability of our business and allows us to continue innovating and rewarding smarter choices that have a positive societal impact, such as closing the retirement gap.

\* The cumulative rewards for exhibiting the three behavioural changes of saving earlier, withdrawing less and staying healthy. These are rewarded through boosts to investment amounts or through fee reductions.



### Revolutionising banking through our Shared-value Banking model Discovery Bank

Discovery Bank has firmly established itself as the leading digital bank in South Africa, operating a full-service branchless bank through its banking app that caters to the full spectrum of the retail market and drives high levels of client engagement, utilisation and value. This value is reflected in the one million accounts held by over 450 000 clients.

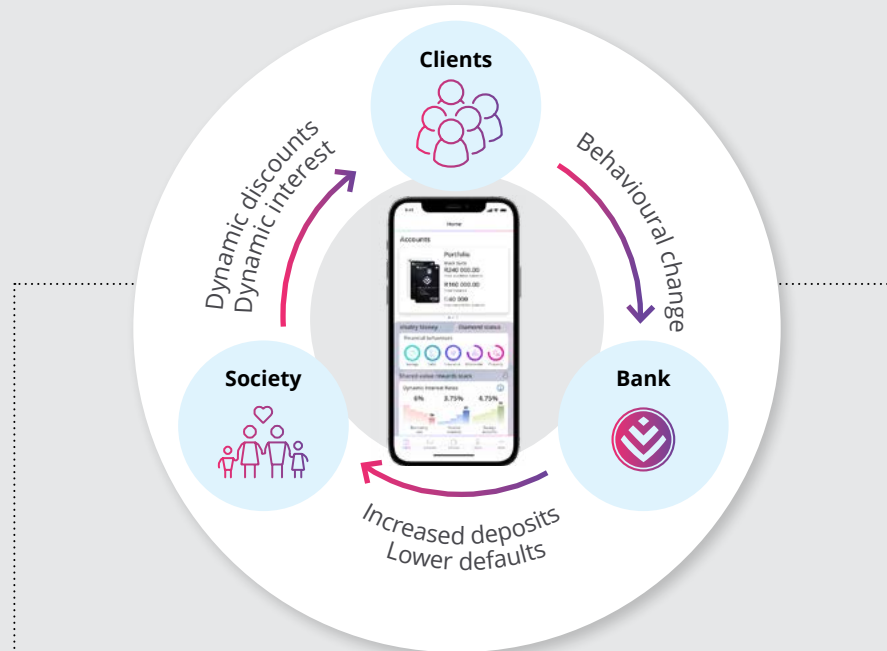
Discovery Bank is built to improve financial behaviours with our Shared-value Banking model that leverages our proprietary behaviour-change programme. Vitality Money measures how financially healthy clients are, drives positive financial behaviours and engagement, and rewards clients for managing their money well.

A shared-value model in banking provides an effective platform to initiate the change clients need to improve their financial health. By offering incentives for better financial decisions, this approach can generate higher savings levels, lower the risk of over-indebtedness, and increase wealth and financial resilience for society.

Since its inception, Discovery Bank has embraced an environmentally conscious approach to business by incorporating green principle from the start, including choosing a mostly digital footprint to minimise its impact by operating as a full-service branchless bank.

#### Vitality Money

Vitality Money is about how people use their money to build financial independence and resilience in the long term. Using behavioural science and research, Vitality Money shows how changing five good behaviours can improve overall financial health:



Discovery Bank uses these behaviours to measure a client's financial health based on behaviour and not income level, and award them a Vitality Money status – Blue, Bronze, Silver, Gold or Diamond.

A higher Vitality Money status means clients manage their money well and have a lower risk of credit defaults.

#### Clients are rewarded for responsible money management:

→ They pay **lower interest rates on borrowings** than typical, based on their socio-economic status. Clients can reduce their rates across income segments by managing their money well.

→ They **receive higher interest rates on their savings**. Clients who manage their money well typically save more for longer periods. Through our shared-value model, Discovery Bank rewards clients with demand and short-term deposits with higher interest rates based on how well they manage their money.

→ Clients with **better behavioural alignment and engagement** can earn multiples of their monthly fees in rewards by using their accounts and managing their money well.

Vitality Money adoption continues to increase significantly in line with the growth of Discovery Bank. Over 297 000 clients have activated the programme, representing 88% of the eligible base.



### Financial education

Our shared-value model is founded on the premise that empowerment with incentivisation leads to meaningful change as noted in the previous section, clients who manage their money well are rewarded for these choices. To help our clients manage their personal finances, we believe that financial education and empowerment are critical parts of their ongoing financial journey.

We know that the first step towards improving one's financial position is accurately understanding what it is.

Discovery Bank offers several financial education tools and services. We partnered with **Worth**, a financial education provider that shares our values about the importance of financial education. Worth offers a range of practical personal finance courses for individuals and couples. Discovery Bank clients can sign up for these online courses at a discounted price through the Discovery Bank app.

### The Vitality Money Financial Analyser

The Financial Analyser uses advanced analytics and data processing to give clients personalised information about their income, savings and spending habits. It helps clients set spend alerts, show when they are overspending and allow them to save more by helping them understand their **spending trends**. Clients can generate an automated budget based on their spending trends or create their own, and they can develop personal segments for holidays, home improvements and more.

### Spend Trend Report

Spend Trend generates personalised reports for engaged Discovery Bank clients with a credit card account, transaction account or full banking suite that provide a fun, shareable snapshot of their spending habits. Qualifying clients can access their personal Spend Trend reports in their banking app.

### Vitality Money education videos

These videos help clients understand how improving their financial behaviour will help them attain better financial health.

### Consumer Financial Education

Offered through the South African Insurance Association, young adults can access financial literacy courses through tertiary education institutions. Adults can access insurance consumer education for current and potential industry consumers, and small, medium and micro enterprises can access ERM training.

### Calculators

Our **retirement calculator** measures an individual's progress towards their retirement goals.

Our **risk capacity calculator** measures clients' long-term financial health and capacity to take investment risks.







**Innovation**

Discovery Bank gives clients control of their interest rates with **dynamic interest rates**.

**Discovery Pay** is our digital payments capability for real-time payments, including Health Pay, whereby DHMS members can integrate payments for out-of-pocket medical expenses.

We provide seamless payment through **Vitality Pay as you Gym**, an innovative initiative making physical activity more accessible to those members with a Discovery Bank account linked to Discovery Pay, giving them access to Discovery Vitality's network of health and fitness partners on a pay-as-you-go basis.

**The results: healthier financial behaviour**

Clients with a higher Vitality Money status display strong signs of financial resilience, with higher spending levels, larger deposits and lower arrears on credit.

**Discovery Bank clients on Gold and Diamond Vitality Money status are:**

**99%**

less likely to be behind on payments

Have deposits more than

**17 times**

the average

Spend over

**4.5 times**

more than unengaged clients across all income levels





# STRENGTHEN SOCIAL SYSTEMS



## COLLECTIVE HEALTH

### WHY

#### IS THIS IMPORTANT?

Strengthen social systems is the third pillar in our Sustainability Framework. This pillar recognises that in order for Discovery to deliver on its core purpose, there needs to be systemic resilience within the ecosystems we operate in.

### WHAT DO WE DO?

We drive greater resilience across our networks through strategic and targeted interventions that bolster the strength of the overall system.

We strive to look at ecosystems holistically and identify key interventions that will reinforce overall resilience. We make strategic investments in the healthcare value chain that directly support the broader public.

For example, the actions we take to improve the physical health of our members have an impact on related public health systems; by improving the physical health outcomes of our members, we contribute to reducing the burden on these systems.

As the largest medical scheme administrator, we are also able to strengthen the system by managing costs, improving quality outcomes, and investment in training and development in the broader healthcare system. By leveraging technology and innovation, we offer more affordable cover to more people without compromising on quality.

### HOW

#### DO WE DO THIS?

We focus on strengthening social systems, by:

**Supporting South Africa's COVID-19 vaccine rollout** to create fast and efficient rollout of vaccinations across the country

**Expanding access to quality healthcare at a reduced cost** by leveraging our expertise and technological innovation

**Aiding the healthcare system** to see a clear impact on population health and the cost, quality and coverage of healthcare

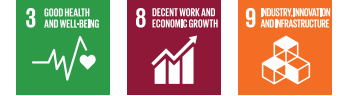
**Enhancing public safety** in alignment with our broader purpose of enhancing and protecting lives

**Leveraging corporate social investment** to build capacity in our broader ecosystem

### Key developments in our journey to strengthen social systems:

- 112 448 potholes filled since inception through Pothole Patrol
- Over 1 million vaccines have been administered through the Discovery vaccine sites
- Set up nine vaccination sites across South Africa
- Assisted in the national COVID-19 vaccination programme by procuring vaccines and calculating vaccine requirements, costs and funding mechanisms
- Shared educational content on COVID-19 and the importance of vaccination
- Published the first real-world study into COVID-19 vaccine effectiveness
- Participated in public-private collaboration in healthcare delivery, including proposals for the National Health Insurance (NHI) for South Africa
- Assisted in addressing the critical shortage of medical graduates and specialist skills through our Discovery Foundation
- Invested R43.7 million in corporate social investment during the year (FY2021: R42.3 million) through the Discovery Fund and Foundation.

### SUPPORTING THE SDGS



Our contribution is underpinned by the Vitality chassis, which supports:



### Related material matters





## STRENGTHENING THE ECOSYSTEMS IN WHICH WE OPERATE

*By understanding the interconnected nature of the healthcare system, we can use our scale, insights and capabilities to support and strengthen its overall resilience.*

### HOW WE SUPPORT THE ECOSYSTEM AND WHO BENEFITS





### Supporting South Africa’s COVID-19 vaccine rollout

“THERE IS NO DOUBT THAT BY LEVERAGING THE STRENGTHS OF THE PUBLIC AND PRIVATE SECTORS OVER THE PAST TWO YEARS, SOUTH AFRICA’S HEALTHCARE SYSTEM WAS BETTER ABLE TO RESPOND TO THE CHALLENGES POSED BY THE PANDEMIC.”

*Dr Ayanda Ntsaluba,  
Discovery Group Executive Director  
and Chairman of Discovery Health*



Shortly after the first COVID-19 diagnosis in South Africa, business leaders met with President Cyril Ramaphosa to offer their support. Business for South Africa was established to facilitate a coordinated approach to COVID-19 and ensure South Africa’s place in the global vaccine race.

In collaboration with the Department of Health, Business for South Africa and other stakeholders, we provided support, resources and expertise to the national vaccination programme. Our initiatives included setting up nine private sector vaccination sites across South Africa in 10 weeks to supplement capacity.

We also supported the Department of Health in procuring vaccines, and our expertise included calculating vaccine requirements, costs and funding mechanisms. The medical scheme industry worked with the state to ensure sufficient funding for all South Africans to access free vaccines.

Our leading mass vaccination strategy and standard operating procedures created fast and efficient rollout of vaccinations across the country. We ensured our vaccination sites were welcoming and caring and focused on efficiency, ease of use and an exceptional user experience. R200 million was spent on the mass vaccination campaign during FY2021 and FY2022. A total of 1 024 958 vaccines were administered through the Discovery vaccine sites.

We regularly communicated with employees and clients on the importance of vaccination by sharing educational content through website articles, videos, podcasts and social media. We frequently updated our content to ensure alignment with regulations and communications from the Department of Health and government. To date, the Discovery COVID-19 information hub has received 19 200 000 views from February 2020 to August 2022.

#### South African expertise

The joint vaccination rollout highlighted South Africa’s financial, operational and IT capabilities. The South African Department of Health built a sophisticated and effective electronic vaccination data system to manage the national vaccination rollout’s registration, scheduling and data analytics. The electronic vaccination data system supplies data for analytics of numbers and locations of vaccines to determine the allocation of resources.

In collaboration with the national Department of Health, we built the COVID-19 Alert SA app, which uses Bluetooth contact-tracing technology to inform someone when they have been in contact with a person who has tested positive for COVID-19. The app is free in South Africa, and preserves user anonymity and privacy.

Discovery collaborated with scientists across South Africa and published the world’s first real-world study into vaccine effectiveness with the Omicron variant, sharing information on how the vaccine reduces the risk of severe COVID-19-related illness by 70%.

We continue leveraging our vast dataset of health and behavioural information to support national efforts with vaccination data analytics and reporting, and contribute positively to research and thought leadership on vaccine efficacy and long-COVID-19 effects.

**1 024 958 vaccines  
have been administered  
through the Discovery  
vaccine sites.**





## SUPPORTING SOUTH AFRICA'S VACCINE ROLLOUT

### Mandatory vaccinations

On 3 September 2021, Discovery announced its Mandatory Vaccination Policy for employees in South Africa. The mandate, instituted after lengthy debate and wide-ranging consultation, is consistent with our core purpose.

As a science-led organisation, we felt a moral imperative to implement a mandate, given the need to curb loss of life and the indisputable evidence that COVID-19 vaccines protect people from serious COVID-19-related illness and death.

Discovery's Mandatory Vaccination Policy was an industry first in South Africa that encouraged many corporates to follow suit, with a material impact on lives. The policy was implemented in line with four principles:

- Ensuring mutual respect between employer and employee, in alignment with our values
- Balancing employees' rights (vaccinated and unvaccinated) with the Group's operational and broader stakeholder obligations
- Regular and proactive discussion and engagement with employees to refine the policy's implementation and to provide information and support
- A structured process to consider objections to vaccination based on constitutional rights and explore reasonable accommodation if required.

To date,  
**98% of our South African employees**  
 have been vaccinated.



### Expanding access to quality healthcare at a reduced cost

Discovery Health's strategic objective is to become the lowest-cost healthcare administrator. Our ongoing investment in technology to optimise operational efficiency and service levels supports better business and member satisfaction and lowers healthcare costs.

Value in medicine is about achieving the best clinical outcomes and patient experience (quality) at the lowest cost (directly and indirectly). Our ability to expand access to quality healthcare at a reduced cost depends on leveraging our expertise and technological innovation.

### Value-based care

Value-based care focuses on patients' needs instead of being driven by what healthcare providers can supply. We believe that collaboratively we can lead the transition to improving value for patients – which means improving the outcomes that matter to patients.

A fee-for-service approach is an unsustainable model that contributes to the rising costs of healthcare. It increases utilisation, encourages over servicing, provides no incentive to reduce costs while fostering fragmented care with duplication, and fails to reward quality or efficiency of care delivery.

To maximise value for patients, we must move from a supply-driven healthcare system oriented around what doctors do, to a needs-driven system oriented around what patients need. Value-based care is not at odds with profitability: groups that provide value care will see increased volumes and will enter contracting agreements from a position of strength. Transformation to a value-based care system must come from within the healthcare profession, particularly from doctors. However, Discovery is currently taking the lead towards this approach with partners.

### Low-Cost Benefit Options

The Low-Cost Benefit Options (LCBOs) Framework allows for cheaper alternatives in the medical scheme market and has been a work in progress in South Africa. Expanding access to low-cost, quality healthcare will positively impact health outcomes in South Africa and lower the burden on the public healthcare system. An agreed LCBO framework is also an opportunity to test and evaluate the contracting innovations required for the NHI to be feasible and successful.

The draft framework is under discussion; in FY2022, existing insurers were invited to reapply for exemptions for a further two-year period. The Health Funders Association (HFA) continues to advocate for medical schemes to be allowed to participate in the exemption process.

### South Africa's NHI

COVID-19 demonstrated the importance of having a resilient health system and the opportunity for public-private collaboration in healthcare delivery. Discovery supports the aspirations of the NHI Bill, which allows for broader access to equitable healthcare for all South Africans. However, we are concerned that the risks of proceeding with a single-payer approach will adversely affect the achievement of the objectives set out in the NHI Bill.

We believe that an integrated system is necessary to optimise what is accessible to everyone: cross-subsidising individuals who have greater access to care and services and people who contribute based on their capacity to contribute to the system.

Discovery Health has proposed a sustainable, progressive and blended funding model, including the NHI Fund, for universal healthcare. We believe this model is an effective solution to achieving universal healthcare in a fiscally sustainable manner and provides an opportunity for collaboration across the public and private sectors by drawing on all resources.

Discovery Health presented to the Parliamentary Portfolio Committee on 25 January 2022 and continues to participate in industry engagement directly and via Business Unity South Africa and the HFA. The Parliamentary Portfolio Committee concluded public hearings and proceeded with a clause-by-clause review of the NHI Bill, which will be referred to the National Council of Provinces.



### Aiding the healthcare system

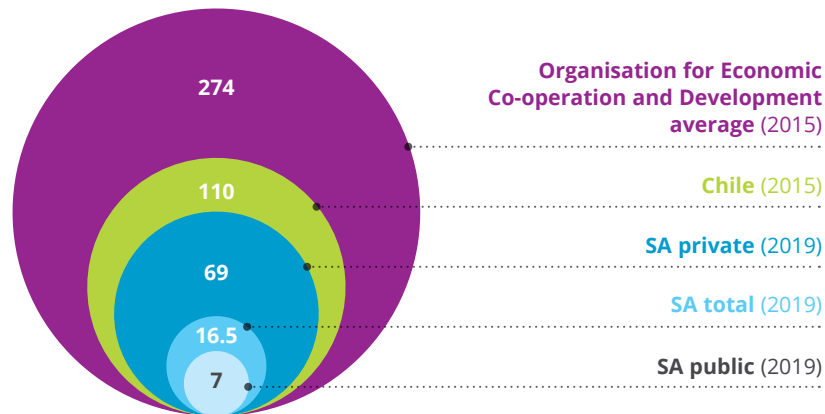
As an organisation, Discovery focuses on meaningful interventions that support the entire healthcare ecosystem. In addition to our many strategic interventions that support system resilience, one of our 2026 ESG ambitions is to strengthen healthcare systems to see a clear impact on population health and the cost, quality and coverage of healthcare. In part, we pursue this goal by supporting medical professionals and systems and reducing the burden on healthcare systems by encouraging holistic health among our members.

#### Addressing the critical shortage of medical graduates and specialist skills

The Discovery Foundation is an independent trust that aims to address the shortages and quality of healthcare in rural and underserved areas in South Africa.

The Foundation believes South Africa's doctors are uniquely positioned to solve some of the most perplexing health and clinical challenges faced by the country. By enabling its healthcare professionals to learn and grow, the Foundation can facilitate a homegrown response to some of the world's most challenging health problems.

Research commissioned by the Discovery Foundation in 2019 shows that in South Africa, there are seven specialists per 100 000 people in the public sector and 69 specialists per 100 000 people in the private sector, with an average national level of 16.5 per 100 000. This is significant if compared to the Organisation for Economic Co-operation and Development (OECD) average of 274 per 100 000. The figure below illustrates the number of full-time equivalent specialists per 100 000 population relative to international benchmarks.



The specialist surgical workforce density in South Africa in 2019 was 10.5 per 100 000 population, which falls short of the minimum specialist workforce density of 20 per 100 000.

To help address this problem, since its inception, the Discovery Foundation invested just under R300 million in grants to support academic medicine through research, development and training with over 380 awards to predominantly black medical specialists in the public sector, and 138 awards to institutions. Aiming to train and support 600 medical specialists and institution by 2026, the Foundation has approved 527 awards to date, to both individuals and institutions.

Several interventions are in place to achieve the Discovery Foundation's mandate of ensuring 75% of financial support reaches black people. These include our focus on targeting historically disadvantaged institutions and underserved and rural areas.

In FY2022, the Discovery Foundation awarded over R11.1 million in research and training grants to some of South Africa's top doctors, researchers and future healthcare leaders. These contributions are significant in the wake of the COVID-19 pandemic, which emphasised the critical shortage of healthcare professionals. The grants will boost academic, specialist and rural medicine in critical areas, including mental healthcare, anaesthesiology, and parent and child health.

### Medical Student Loan Guarantee Fund

The Medical Student Loan Guarantee Fund, implemented in partnership with Standard Bank and the Universities of Pretoria and Witwatersrand, aims to mitigate the financial challenges faced by current and future medical students.

The fund aims to support 800 students by 2030. Discovery's role is to provide surety for students who would otherwise not have access to loan funding to support their studies. The fund targets the missing middle, namely students who neither qualify for bursary funding nor have access to enough capital to qualify for a student loan.

To date, **456** (2021: 372) students have received support, and of these students, **175** (2021:118) completed their studies, with **44** (2021: 28) loans closed or paid off.

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**124** (2021: 81) loans are being repaid.

To date, eight students have dropped out of the programme.

### Bridging finance for doctors

In FY2022, Discovery partnered with Merchant Capital to explore an innovative approach to working capital finance for healthcare professionals and their practices. WELL by Merchant Capital offers healthcare professionals a document-free application process, funding within 48 hours and a flexible 'pay-as-you-practice' repayment solution. Since inception nearly 700 doctors have made use of the WELL by Merchant Capital offering. This partnership has strengthened over time and it forms part of the extended Doctor Resilience Suite provided to doctors.



### Keeping our doctors healthy

Vitality Active Rewards for Doctors is a customised incentive-based programme that uses the science of Vitality and behaviour change to encourage doctors to improve their physical fitness and overall health.

The programme is part of the Discovery Doctor Resilience Suite, which has a range of free wellness resources for registered doctors in South Africa to support their wellness and resilience.

Since implementation, we have seen high and increasing levels of take-up and engagement. The programme has grown to include public and private sector doctors, and to date, approximately 5 700 doctors have joined the programme, including almost half of all doctors in private practice.



Doctors outperform the Vitality member base, with data showing that they are:

16.7%

more **engaged** than the Vitality base

12.3%

more **physically active** than the Vitality base



Highly engaged doctors on the programme are:

108.3%

more **engaged** than the Vitality base

64.5%

more **physically active** than the Vitality base

These results are especially significant when we consider the positive effects of physical activity on reducing the risk of co-morbid diseases such as COVID-19. The programme plays a role in supporting and protecting doctors in South Africa at a time when their resources have been most needed. In addition, doctors' engagement with the programme also positively affects their patients. When doctors are engaged and physically active, their patients are more likely to be.



Patients of highly engaged doctors are:

8.1%

more **engaged** than non-engaged doctors

4.2%

more **physically active** than non-engaged doctors

### Stakeholder engagement

We strengthen healthcare systems through regular engagement with regulatory, industry and governmental stakeholders where we participate in knowledge sharing, consultation and other engagements to contribute to increased understanding and cooperation.





### Enhancing public safety

#### PAVING THE WAY FOR SAFER ROADS

Pothole Patrol – a unique data-driven initiative rolled out in partnership between Discovery Insure, The City of Joburg and Dialdirect Insurance, continues to identify and manage the repair of potholes in Johannesburg.

The initiative aligns with our broader purpose of enhancing and protecting lives, and makes roads safer by contributing to the reduction of road safety incidents and making a positive difference to insured and non-insured road users.

**112 448 potholes**

have been filled to date, including 300 m<sup>2</sup> of potholes on the 75 km stretch of road to Sun City, just outside of Johannesburg.

Our target is to help the Johannesburg Roads Agency repair 1 000 potholes per week.

#### SAFE TRAVEL TO SCHOOL

Since the inception of the Safe Travel to School programme in 2014, just under

**1 000 drivers**

were enrolled on the programme to promote scholar safety in the Western Cape utilising Discovery Insure’s innovative technology to improve driver behaviour.

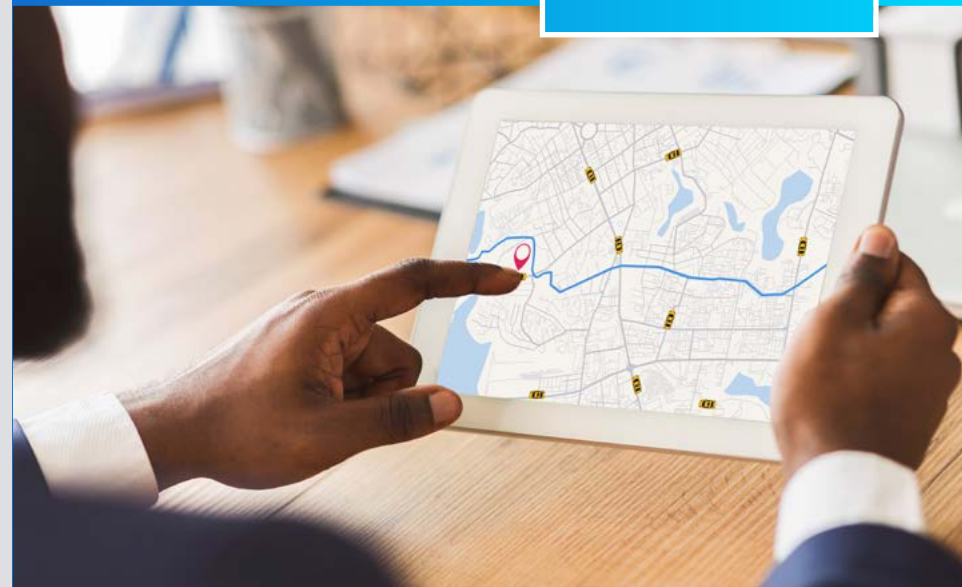
In the eight years since the programme was implemented in collaboration with ChildSafe, a non-profit organisation (NPO) that aims to prevent and reduce injuries to children, more than 17 000 children have been transported daily to school safely, with zero fatalities reported.

The partnership with ChildSafe ended in FY2022 and we are in discussions with a new implementation partner. The programme will be launched in Gauteng under a new name and with a new partner organisation.

#### SUPPORTING CRIME REDUCTION WITH COMMUNITY ACTIVE PROTECTION

Our partnership with Community Active Protection – a non-profit, community-based security organisation – supports crime reduction in Gauteng by enabling CAP to use our state-of-the-art telematics technology to track and recover stolen vehicles.

To date, **R23 million** worth of vehicles have been recovered through this partnership.



#### DISCOVERY FIRE FORCE

The Discovery Fire Force was launched in June 2022 to help protect Discovery Insure clients in the Johannesburg area from the devastating impact of fires, particularly in the winter months. This first-to-market partnership with Advanced Emergency Management Services, helps to enhance and protect lives.





### KZN FLOODS

#### Overview

KwaZulu-Natal (KZN) was hit with severe flooding during the week of 11 April 2022, one of the worst natural disasters experienced in South Africa. The devastation of the flooding was far-reaching:

Over  
**40 000**  
people displaced

Over  
**13 500**  
homes damaged  
or destroyed

**Over R25 billion**  
in damage

**For our people,** we immediately mobilised to address immediate needs and support our people, including offering daily sessions across our leadership and staff teams, with sessions also available for emotional and trauma support at all levels. We also provided hotel accommodation to those in need, offering a place of safety and essentials such as food and water. Care packs were also distributed with items such as food essentials, baby care and sanitary packs included. Where needed, prepaid airtime was also made available. Despite the challenges our teams faced, they worked tirelessly to ensure our services remained available to clients during this challenging time.

**For our clients, the impacts were severe.** We received over 1 700 claims during this period. Understanding the urgency of these claims, we put specific measures in place to help clients quickly, efficiently and with as much compassion as possible.

**For the broader community impacted,** Vitality members showed their generosity by contributing over R400 000 through the MoveToGive reward option on the Discovery app. This money was raised in only three weeks, and the donation amount was matched by the Discovery Fund. Discovery's own staff have also shown their solidarity by donating over R150 000 to aid relief efforts in KZN, with all employee contributions matched by the Discovery Fund.



We reached the KZN floods as fast as possible, **being one of the first** insurers on the scene



We proactively reached out to clients in affected areas **within 24 hours** to ensure their safety

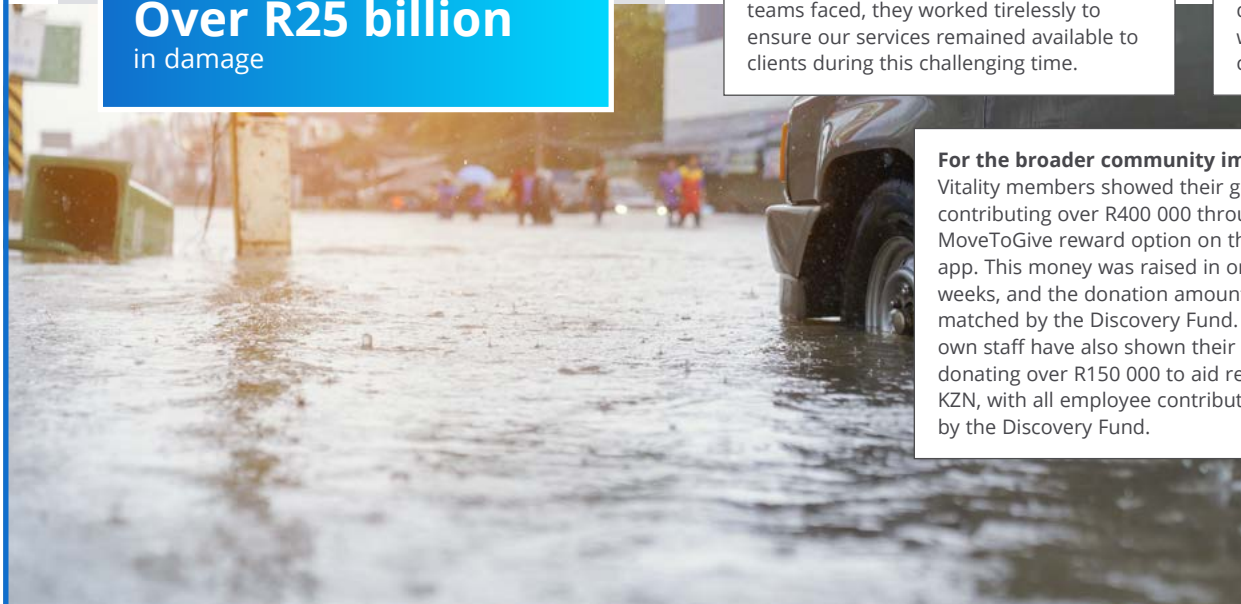


We formed a **specialised team** and sent it to KZN almost immediately to speed up claims processing

#### RESULTING IN

**Over a third of claims** being assessed within one week

**Over 80% of claims** being finalised within one month





### Leveraging corporate social investment to build capacity Discovery Fund

As a responsible corporate citizen, we play a facilitating role among NPOs in our broader ecosystem.

The Discovery Fund develops human capital and skills and delivers primary healthcare services while supporting health policy, advocacy and infrastructure programmes. Its focus areas include maternal and child health and human resources for health and community health.

In FY2022, the Discovery Fund contributed

**R27 million**

(FY21: R19.7 million)

to various NPOs that provide essential healthcare services in poor and rural communities.

#### The Discovery Fund supports, among others:

**Safe Travel to School**, promoting good driving behaviour among scholar transporters

**Hlokomela**, supporting quality healthcare delivery for farmworker communities

**Umtombo Youth Development Foundation**, providing scholarships and mentorship to youth from rural areas studying in the health sciences

### HLOKOMELA: employing telemedicine to deliver quality healthcare in rural areas

Hlokomela started as an innovative HIV and Aids educational and treatment programme on a single farm. It now supports quality primary healthcare delivery for farmworker communities across almost 100 farms in Limpopo and Mpumalanga.

The Discovery Fund trustees approved the digital health pilot programme at Hlokomela Clinic as there is no full-time doctor on site. The TytoHome smart digital device (a home diagnostic tool helping healthcare providers perform remote examinations) provides primary screening, and enables a referral process to specialist medical attention. If this pilot is successful, it can be replicated in other rural settings to enable access to specialist medical care in rural communities.

### UMTHOMBO YOUTH DEVELOPMENT: training to secure healthcare specialists in rural areas

The Umtombo Youth Development Foundation trains and supports youth from rural KZN and the Eastern Cape to become qualified healthcare professionals to address the chronic shortage of qualified healthcare staff at rural hospitals.

To date, this foundation has seen 524 graduates, 55% of whom are young women, and 190 doctors (51% of whom are women). Six medical graduates have qualified as specialists, and over 80% of graduates are working in the public health sector, in mainly rural hospitals. Umtombo has maintained a 92% pass rate over the past 10 years.

### Employee volunteerism and skills transfer

#### Discovery ForGood

Discovery ForGood is our employee volunteer programme that aims to leverage the capabilities of our employees to help build healthier communities. Given Discovery's wide range of skills, we work with communities to understand their needs and match them to the skills and resources volunteered by our people.

Discovery ForGood set an annual target of 40% for employee volunteering levels in FY2022, achieving 20% (2021: 20%). We also set a 70% cumulative engagement target for 2019 to 2023, which we are on track with, achieving 71% (2021: 61%) at the end of June 2022.



**2 094 employees**

volunteered during the year (2021: 1 956 employees)



**6 811 hours**

in volunteering activities (2021: 19 787 hours)\*



Rand value of the total number of volunteers hours is

**R1.5 million**

(2021: R4.6 million)\*

\* The hours and spend increased during the COVID-19 period due to the Discovery forum team spending more than four hours per day preparing meals for beneficiary organisations. The programme has since ended, and we are back to our regular volunteer hours.

#### Mentorship with purpose

Discovery's Mentorship With Purpose Programme is a global mentorship programme that aims to strengthen leadership capacity in schools, small businesses and civil society. We believe that mentorship is an integral way to share skills, allowing organisations to grow and succeed, thus enabling economic growth.

The first phase of our Mentorship With Purpose Programme was launched in 2021 with a five-day programme of masterclasses that provided insight on various topics and brought together global thought leaders. Currently, 47 Discovery employees are mentoring 29 diverse beneficiary organisations.



# RESTORE THE ENVIRONMENT

## PLANETARY HEALTH

### WHY

#### IS THIS IMPORTANT?

Restore the environment is the fourth sustainability differentiator of our Sustainability Framework, linking our purpose to our goal of maintaining an environment that enables and sustains good health. By extending our shared-value model, we become part of the climate change solution.

### WHAT DO WE DO?

Through our Shared-value Insurance model, we play a significant role in influencing clients' health and financial behaviour, and we share the value of this behaviour change with our clients and society by maintaining an environment that enables and sustains good health, while minimising negative impacts on the climate. In addition to this, we continue to work to reduce our own environmental footprint in a way that is reflective of our commitment to restoring the environment.

### HOW

#### DO WE DO THIS?

We focus on restoring the environment, by:

Setting and meeting **environmental commitments**

Developing and improving our **climate change strategy**

Monitoring and measuring our **environmental performance**

Innovating and sharing environmental value through **Vitality Green**

### Target to ensure our operations are carbon neutral by 2025:

- Achieve carbon neutrality in our South Africa, United Kingdom, and United States operations by 2025 (scope 1 and 2 emissions)
- By 2025, we aim publish our plan to achieve net-zero GHG emissions by 2050 or earlier.
- Discovery aims to adopt science-based targets across its activities in support of publishing its plan to achieve net zero. This assessment will inform our net-zero pathway.

### Key developments in our journey to restore the environment:

Monitoring and measuring our environmental performance:

- 16.4% reduction in Scope 1 and 2 emissions
- 53 172 CO<sub>2</sub> emissions (market-based ) in Scope 1, 2 and 3 (net zero by or before 2050)
- 8% waste to landfill which is a significant decrease from 23% in FY2021
- 87 465 kl water utilised (FY2021: 78 963 kl)
- Accurate and transparent climate change reporting through our TCFD Report
- Developing a Vitality Green proposition, for launch in 2023
- Implementing our responsible investment policy
- Signatory of the Principles for Responsible Investment (PRI) and following the Code for Responsible Investing in South Africa
- Green-star certifying our buildings

## SUPPORTING THE SDGS



Our contribution is underpinned by the Vitality chassis, which supports:



## Related material matters





## ENVIRONMENTAL COMMITMENTS

Driven by our core purpose and value of being a force for good, we are committed to restoring the planet within our contexts of influence and impact. We recognise that we cannot do business without ensuring that the environment is considered – by mitigating harm and restoring and conserving the environment.

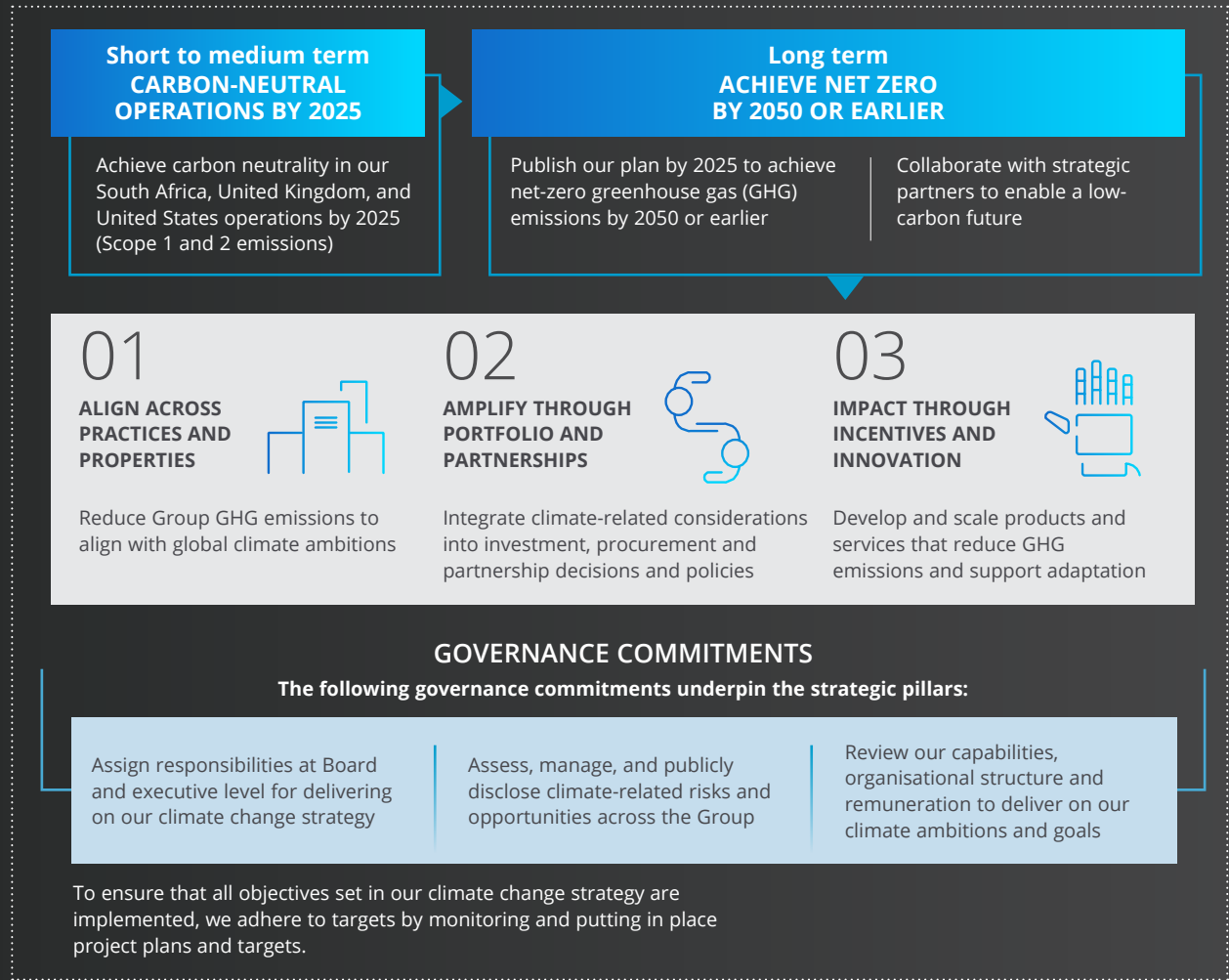
As outlined in our climate change strategy, Discovery is committed to reducing its environmental impact and to continually improving its environmental performance as an integral part of its business strategy. We recognise that environmental risks and opportunities impact the key strategic competencies that create and deliver value to our business model.

We endeavour to:

- Comply with all relevant regulatory requirements and other compliance obligations
- Disclose our progress, performance and plans in line with TCFD recommendations
- Continually monitor and reduce our direct environmental impact, including GHG emissions by improving our energy use efficiencies, water usage, and waste management
- Reduce waste going to landfills to zero by 2023
- Monitor and reduce the indirect impacts associated with our supply chain
- Understand and be responsive to environmental risks and opportunities and how they impact our supply chain
- Incorporate environmental factors into business decisions
- Increase environmental awareness and training for employees
- Protect the environment and build our reputation across all aspects of our business as outlined in our policies and actions.

## DISCOVERY'S CLIMATE-RELATED TARGETS

As outlined in our Board-approved climate change strategy, Discovery's response to climate change is measured against two overarching goals supported by strategic pillars and underpinned by defined governance commitments:





### Carbon-neutral operations by 2025

Our goal is to be carbon neutral in terms of Scope 1 and 2 emissions by 2025. Discovery's carbon emissions for the financial year ending 30 June 2022 for emissions totalled 53 172 (market-based) tonnes of CO<sub>2</sub>e (FY2021: 37 388 (market-based) tonnes of CO<sub>2</sub>e). The greatest opportunities for reductions are in Scope 2 and 3 emissions categories. Scope 3 emissions totalled 23 174 tonnes of CO<sub>2</sub>e (FY2021: 7 780 tonnes of CO<sub>2</sub>e) which increase as we gain an understanding of our Scope 3 emissions and report on them.

As part of its carbon neutral goal, **the Group exceeded its FY2022 target of a 10% reduction in electricity usage against the 2019 baseline by achieving a reduction of 16.4%**, based on short-, medium- and long-term projects identified during energy audits. The reduction target in Scope 1 and 2 emissions largely focused on our SA operations as it accounts for 95% of our emissions profile. Energy efficiency projects that have and will continue to be implemented include adjusting settings to optimise energy efficiency in cooling and heating, an LED lighting retrofit, base load reduction, and the replacement of heating, ventilation and air conditioning systems, among others.

These interventions will optimise efficiencies, beyond which further adjustments will only bring marginal benefits. We are investigating the generation of renewable energy to replace

the electricity source that comprises most of our South African Group's carbon footprint – electricity from the national grid, which relies predominantly on coal.

#### Identified opportunities

To reduce our purchased electricity consumption, we are partnering with an external engineering consultancy to develop a roadmap with recommendations to neutralise Scope 2 emissions. This approach has three phases. Our internal teams are working on the first phase which forms the foundation for the next phases, including data clean-up, calibrating the energy management model, establishing various scenarios and tracking progress through an integrated dashboard.

Furthermore, to support our carbon neutral journey, and in conjunction with our advisory partners, we compiled a matrix of science-based targets from 2023 to 2030, based on the Absolute Contraction Approach. We are formalising this as our annual target-setting guide. Thereafter, we will track progress against our set goals every year until 2030, reducing emissions in line with Paris Agreement guidance. After this point, our longer-term net zero planning will kick in. The 2025 carbon neutral goal will run in parallel to this approach, with the Group offsetting any emissions over and above its annual emissions reduction targets.

### Net zero by 2050

In our journey to net zero, the following actions were taken in FY2022:

- A request for proposal was circulated to leading advisory firms, with the appointment of a firm expected to be finalised before the end of the calendar year. Following their appointment, the selected team will partner with Discovery to develop a clear net zero pathway.
- We launched a pilot supplier mapping exercise in FY2022. This will ensure the procurement of goods and services from socially and environmentally responsible suppliers subscribing to core values in the areas of human rights, labour standards, the environment, and anti-corruption.
- We commissioned a relevance assessment for Scope 3 across the value chain, to identify those categories most relevant to our business. Investments, capital goods, employee commuting, and purchased goods and services were identified as highest relevance to our business. We are in the process of assessing the results and developing a plan to address our related emissions.

#### Reporting and disclosures

Discovery's Integrated Annual Report, this Sustainability Report, CDP submission and TCFD Report all contain information on our goals and progress.

We aligned our reporting and disclosures to the CDP, TCFD and the GRI.

#### Discovery's TCFD Report

Our TCFD Report provides detail against the recommendations of the TCFD in terms of governance, risk management, strategy, metrics and targets, as well as our operational performance and detail on energy, water, and waste.





**CDP**

Discovery provides annual public disclosures on climate change to the CDP, scoring B for the 2021 reporting cycle (2020: B).

Measured on a scale from A to D, a level B rating indicates management of climate-related issues. Despite no improvement in the overall score, we recorded improvements within several categories, as follows:

- Value chain engagement: C (2020: D)
- Scope 1 and 2 emissions: A (2020: B)
- Risk management processes: B (2020: D)
- Risk disclosure: A- (2020: B)
- Emission reduction initiatives: A (2020: C)
- Business strategy: A- (2020: C)

**SHARED ENVIRONMENTAL VALUE – VITALITY GREEN**

Discovery is developing a green Vitality proposition consisting of a carbon footprint calculator and programme of incentives and rewards for changing lifestyles to more climate-friendly behaviours, with a goal to launch in 2023. We will introduce interventions and rewards that incentivise low-carbon behaviours, driving a reduction in carbon emissions across Discovery's client base. The solution will extend

Discovery's Shared-value Insurance model into the area of climate change for positive impact.

Our estimates show that we could significantly increase our direct operational emissions savings by encouraging our clients to reduce their CO<sub>2</sub>e emissions, while also positively impacting their personal carbon footprint.

**SHARED-VALUE MODEL CONCEPTUALLY APPLICABLE FOR GREEN BEHAVIOUR CHANGE**

**FOUR CONTROLLABLE FACTORS**

**Electricity**  
Reduce consumption

**Driving**  
Carpool, use public transport, drive less

**Nutrition**  
Eat foods that have a lower environmental impact

**Flying**  
Only fly when necessary

**>85%**  
of personal emissions per household



**COMPANIES OR INDIVIDUALS**

*Vitality*

**KNOW**

**IMPROVE**

**GET REWARDED**





## KEY FOCUS AREAS IN 2022

The following workstream summarise key focus areas and activities that will contribute to the goals identified in the climate change strategy.



### Operations

Initiatives within all our property and facility-related operations that contribute to our climate impact across all three emissions scopes, including energy provision and management, fleet management, employee services, and waste management



### People

Our engagement with and impact on people within the organisation (employees) and outside the organisation (partners, suppliers, ratings agencies) that affect our carbon footprint and goals



### Product

New products and services aimed at encouraging and incentivising clients and broader society to reduce their personal emissions through behaviour change

### Key activities and initiatives

- Improved data management
- ISO 50001 energy management
- Renewable energy projects
- Efficiency projects
- Zero waste to landfill

- Employee engagement
- Low-carbon-emitting supplier strategy
- Responsible investment
- Reporting and disclosure
- Partner strategies

- Vitality Green
- UK: VitalityCar and green investments
- Product partnerships

## Our workstreams in action: examples of some of the initiatives underway

### Rooftop solar

Rooftop solar panels are still being installed at 1 Discovery Place (our Sandton head office), which will contribute about 3% to our total electricity demand. The head office investment will act as a pilot for implementation at our other South African offices.

### Electricity wheeling

Four proposals for wheeling electricity from renewable energy providers to 1 Discovery Place have been received and are undergoing due diligence.

### Employee awareness and training

Communication and resources on our climate change strategy and goals have been made available on our employee network, and we continue to update this hub with information, practical tips and challenges to motivate our employees to partner in our environmental journey.

In the UK, we ran a number of campaigns to encourage our employees to lead more sustainable lives, including promoting our electric car benefit where employees can lease a range of hybrid and electric vehicles through salary sacrifice; we continue to promote our Cycle to Work scheme, which offers pedal and battery-powered e-bikes to employees. Through our 'Do one thing' campaign during COP26, we invited employees to share their one thing to help make the world a greener place. We published these ideas on our Green Hub on the intranet to help inspire and motivate others. We also introduced a meat-free day every week in our onsite restaurants.

To support employees in the UK, we have a network of 16 Green Champions from across the business to help champion sustainability at Vitality and to provide on-the-ground support for internal activities. We leverage their expertise and experience through

blogs and interviews across a range of topics from plastic-free beauty to eco-living tips. Our Green Hub houses content and resources across four key pillars: energy consumption, travel, reducing waste and nutrition. To date, we have had a total of over 7 000 hits to our Green Hub and electric vehicle hub combined.

### Advisory Committee on Environment and Society

Discovery participates in the Advisory Committee on Environment and Society, a quarterly forum run by the National Business Initiative, of which we are a member. The committee's key mandate is to advance environmental programmes between government and the private sector that focus on climate change, energy and water, as well as the implementation of South Africa's National Development Plan.

### UNGC Climate Ambition Accelerator programme

Two of our employees participated in this six-month programme delivered through the UNGC Learning Platform. It was designed to equip companies with the knowledge and skills to accelerate progress toward setting science-based emissions reduction targets aligned with the 1.5 °C pathway.

### Carbon-offset offering

Vitality UK introduced a carbon-offset offering as part of our Good Driving Programme to help clients reduce their carbon emissions. When clients drive well (as measured against acceleration, harsh braking, fast cornering, distracted driving and speeding), we offset up to 100% of their miles. These are used by our carbon offsetting partner, Carbon Footprint – a Quality Assured Standard certified offset provider for projects including planting trees in the UK, protecting the Amazon, cleaner cooking stoves in Darfur and wind farm investments in Thailand. Our clients also receive maximum points for car-free days.



## ENVIRONMENTAL PERFORMANCE

Details on our energy consumption, water withdrawal, and waste generated and recycled are included in the detailed TCFD Report. The section that follows offers a snapshot into our performance; we direct readers to our TCFD Report for more detail.

### Managing our carbon emissions

Discovery measures GHG emissions in its South African, United Kingdom and United States operations. Our emissions are generated primarily through electricity consumption, fugitive emissions and vehicle fuels (diesel) and include emissions generated by our employees' travel into work each day.

Assurance is provided for Discovery Limited's emissions through independent third-party verification of the GHG emissions inventory carried out in accordance with the ISO 14064-3 Specification with guidance for the validation and verification of GHG assertions.

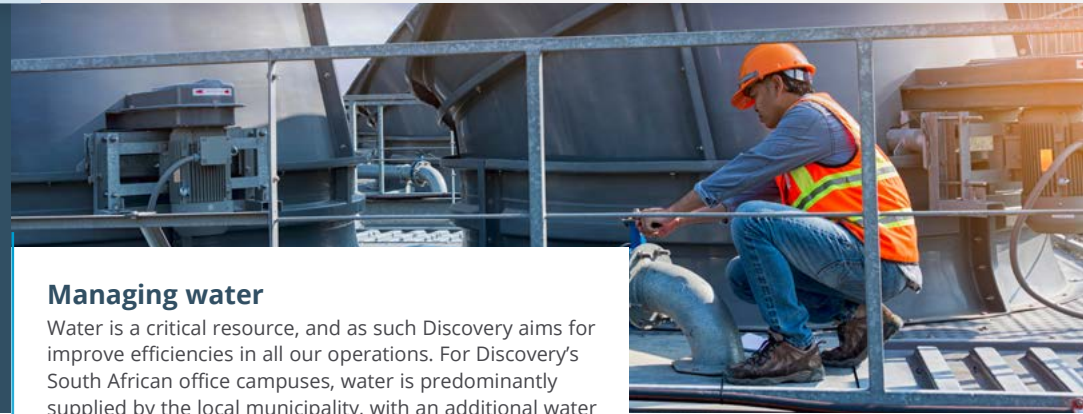
Due to Scope 1 and 2 GHG emissions' profiles, reduction targets are largely focused on electricity consumption-based emissions in the South Africa region.

Discovery achieved the following change in tCO<sub>2</sub>e in FY2022 compared with the FY2019 baseline year, exceeding the 10% GHG reduction targets set:

**16.4%** (market-based) reduction in Scope 1 and 2 emissions

**15.3%** (location-based) reduction in Scope 1 and 2 emissions

Discovery recognises that climate change is one of the key risks facing businesses and society. Sustained temperature increases are leading to a growing number of extreme weather events and other impacts.



### Managing water

Water is a critical resource, and as such Discovery aims for improve efficiencies in all our operations. For Discovery's South African office campuses, water is predominantly supplied by the local municipality, with an additional water source of grey water (a combination of underground water, wastewater from showers and rainfall discharged from the roof into the stormwater pipes). Overflow from rainfall is directed to the municipal stormwater system.

#### WATER USAGE IS PREDOMINANTLY:



**Potable water:** withdrawn from the potable holding tank to all taps or drinking outlets.



**Potable water:** also used in the heating, ventilation and air conditioning systems for the cooling towers and to wash filters (with discharge directed to grey water holding tanks).



**Grey water:** withdrawn for water sources is directed to the water closets, urinals and garden irrigation.

Any water wastage not due to overflow from rainfall is investigated and closed out.

Any significant water impacts are recorded as incidents and reported on with the corrective action taken, as required by the ISO 14000 standard. We track and report water usage, which is disclosed in our TCFD Report.

The Group facilities team continuously assesses opportunities to reduce water consumption through projects like:

In our car wash, we **recycle water** used for washing and only top up with potable water when required

Using **water reducers** and **sensors on taps**

Maintaining **reporting platforms** so any incidents of water wastage can be reported and corrected timeously

Ensuring the **output from our grey water plant is maximised** through **ongoing monitoring** and **regular maintenance** to avoid failures





## Managing waste

In FY2022, we recycled 88.4% of the Group's waste. We are investigating interventions to recycle the remaining waste to landfill to meet our goal of zero landfill waste by 2023. While waste forms a small part of our impact from an emissions impact point of view, reducing landfill waste to zero has other benefits. We commenced audits through a waste management partner to analyse all waste going to landfill per site across South Africa. Results are being analysed and suitable interventions explored.

During the year under review, we launched a zero waste to landfill campaign across our South African operations. The campaign provides employees with information on the different waste categories, the waste journey and how to use recycling stations. The recycling stations were well received, and we continue to share progress against our targets with employees.

## Green-star building certification

1 Discovery Place has a six Green Star rating and our Sable Park premises have a five Green Star rating, both certified by the Green Building Council of South Africa. We are in the process of certifying our KZN building, with the goal of certifying our remaining South African buildings by 2025.

## Responsible investment commitments

Discovery is a signatory to the PRI. Through our asset managers, we engage in active ownership through proxy voting and management engagement. We incorporate ESG issues into our investment practices through our Group Responsible Investment Policy.

## Related policies and frameworks

### Environmental Policy

This policy outlines Discovery's commitment to reducing environmental impacts and to continually improving environmental performance as an integral part of our business strategy.

**Last reviewed: November 2020**

### Stakeholder Engagement Policy

Discovery's continued growth and success are intrinsically linked to understanding our stakeholders' concerns, needs and insights. This policy outlines Discovery's approach to stakeholder engagement across the Group.

**Last reviewed: May 2020**

### Responsible Investment Policy

This policy sets out Discovery's principles for Responsible Investment, aim to align Discovery's investment philosophy with industry codes of best practice, and incorporates ESG risks and opportunities into investment and ownership decisions by subsidiaries across the Group.

**Last reviewed: June 2020**





# GOOD BUSINESS ENABLERS





*Our core purpose is to make people healthier and enhance and protect their lives. Every decision we make is underpinned by our purpose and values to ensure that at all times, value creation is balanced with value preservation. Our values were created by our founders and have been our north star throughout our journey.*

We want to be a powerful force for good, by:

Building brilliant businesses that disrupt industries

Strengthening our foundation with our pioneering Shared-value Insurance model

Enhancing our social, environmental and financial impact through innovative products and programmes and aligning our business and sustainability strategies

Discovery is a purpose-led organisation, and our Shared-value Insurance model encompasses our purpose and values – delivering better health and value for clients, superior actuarial dynamics for the insurer, and a healthier society.

Our values are fundamental to the foundation of our Ambition 2023 strategy and form our key ESG enablers, resulting in a responsible and sustainable business:

<p><b>BRAND</b></p> <p>Uphold our ethics Do no harm Cultivate trust</p>	<p><b>MODEL AND CAPABILITIES</b></p>  <p>Manage risk Innovate for impact Leverage our technology</p>	<p><b>PEOPLE</b></p> <p>Make our people healthier Value diversity Connect and develop great minds</p>
<p><b>PURPOSE</b></p> <p>Make people healthier and enhance and protect their lives.</p>	<p><b>VALUES</b></p> <p>Great people Liberate the best in people Intellectual leadership Drive, tenacity and urgency Innovation and optimism Business astuteness and prudence Customer, customer, customer Integrity, honesty and fairness</p> <p><b>Force for good</b></p>	<p><b>GOVERNANCE</b></p> <p>Fair and responsible pay Board diversity Board effectiveness</p>



**FORCE FOR GOOD**

Every decision we make is underpinned by our core purpose and values. Discovery has always understood the power of shared value in driving sustainability. Our value, 'force for good' was included to align our efforts to nurture and sustain an organisational culture with a positive scaled impact on our stakeholders and minimise our impact on the environment. We believe this value empowers our people to make informed decisions, professionally and personally, in their actions to do good.



Related material themes and matters



IN THIS SECTION

Discovery's employees are crucial contributors to our ability to create value for our stakeholders and be a force for good. We have a comprehensive people strategy designed to ensure that our people capabilities are a differentiator and support the delivery of the business strategy.

Our Integrated Sustainability Framework focuses on three areas related to human capital to ensure that we are delivering against our ESG goals. These focus areas, which align with the Group and people strategies, include:



KEY METRICS (SA)

- Retention rate: 86.42%
- Average Vitality age: 39.89 years
- Employee Experience score: 83
- Gender diversity at general manager level: 25%
- Racial diversity at general manager level: 25.83%
- Learning and development spend: R1.2 billion
- 135.12 training hours per employee

HIGHLIGHTS FOR FY2022

98%  
EMPLOYEE COVID-19 VACCINATION RATE

CERTIFIED AS A TOP EMPLOYER BY THE TOP EMPLOYER'S INSTITUTE

RUNNER UP IN HEALTHCARE

FIRST IN INSURANCE FOR THE SEVENTH YEAR IN A ROW

We were recognised as an employer of choice for graduates, with accolades in two segments of the South African Graduate Employers Association Employer Benchmark Survey 2022

Proud finalists in the 2022 SAP Innovation Awards in the category of 'Driving People Experience with SAP® SuccessFactors Solutions®'



Our purpose and values

Our people

Our brand

Our capabilities

Governance

OUR PEOPLE

## OUR EMPLOYEE PROFILE

With representation in 35 countries and over 13 450 people employed across the Group, we are a global organisation. Our people bring our Shared-value Insurance model to life. To deliver on our long-term strategic objectives, we seek to employ the best person for every role and create a diverse and inclusive work environment.

GLOBAL WORKFORCE  
OVER  
**13 450**  
(2021: 12 650)

SOUTH AFRICA\*  
**11 380**  
(2021: 11 223)

UNITED KINGDOM  
**2 342**

UNITED STATES  
**228**

MEN  
**43.78%**

WOMEN  
**56.22%**

\* Includes permanent employees, non-permanent (commission only, medically boarded, permanent and variable pay) and other (contracted by Discovery, fixed-term contractors, learners, temporary and variable-pay contractors).



South Africa	FY2022	FY2021
<b>Headcount</b>		
Total number of employees	11 380	11 223
South Africa: permanent <sup>1</sup>	10 914	10 708
South Africa: non-permanent <sup>2</sup>	466	515
<b>New hires</b>		
New hires	1 344	991
New hire rate	11.6%	8.5%
<b>Overall turnover</b>	13.6%	11.4%
<b>Retention rate<sup>3</sup></b>	86.42%	88.6%
<b>Terminations: permanent<sup>1</sup></b>	1 727	1 237
<b>Absenteeism rate<sup>4</sup></b>	3.1%	1.55%

<sup>1</sup> Includes commission only, medically boarded, permanent and variable pay.  
<sup>2</sup> Includes those contracted by Discovery, fixed-term contractors, learners, temporary and variable-pay contractors.

<sup>3</sup> Attrition rates include permanent employees only. Contractors are excluded due to contracts having expiry periods.

<sup>4</sup> Permanent South Africa-based employees

United Kingdom	FY2022	FY2021
<b>Headcount</b>		
Total number of employees	2 342	2 154
UK: Full-time <sup>1</sup>	2 033	1 886
UK: Part time <sup>1</sup>	309	268
<b>New hires</b>		
New hires <sup>1</sup>	767	501
New hire rate <sup>1</sup>	34%	23.9%
<b>Overall turnover</b>	25.8%	16.4%
Voluntary <sup>1</sup>	464	287
Involuntary <sup>1</sup>	115	58
<b>Retention rate<sup>1</sup></b>	81.29%	83.6%
<b>Terminations<sup>1</sup></b>	579	345
<b>Absenteeism rate<sup>1</sup></b>	3.3%	2.3%

<sup>1</sup> Includes all pay rolled employees (permanent and fixed term contracts)



### Employee engagement

In FY2022, our Group-wide strategy primarily focused on wellbeing, with business units encouraged to connect and foster engagement through webinars or Microsoft Teams sessions.

Our employee engagement platform, SAP Jam, was also used for collaborative initiatives that encouraged employees to share and collaborate on tasks and deliverables completed while working remotely, and foster continuous engagement and wellbeing.

The introduction of our pilot hybrid working model at the beginning of 2022 encourages in-person engagement and collaboration to promote connectivity and culture-building. Research and feedback to date indicates that our employees who operate in a hybrid working model are significantly more engaged than those who are either permanently in the office or permanently remote. More work is being done by business units to engage and respond to their specific context to ensure they establish a model that creates enhanced shared value for our people, our customers and the organisation.

'Team effectiveness' sessions are conducted using a toolkit covering topics relating to values, psychological safety and growth mindset, among others. The Discovery culture and respective employee value propositions are driven by each business unit.

### Employee Experience Survey

Our Group Employee Experience Survey, based on advanced employee experience research, is key to understanding our employees' sentiments and engagement. Through this survey, we identify and respond to systemic opportunities and challenges to create an environment conducive to sustainable performance. Each business unit utilises these results when developing their engagement plans to address relevant areas for improvement.

A full Employee Experience Survey is conducted annually. The surveys are compulsory and delivered via an external email link to the Willis Towers Watson hosting platform, ensuring greater levels of anonymity. Results are presented at executive-level committees and cascaded to management committees for actioning.

The FY2022 Employee Experience Survey ran in March and April 2022 and presented good outcomes, although not as high as last year. This is understandable considering the disruptions over the past year. Regardless, Discovery continues to outperform in the financial services industry globally and within South Africa in all categories.

Advances made in employee wellbeing over the past year were reflected in a favourable score of 65%, but it remains one of our lowest performing categories. We continue to explore ways to improve, particularly in the scores related to stress, burnout and anxiety.

### FY2022 Employee Experience Survey results summary

#### Best performing categories

Company purpose  
**91%**

Innovation  
**87%**

Engagement and job satisfaction  
**85%**

#### Best performing areas against South African norm

Corporate social engagement  
**64%**  
(SA norm: 51%)

Career development  
**78%**  
(SA norm: 72%)

Working relationships  
**83%**  
(SA norm: 78%)

#### Lowest performing categories

Wellbeing  
**65%**

Corporate social engagement  
**64%**

Working model  
**72%**

#### Lowest performing areas versus 2021 survey

Ethics  
**78%**  
(2021: 84%)

Engagement  
**85%**  
(2021: 90%)

Leadership  
**74%**  
(2021: 78%)

#### Lowest performing areas versus Global high-performance norm

Leadership  
**74%**  
(GHPN: 81%)

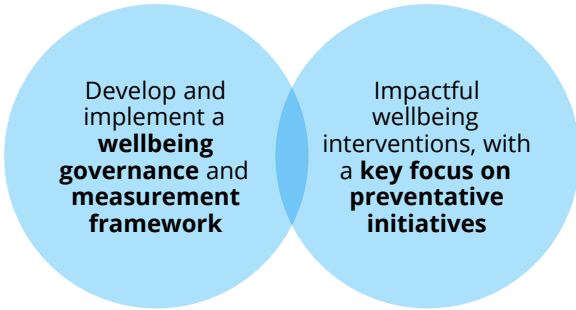
Ethics  
**78%**  
(GHPN: 84%)

Immediate management  
**82%**  
(GHPN: 86%)



→ **MAKE OUR PEOPLE HEALTHIER**

**Key initiatives**

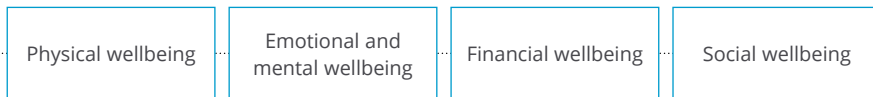


Our employees' wellbeing is vital to Discovery; people who are mentally, physically and financially healthy are more productive and are happier in their personal and home lives, beyond the workplace.

Three principles form our employee wellbeing strategy:

<p><b>PERSONALISATION</b></p> <p>We promote a self-driven wellbeing programme with a holistic and targeted approach. This allows employees to be at their best.</p>	<p><b>STORYTELLING</b></p> <p>We model compelling storytelling and our shared-value rewards system. This helps to inspire behavioural change.</p>	<p><b>DATA</b></p> <p>Our wellbeing approach is data-driven and high-impact, with efficient preventive, episodic and ongoing screening measures.</p>
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These three principles are underpinned by:



In FY2022, we focused on addressing the stigma around gender-based violence and sexual harassment through our #DiscoverYourVoice campaign, a platform created to reshape the narratives of perpetrators, victims and communities. Our #MentalWellbeingMatters webinar series addressed a range of mental health issues, including mental illness in the workplace and how to destigmatise it in the workplace community.

A critical part of our wellbeing programme is providing the tools for employees to manage not only their health but also their wealth. Over the past year we conducted talks, workshops and webinars specifically pertaining to wills and trusts. Topics included building resilience, addressing stigma in mental health, and children's mental health.

We continued to support our employees during the COVID-19 pandemic through our Mandatory Vaccination Policy and mass vaccination drive for all staff and their families, creating a seamless vaccination journey and promoting individual vaccination with incentives and rewards.

Our initiatives to sanitise and clean common areas and workstations continued, and we provided personal protective equipment, such as masks and sanitisers to all employees on our campuses.

We carried on with our efforts to reduce capacity in our buildings to allow for social distancing, and for employees at our offices we ensured at least 1.5 m between workstations. In addition, we provided transportation, childcare services and refreshments for staff working at our Discovery vaccination sites.

We also provided COVID-19 ex-gratia leave during the pandemic.



MAKE OUR PEOPLE HEALTHIER

**Healthy Company**

Discovery aims to educate, enable and empower its employees by providing support and an environment fostering sustainable and holistic wellbeing. Healthy Company is Discovery's digitally enabled employee assistance programme, identifying and supporting employees' wellbeing.

All employees\*, their immediate families and dependants, have access to Healthy Company benefits and support delivered through an app, website, telephone or face-to-face consultations, including free access to wellness centres. Depending on the region, this can include a resident medical doctor, nursing sister, dentist, optometrist, physiotherapist, chiropractor, counsellor and financial wellness consultant, and access to flu vaccination and blood donations. Employees can access wellness support after an illness, for chronic and severe illness management, incapacity and disability management.

NUMBER OF REGISTERED EMPLOYEES AT END JUNE 2022

11 252

Engagement rate\*\* 50%  
Total interactions 5 601

\* This includes permanent employees, agents with benefits, fixed-term contractors, interns contracted by Discovery, learners contracted by Discovery or others, and medically boarded employees.

\*\* The number of engaged employees is calculated based on the number of registered members.

**Onsite clinics**

All four of Discovery's campuses across South Africa have onsite clinics which are available to employees, including doctors, dentists and other specialist services, such as physiotherapists, chiropractors and optometrists. Primary healthcare services at the onsite clinics are free (general practitioners), and allied healthcare services are on a fee-for-service basis, at DHMS rates minus 10%.

**TAKING CARE OF THE BASICS**

Flu vaccinations are critical to strengthen immune systems and protect people from potential infection – this is particularly important in a pandemic era. In FY2022 we purchased 757 flu vaccines for our employees.

Employees who were unable to reach their closest Discovery campus could access the flu vaccine through our Wellness Network pharmacies across South Africa.

**Wellness days**

Discovery Wellness Days were reinstated in FY2022 due to the relaxation in COVID-19 protocols and they were held at all campuses, from 14 March to 7 April 2022. These are free of charge to all employees.

Regional campus	Total participants
Gauteng	796
KZN	241
Eastern Cape	331
Western Cape	247
<b>Total</b>	<b>1 615</b>

**Monitoring employee wellbeing**

We monitor employee wellbeing through our Vitality Mental Wellness Programme – which includes Vitality Health Checks – and an Employee Wellness Survey

Vitality Health Checks are a simple, effective and convenient set of essential health screenings and preventive tests, such as blood pressure, glucose, cholesterol and weight assessments, among others. Advances made in employee wellbeing are tracked through our annual Employee Experience Survey, which allows us to assess ways in which we can improve our wellbeing programmes.

**HYBRID AND FLEXIBLE WORKING**

Discovery was not alone in adjusting to a new environment due to the COVID-19 pandemic, which disrupted labour markets and accelerated the remote working trend. We implemented our pilot hybrid working model in January 2022, to create greater flexibility on location, with onsite work at least twice a week and remote work for three days of the week. We ensured that we listened to our teams to move forward with an approach that suits Discovery's culture and creates engagement, digitally or in-person.







## VITALITY UK

*Vitality UK's ambition is to be the model employer for employee wellness. This is based on the five pillars of our wellbeing strategy, namely physical, mental, financial and social wellbeing, as well as lifestyle wellness.*

Our efforts to help protect and support our employees during the pandemic were recognised. Discovery won bronze at the European Contact Centre Awards in the category of 'Best Health and Wellbeing Programme'.



### The five pillars of wellbeing strategy and support provided to employees:

#### PHYSICAL

- Weekly online classes (high-intensity interval training, yoga, Pilates and mindfulness)
- Annual September step challenge (over 900 employees attained more than one million steps)
- One-to-one wellbeing coaching sessions
- Onsite health checks
- Local pitch days
- Free entry to sponsored run events, such as Vitality 10 000
- Move More campaign, which provided hands-on support and advice to help sedentary employees increase their physical activity

#### MENTAL

- Access to a network of 51 mental health champions, cognitive behavioural therapy and talking therapies through Vitality's mental health panel
- Mindfulness apps
- Health Assured, our employee assistance programme
- Mental health awareness sessions for managers
- Campaigns for World Mental Health Day and Mental Awareness Week
- Pulse checks to help us understand the impact of working from home on employees' health

#### FINANCIAL

- Salary Finance is a partnership with Vitality UK that allows employees access to responsible, inexpensive loans and debt consolidation services
- The partnership was expanded in July 2022 to pilot salary advances, where employees can access up to 50% of their earned pay between pay days
- Our partnership with London and Country gives employees access to free mortgage advice
- Financial wellbeing workshops that help employees lead financially fit lives; topics include navigating the cost-of-living crisis, saving and debt management, investing, pensions, re-mortgaging and women's financial health

#### LIFESTYLE

- Free healthy breakfasts and lunches approved by our in-house nutritionist
- Menopause support to employees, in partnership with the Peppy digital health app
- New Peppy app services, including fertility, baby and men's health
- Alcohol Awareness Week campaign, highlighting mindful drinking, including a webinar on 'Alcohol and you' by Alcohol Change UK
- A smoking cessation programme through our partner Quit Genius
- World Sleep Day workshop in partnership with The Sleep Charity
- Sleep advice published on our intranet

#### SOCIAL

- Connection and collaboration through our internal communications platform, allowing employees access to community spaces and information hubs
- Initiatives to support employee connection during hybrid working, such as our Welcome Back campaign, lunchtime leadership runs and walks at our offices, and a family fun pitch day at Bournemouth Vitality Stadium
- A virtual book club, hosted by our executives
- 'Getting to know you' session for new employees hosted by executives
- Mentoring on career choices for pupils aged 14 to 16 from disadvantaged backgrounds
- £229 600 donation to UNICEF's Ukraine appeal on behalf of employees


[Our purpose and values](#)
[Our people](#)
[Our brand](#)
[Our capabilities](#)
[Governance](#)

OUR PEOPLE  
Monitoring employee wellbeing



## VITALITY US

*Vitality Global (formerly Vitality Group) continues to promote the holistic health of employees and foster a strong sense of community. We embraced a hybrid work model in early 2022, and found new ways to keep employees connected and engaged in a healthy work environment, both remotely and in the office.*

Key initiatives include:

- Pursuing WELL Gold Certification to create an office space that advances health and wellbeing
- Mental wellbeing events, including onsite massage chairs and guided virtual meditations
- Group-wide physical activity challenges
- Free gym memberships
- Fun events to bring employees together, such as regular catered lunches and an annual summer social

We encourage and recognise employee volunteerism and charitable giving, focusing on supporting Vitality's charity of choice. Our chosen charity is My Block My Hood My City (also known as M3), whose mission is "to inspire youth, empower communities, and build a better world one block at a time".



→ **VALUE DIVERSITY**

**In this section**

- ▶ DIVERSITY AND INCLUSION
- ▶ ADVANCING OUR TRANSFORMATION OBJECTIVES
- ▶ DISCRIMINATION
- ▶ SUPPORTING ETHNIC AND RACIAL DIVERSITY
- ▶ SUPPORTING GENDER DIVERSITY

**KEY INITIATIVES**

- Increase African, coloured and female representation at senior levels
- Implement remuneration policies and processes to continue to reduce the gender and race pay gap
- Eliminate bias across people processes and address unconscious bias

▶ **DIVERSITY AND INCLUSION**

Promoting diversity in the workplace is a moral imperative and is critical to driving performance and innovation in consideration of the diverse views and needs of our stakeholders. We aim to be representative of the communities in which we operate and believe that promoting inclusivity and representation in our teams enriches and benefits the development of our products and services.

Discovery is supportive of the principles of employment equity (EE). We promote equal opportunity for, and the fair treatment of, all employees and applicants for employment.

At Discovery, equal opportunity means providing all individuals with an equal chance to:

- Become aware of employment opportunities
- Apply for employment opportunities
- Compete fairly for employment opportunities
- Function successfully in employment
- Advance in employment

Equal opportunity asserts that certain categories of people might be treated differently to ensure equity – particularly to redress inequity or disadvantage – so that all groups have an equal chance.

In line with Discovery's commitment to creating an inclusive workplace, we implement several programmes to support our strategy:

- Elevating awareness of unconscious bias
- Educating managers on inclusion and exclusion behaviours, especially in a hybrid world of work
- Establishing employee resource groups to help craft business strategies to ensure a sense of belonging
- Upgrading regional infrastructure to improve mobility and access for people living with disabilities.

▶ **ADVANCING OUR TRANSFORMATION OBJECTIVES**

Several initiatives are underway to advance our transformation objectives, including:

- Developing and rolling out a diversity and inclusion programme to communicate Discovery's transformation vision and mandate, and embed transformation into business processes
- Unconscious bias training to create awareness of systemic biases that negate diversity and inclusion efforts
- Working with business units to formulate developmental plans for high-potential employees
- Collaborate with organisations that focus on recruitment of scarce skill roles
- Amplifying employees' voices to enhance inclusivity through, for example, focus groups and employee resource groups

The Group also measures the perception of the workforce on the inclusivity of our culture and environment through the annual Employee Experience Survey, and at executive level with 360 reviews. The inclusivity score from the Employee Experience Survey is included in our management incentive system.

**6 113**  
EMPLOYEES COMPLETED  
UNCONSCIOUS BIAS TRAINING  
IN FY2022

In addition, the Group customised a suite of programmes to advance transformation within the organisation, including our Senior Leadership Development Programme which is deliberate about developing high-potential African and coloured employees for senior leadership opportunities.





► **DISCRIMINATION**

Discovery's values of integrity, honesty and fairness are demonstrated through our culture of inclusiveness and tolerance. We support the just, equitable and considerate treatment of all people. We do not engage in child, forced or compulsory labour.

Our Human Rights Policy expresses our commitment to ensuring that employees are equitably remunerated, and that we comply fully with applicable laws regarding wage, work hours, overtime and benefits.

**INCIDENTS OF DISCRIMINATION AT DISCOVERY**  
There were **zero reported incidents of discrimination** in FY2022.

Our zero-tolerance approach is enhanced by our Grievance Policy. We encourage incidents of discrimination to be reported. Once reported, incidents are addressed promptly and are handled formally and informally to promote engagement.

► **SUPPORTING ETHNIC AND RACIAL DIVERSITY**

**South Africa – supporting EE**

In South Africa, the greatest lever in B-BBEE is job creation. We had a meaningful impact on transformation in FY2022 by ensuring that 55.2% of new jobs went to African candidates, contributing to our efforts to better reflect South Africa's economically active population.

Our senior leadership teams are responsible for the EE composition of their respective business units, directly impacting their short-term performance incentives. We drive our 2025 EE Plan, and most business units performed well against their set targets. This enabled the Group to reach a 97.9% performance score each semester since the inception of our 2025 EE Plan in November 2020.

We continue to leverage structures such as the Social Ethics Committee and the EE Consultation Forums to partner with respective business areas in formulating on-demand solutions to ensure we retain, attract and promote the best people in line with our transformation ambition. This is achieved through learning and development offerings that create advancement opportunities.

Representation of black people across our South African operations increased from 74% in FY2021 to 75.6% in FY2022, and representation of black people at senior management levels increased to 36% in FY2022 from 35% in FY2021. We place emphasis on recruiting black leaders at team leader level and above – 77% in FY2022 from 69% in FY2021. African senior management appointments increased to 62% from 42% at the same period last year.

Our Employee Experience Survey includes a diversity and inclusion index that tracks specific diversity and inclusion questions over time. The diversity and inclusion index score, together with our EE score, contributes 15% towards our management incentive system.

**Targets for the EE Plan**

Discovery aims to make incremental progress toward a workforce that reflects South Africa's national economically active population (NEAP) at every occupational level. We set targets twice a year and base our measures on the most recent EE Plan (formulated in 2020). The EE Plan focuses on inclusion and higher weighting for African, coloured and Indian employees and people with disabilities along the management level ladder.

As at May 2022 **Discovery Group's EE score** against its FY2022 target is 99%.

At a Group level, the Remuneration Committee remains committed to ensuring that Discovery's remuneration is market-related, fair and free of any prejudice. This approach is embedded in management processes, including job grading, annual salary benchmarking and annual income differential analysis (considering gender differentials).

**Hiring people with disabilities**

We continue to focus on providing meaningful employment opportunities for people with disabilities by promoting EE measures within our recruitment practices, and establishing strategic relationships with organisations who focus on the recruitment and retention of people with disabilities.

In FY2022, Discovery employed **79 people with disabilities, representing 0.7% of our total workforce** (FY2021: 164 employees, representing 1.46% of total permanent employees).

People with disabilities representation continues to be an area of focus for Discovery as we are far below the financial services industry (Financial services: 1.3%; Discovery: 0.7%). Discovery intends partnering with sourcing agencies in the new year to assist in the appointment of people with disabilities.

**Senior talent**

Our Recruitment Policy articulates our approach to sourcing local senior talent and considers the hiring of function heads. Role sourcing is sometimes performed by Discovery's internal recruiter teams – supported by our Head of Transformation and Head of Talent – who leverage human resources technology platforms to find suitable candidates.

Alternatively, role sourcing can be performed by agencies on our preferred supplier lists who have been vetted by procurement for compliance to defined B-BBEE criteria.



SUPPORTING ETHNIC AND RACIAL DIVERSITY

**Ethnicity diversity in the UK**

Vitality UK, aligned with Group values, is committed to increasing the number of black, Asian and minority ethnic (BAME) employees in senior leadership roles and fostering a strong talent pipeline with this in mind.

Initiatives in consultation with our BAME forum in FY2022 included:

**Race fluency training**

We explore diversity and inclusion through the lens of race. Over 1 500 employees completed training in FY2022, and the remaining staff will complete the modules by the end of 2022.

**Mentoring programme**

We apply a gender and ethnicity lens to ensure the diversity of those mentored by executives. In FY2022, 59% of participants were female or BAME.

**Race at Work Charter**

We are a signatory to the charter and have an executive sponsor for racial diversity. We consult our 'Let's Talk Race' Forum on diversity-related topics and signed a petition urging the government to make publishing of ethnicity pay gaps compulsory for business.

**Recruitment partnerships**

We proactively seek partners who provide diverse candidate shortlists and we recently welcomed our first intake of interns as part of the national #10,000blackinterns initiative.

**Diversity and inclusion hub**

The hub is regularly updated with new content and receives an average of 543 visits per month.

**Ethnicity pay gap reporting**

We publish our ethnicity pay gap each year. A total of 13% of employees who disclosed their ethnicity are BAME, which matches national demographics. We are confident that employees receive equivalent pay for equivalent work, regardless of ethnicity.



**ETHNICITY PAY GAP**

**Mean pay gap**



**Median pay gap**



The UK's mean ethnicity pay gap was 4.53% (FY2021: 4.28%), due to under-representation of BAME employees in senior leadership roles. The gap is negative, with the average pay gap for female BAME employees lower than for their white counterparts.

**Diversity and inclusion in the US**

Vitality Global's focus on diversity and inclusion extends to Vitality US, who established a working group comprising a diverse group of employees to focus on promoting diversity and inclusion. The working group set up multi-year priorities to ensure long-term and meaningful progress.

Vitality US partnered with organisations focused on promoting diversity, equity, and inclusion, such as the Kaleidoscope Group, Justice Informed and the Trevor Project to help drive diversity and inclusion initiatives throughout Vitality US.



### SUPPORTING GENDER DIVERSITY

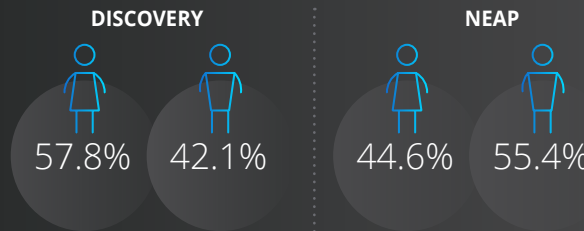
In FY2022 we joined the UNGC Target Gender Equality programme and signed a statement promoting gender equality. Our commitment to gender balance and equality includes engagement initiatives that highlight issues related to gender pay gap and equitable representation of women at executive and management levels, among others, and how we can address them.

FEMALE REPRESENTATION ACROSS DESIGNATED GROUP CATEGORIES

	2022	2021	2020
Representation across the Group	58%	58%	57%
Representation in senior positions	44%	44%	40%
Representation at Board level	28%	28%	18%

#### South Africa

Our gender profile compared against the South African NEAP levels



Discovery's gender profile compared to NEAP paints a very positive picture in favour of women. Currently, our female representation is at 57.8% in comparison to 44.6% of NEAP, and the male percentage is 42.1% in comparison to 55.4% of NEAP.

We recognise that we must achieve a more equitable gender balance in our senior leadership positions across all our businesses. Currently, women comprise 44% of senior management (FY2021: 44%). We continue to emphasise achieving greater female representation at senior levels.

In South Africa, our women roundtable sessions in August 2021 with female deputy general managers and general managers highlighted the issues women feel still need to be addressed within the organisation, and where continuous conversations need to be held.

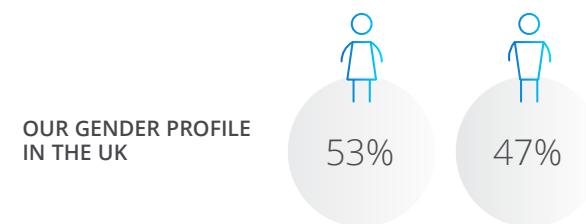
Consequently, our South African Executive Committee approved a women employee resource group, 'Discovery Women Move', which is a platform where matters related to gender pay gap, women-specific learning and development programmes, sponsorships and equitable representation of women at Executive Committee and management level will be discussed and addressed. The initiative was formally launched in August 2022 during Women's Month.

#### Vitality UK

In the UK, we focus on increasing female representation at senior levels. We are signatories to the Women in Finance Charter, and have committed to gender parity at senior levels by 2025. At year-end, women comprised 44.9% of employees in the top three tiers of the organisation, compared to 53% of the overall employee population. We set a target of 60% female external appointments to roles with annual salaries of more than £50 000. In FY2022, 50.5% of these 95 roles were filled by women.

Initiatives to facilitate the advancement of women and ethnic minorities at Vitality UK include:

- Enhancing and equalising parental leave entitlements and signing up to the Association of British Insurers' Transparent Parental Leave and Pay initiative
- Signing up to the Chartered Insurance Institute's Insuring Women's Futures campaign
- Changing our recruitment and selection practices to attract and retain female talent, including expanding flexible working options and using gender-neutral language in advertisements
- Introducing child-minding, menopause and new parent support services for employees
- Launching a mentoring programme for high-performing, high-potential employees (mostly women)
- Piloting lean-in circles for female employees
- Applying a gender lens to succession planning and developing a female talent pipeline
- Launching a leadership development programme for 40 female managers in partnership with Everywoman
- Setting up a business-wide network of diversity and inclusion champions





**Gender pay gap**

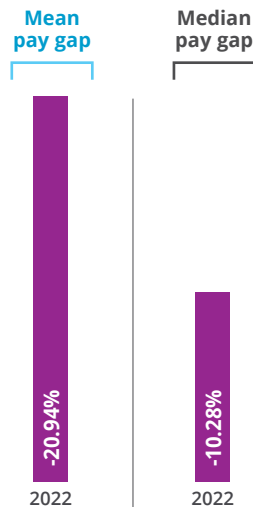
Discovery emphasises greater female representation at senior levels in our succession planning processes. The Group conducts annual income differentials on gender and race. Where there is a difference, we provide interim salary increases during the year, except where differentials are due to qualifications, experience, performance and market benchmarks.

The methodology for measurement of pay gaps in South African companies, which would provide comparable and consistent disclosure, has not yet been finalised, however in the UK our mean pay gap is lower than the financial services sector average. Reuters reported that the average mean gender pay gap for 21 major UK financial services institutions is 32.1% (more than 10% higher than Vitality UK).

A PricewaterhouseCoopers Inc study revealed that almost half of UK firms reported a gender pay gap rise in the past year. Vitality UK compares favourably on the median pay gap measure at 10.28% for FY2022, in comparison to 23.6% for the sector in FY2021.

Vitality is confident in its application of 'equal pay for work of equal value' regarding gender. Our pay gap is due to the under-representation of female employees in senior leadership roles. We are committed to achieving gender parity at senior levels by 2025, and we will be able to draw on a strong layer of female talent at the level below executive.

**SINCE 2018, WE REDUCED OUR UK MEAN GENDER PAY GAP BY OVER 10%:**



**Vitality UK compensation ratio**

	Only full pay relevant employees	All relevant employees receiving bonus in the 12-month period	
	Hourly rate	Bonus	Bonus (without LTIP)
Female Mean (Avg)	£18.62	£5 460	£4 450
Female Median	£15.10	£2 782	£2 782
Male Mean (Avg)	£23.55	£14 716	£8 753
Male Median	£16.83	£3 496	£3 496
Mean (Avg) GPG	<b>20.94</b>	<b>62.89</b>	49.17
Median GPG	<b>10.28</b>	<b>20.41</b>	20.41

GPG = gender pay gap  
LTIP = long-term incentive plan





## → CONNECT AND DEVELOP GREAT MINDS

### KEY INITIATIVES

- Strategic workforce planning for emerging and critical skills
- Implement an enterprise-wide view of talent and a global talent mobility approach
- Develop contextual leadership programmes to enable leaders in the new work context
- Develop high-potential talent for critical roles and bench strength

### Creating a workforce for the future

Our philosophy has always been that developing the great minds who work at Discovery is key to our success. Connecting these minds through our internal structures and fostering intellectual leadership helps sustain our organisation.

We promote a work environment built on trust through flexible work models and collaboration led by forward-looking leaders, equipping our people with future ready skills and capabilities. We bring our purpose to life by developing and shaping leadership capabilities and we focus on upskilling and reskilling employees for our current and future business needs.

### Current trends in the learning and leadership space

Challenges around time and resources

Budgetary constraints

Investment in technology to allow for self-paced learning in a cost-efficient manner

To create a workforce for the future, we leverage data to inform skills development. Through identifying industry scarce skills and skills gaps within the Group, we can initiate talent development conversations and develop a workplace skills plan, which then feeds into individual development plans and allows for the provision of employee bursaries. Finally, we collect end-user feedback to enhance our processes and procedures.



In FY2022  
**565** employees received **R14 million** in bursaries.

We empower our employees to manage their own skills development by providing focused development solutions and encouraging joint responsibility with their teams and managers. This approach provides a basis for life-long learning and the tools to adapt to a rapidly changing world.

The Group set bold targets in its Ambition 2023, ensuring that our people continued to learn and develop to meet the demands of business and keep us competitive and relevant in a global market.

We are committed to transformation and are focused on developing scarce and critical skills for black employees to build further capacity in our skills pipeline.

Each business unit **identifies its needs for development and progression**. We focus on **leveraging the talent bench available** for promotions or filling leadership roles.

This year, **6%** of employees were promoted internally (2021: 5.49%)







## Learning solutions at Discovery

NUMBER OF EMPLOYEES WHO COMPLETED LEADERSHIP DEVELOPMENT PROGRAMMES

**2 121**

in FY2022

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(FY2021: 3 771)

Discovery provides management and leadership development programmes in collaboration with Henley Business School and the University of Cape Town (UCT) Graduate School of Business.

→ **Foundation (National Qualifications Framework (NQF) 5 aligned and certificated):**

UCT Graduate School of Business Accredited Future Leaders Programme

→ **Intermediate (NQF 6):**

UCT Graduate School of Business Accredited New Manager Programme

→ **Advanced (NQF 8):**

Henley Business School Accredited Postgraduate Diploma in Management Practice

→ **Other programmes:**

- Executive Leadership Development in the New World of Work
- Leading with Empathy
- Leader as Coach
- Coaching Circles
- Lead the Discovery Way

BUSINESS PROGRAMMES

**402 employees**

in FY2022

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(FY2021: 1 564)

**Our online learning platforms include Udemy, LinkedIn Learning and Degreed, and give employees access to formal and informal learning in business skills. Formal business skills learning paths include:**

- Building resilience
- Critical thinking
- Data analytics in Discovery
- Hybrid work
- The new era of customer experience

Number of active licences in learning platforms:

Udemy for business	LinkedIn Learning	Degreed
<b>1 665</b> employees	<b>1 734</b> employees	<b>2 044</b> employees

LEARNERSHIPS AND INTERNSHIPS

**206 learners**

in FY2022

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(FY2021: 334)

Programmes funded by the Insurance Sector Education and Training Authority and Banking Sector Education and Training Authority provide workplace experience opportunities to matriculants and graduates to address scarce skills in the insurance sector.

Learnerships are structured as 12-month training programmes; internships are structured as 12-month programmes and are offered to unemployed graduates to give them workplace experience relating to their qualification.

UNEMPLOYED LEARNERSHIPS

**206 learners**

(FY2021: 252)

- **Further Education and Training Certificate:** Long-term Insurance (NQF 4)
- **National Certificate:** Short-term Insurance (NQF 4)
- **National Certificate:** Wealth Management (NQF 5)
- **Further Education and Training Certificate:** IT Technology Support (NQF 4)
- **Further Education and Training Certificate:** IT Systems Development (NQF 5)

EMPLOYED LEARNERSHIPS

**34 learners**

(FY2021: 34)

- **National Certificate:** Wealth Management (NQF 5) (Discovery Health)

EMPLOYED SKILLS PROGRAMMES

**43 learners**

(FY2021: 64)

- **National Certificate:** Wealth Management (NQF 5) (Discovery Connect and funerals)

**91.11% of learners** were absorbed into Discovery post-learnership (ended 31 December 2021) (FY2021: 94.32%)



Learning solutions at Discovery *continued*

PROFESSIONAL PROGRAMMES  
**115 employees**  
in FY2022  
(FY2021: 316)

Professional programmes aim to develop career competencies that are attained beyond the coursework necessary to earn or maintain a professional qualification.

- **The People Academy:** aims to build the skills of our human resource professionals to increase the impact of our delivery against Discovery's strategic ambition. This will modernise, reposition and future-proof talent management in the Group.
- **Group Information Services Academy:** supports information services professionals cross-functional skills, business skills, and coaching and mentoring.

Through the Adrian Gore Fellowship Award, Discovery Graduate Hackathon (Grad Hack) and student bursaries, Discovery aims to attract top talent and address industry scarce and critical skills.

- **AGFA:** The fellowship programme selected 20 students from top universities in FY2022 and offers rapid career growth for recipients within the actuarial field. Upon completion of the programme, 17 students began as actuarial analysts at Discovery in January 2022.
- **Grad Hack:** 31 candidates were offered employment at Discovery through this programme.
- **Student bursaries:** Three accounting students from University of Johannesburg were awarded bursaries in partnership with INSETA.

COACHING  
**120 employees**  
in FY2022  
(FY2021: 4)

The coaching programme aligns individual leadership effectiveness with outstanding organisational performance. The focus for coaching in Discovery is to improve the skills and performance of line managers, and is provided on an as-needed basis for individuals and teams.

Leader as coach  
**40 individuals**

Coaching Circles  
**49 individuals**

Stephen Renecle  
**29 individuals**





### Training and development in numbers

#### EMPLOYEE LEARNING AND DEVELOPMENT: FY2022 SKILLS YEAR



**R1.2 billion**  
SPENT ON LEARNING  
AND DEVELOPMENT  
(2021: R921 million)

**Total B-BBEE training  
spend on learning and  
development**  
**R946 million**  
(2021: R597 million)


**Amounting to**  
**76.57%**  
**of total training  
spend**  
(2021: 65%)



**THE TOTAL TRAINING  
TIME FOR ALL  
EMPLOYEES TRAINED**  
**1 533 195  
hours**  
(2021: 884 696 hours)

**Employees received  
an average of**  
**135.12 hours**  
(2021: 78.45 hours) or  
**18.02 days**  
(2021: 9.81 days) of training  
per employee

**An increase of**  
**56.69 hours**  
(172.28% increase from  
FY2020 to FY2021)/  
8.22 days (a 183.88%  
increase from FY2020  
to FY2021)

An average of   
**141.94 hours**  
**of training per  
female employee**  
(2021: 81.89 hours)

An average of   
**125.66 hours**  
**of training per  
male employee**  
(2021: 73.79 hours)

#### Training to support transformation

**206 people**

(2021: 251 people)  
participated in learnerships,  
creating a pipeline of talented  
black people for employment  
into future roles.



**80 interns**

(2021: 83 interns)  
deployed into our business, addressing  
sector skills gaps in education, training  
and development, sales and marketing,  
IT, statistics and maths, legal, and  
management and administration  
(these programmes form an important  
pillar of our talent strategy).



#### Supporting a culture of continuous and self-led learning through digital platforms

**1 734 employees**  
on **LinkedIn Learning**  
(2021: 1 974), an activation rate of  
approximately 86% (2021: 90%)



#### Employees viewed

**1 501 LinkedIn**  
**Learning programmes**  
(2021: 6 258 learning programmes),  
**equating to**



**5 658 hours of learning**  
(2021: 7 134 hours of learning)  
**and an average of**  
**3 hours 45 min**  
**completed per active user**

**2 279 employees**

(2021: 1 903)  
**logged on to the Udemy**  
**service, with**



**1 665 active**  
(2021: 1 219)  
**an activation rate of**  
**98%**  
(2021: 64.1%)



*Our strategy is to drive scaled impact through our business and be recognised as best of breed.*

**IN THIS SECTION**

Upholding our ethics →

**KEY METRICS**

- 0 discrimination incidents
- 0 corruption and bribery incidents
- 31 whistle-blowing incidents
- 48 data privacy breaches

Our brand is synonymous with our core purpose of making people healthier and enhancing and protecting lives. We build our brand by **upholding our ethics, preventing harm and cultivating trust**. This section focuses on these key corporate responsibility factors that enable the sustainability of our business.

→ **UPHOLDING OUR ETHICS**

**In this section**

- ▶ RESPONSIBILITY FOR ETHICS
- ▶ CULTIVATING AN ETHICAL CULTURE

Discovery's core purpose and values inform the way we do business and provide the foundation from which we build an ethical culture throughout the Group.

Discovery's Ethics Management Framework includes a comprehensive governance framework and management process, and sets the standards for appropriate conduct in the organisation.

Our ethics management strategy drives ethics internally, focusing on:

- Leadership setting the example for ethical conduct
- Reinforcing the Group's core purpose and values in how we operate as individuals and as a collective
- Promoting discussions on ethics to reinforce a strong ethical culture
- Ongoing communication, training and awareness.

▶ **RESPONSIBILITY FOR ETHICS**

The Board leads ethically and effectively, and is responsible for governing ethics while supporting an ethical culture and setting an ethical direction for the Group. In addition, the Board establishes proactive management processes and structures, ensures that organisational ethics risks are mitigated and integrates and prioritises an ethical organisational culture.

The Board and the Social and Ethics Committee mandate and oversee the Group Ethics Office.

**Group Ethics Office**

The Group Ethics Office supports the Board, executives, management and employees in cultivating and strengthening an ethical culture. The Group Ethics Office implements the Ethics Management Plan, by:

- Assessing ethics risks and opportunities
- Implementing the ethics management strategy
- Designing ethics standards aligned to Discovery's core purpose and values
- Integrating ethics into organisational culture
- Monitoring adherence to ethics standards and reporting on ethics management and performance.

The Group Ethics Office supports all wholly owned subsidiaries in which Discovery operates, including the UK and US. While each jurisdiction has their own dedicated

ethics resources, the Group Ethics Office oversees overall implementation of the Ethics Management Framework.

In FY2022, the Group Ethics Office partnered with an international advisory firm to develop an ethical decision-making framework for complex and strategic decisions. Discovery's commitment to doing the right thing is a central part of our founding vision and corporate culture. In the context of rising expectations on corporates to respond quickly and thoughtfully to emerging societal issues, Discovery is seeking to evolve its Ethics Management Framework to better support its executives and management team in making and communicating consistent, transparent, and well-grounded decisions in complex ethical situations.

The Ethics Office also partnered with the Institute for Future Research in a project to identify potential future ethics risks and opportunities that may impact the Group. The primary objective of the project is for the Group Ethics Office to assist management in developing innovative, long-range decision-making competencies for competitive ethics risk mitigating and opportunity sensing. The project entails scanning the global environment for emerging macro trends and developments to best position the Group to integrate emerging global ethics developments into our strategies and day-to-day operations.



► **RESPONSIBILITY FOR ETHICS**

**Ethics Ambassador Programme**

The Ethics Ambassador Programme has extensive reach across the Group and offers support to the overall Ethics Management Programme. This provides the Group Ethics Office with a clear view of ethical issues, allowing it to effectively manage the ethical culture of multiple operational jurisdictions.

Each business unit is represented by Ethics Ambassadors who are respected individuals within the organisation. Regardless of their job level, the ambassadors assist in making ethical standards of Discovery relevant to their specific context and are an immediately available resource to employees. Ambassadors help to create and maintain awareness of ethics in their areas of influence and assist in identifying and addressing the potential ethical consequences of business decisions.

Ethics Ambassador meetings are held every second month with each business unit's ambassadors to discuss questions raised by employees, challenges experienced, support required, trends related to the specific business unit and newsworthy topics. Meetings are chaired by an Ethics Officer. Ethics Ambassador group meetings are held quarterly or twice a year with ambassadors across the Group to share best practice, experiences and challenges and any relevant cases affecting Discovery. We invite guest speakers to discuss any topical items, such as data ethics.

Twice monthly, awareness emails and articles are distributed to share the latest information on ethics-related matters and thought leadership.

There are **185** **Ethics Ambassadors** across the Discovery's Group

► **CULTIVATING AN ETHICAL CULTURE**

Discovery encourages a culture where people can freely speak up and provides multiple mechanisms to report ethical infractions. Our annual whistle-blowing campaign is central to our speak-up culture and is designed to raise awareness of our Whistle-blowing Policy and the safe reporting mechanisms available to employees.

Our Safe Reporting Framework enables anonymous reporting through independently managed and accredited channels, such as an independently managed whistle-blowing line and a real-time EthicsDefender online application. EthicsDefender allows employees to interact in real time with an Ethics Officer anonymously, and provides a dedicated ethics reporting email address. The channels are constantly monitored and assessed for improvements.

We have a dedicated internal ethics online group available through our human resources system (SAP/Success Factors) so that employees have access to current information detailing the services provided by the Ethics Office. The online group provides an interactive learning and communication forum for employees.

**Ethics training and awareness**

Training is fundamental to integrating and driving ethical behaviour and awareness. Discovery provides ethics training and awareness for all new employees during our core induction programme, including



ethics awareness, the importance of ethics in Discovery, how our core values guide our ethical decision-making, the Ethics Office function, and how to report unethical behaviour.

Existing employees complete online ethics awareness training, which includes modules such as introduction to ethics, why ethics matters, and an employee's role in ethics. The training provides a shared ethics vocabulary, explains the role as an employee in respecting and upholding the organisation's ethical standards, and the reasons organisations should be concerned with ethics.

Employees in leadership roles complete behavioural ethics training that aims to improve their ethical decision-making capacity, while helping them understand how their behavioural make-up may make them unconsciously susceptible to unethical behaviour, influence and decision-making. The emphasis of the training is to sensitise employees to the impact of social forces on their ethical decision-making and conduct, and aims to prevent negative organisational behavioural tendencies such as groupthink, peer pressure, role or contextual pressure, blind obedience to authority and group apathy.

Total number of employees **trained on Ethics is**  
**885**

**3 230** **online modules** completed in FY2022

**44 749** **online modules** completed across Discovery's global footprint to date



## ► CULTIVATING AN ETHICAL CULTURE

### Participation in surveys

Discovery's annual Employee Experience Survey included a dedicated ethics category in FY2022. The results indicated strong performance in line with the financial services norm, and outperformed the South African norm.

The outcomes of the survey are shared with each business unit in an individualised report highlighting the most and least positive perceptions and behaviours per unit. The Chief People Officer, supported by the Group Ethics Office, is responsible for follow-up actions and surveys and for keeping the Board updated on progress regarding action plans.

In FY2022, Discovery again participated in the GIBS Ethics Barometer Survey, a national benchmark allowing companies to measure their ethical performance. Ethics perceptions within the company revealed excellent results. The results reflected that Discovery outperformed the corporate South African benchmark in all metrics measured in the survey – an impressive outcome, given that this benchmark is predominantly represented by ethically strong organisations in South Africa.

The Ethics Office's executive advisory service, which guided us in our ethical response to the COVID-19 pandemic, was strengthened with a panel of independent specialist ethicists during FY2022. This year, we focused on building capacity into the service to assist our management team with managing and maintaining the Mandatory Vaccination Programme.

### Responding to ethical incidents

In FY2022, the Group Ethics Office received 126 substantiated reports of incidents related to ethics (FY2021: 147).

All reported cases were investigated and resolved by management, except for one where a disciplinary hearing is still in progress. This process is being managed by employee relations and forensics, and the ethics office is monitoring this matter until resolution. The Group Ethics Office provided oversight to ensure fairness and consistency in the outcomes.

The main reporting mechanisms to lodge complaints were:

Email  
**62 complaints**  
(FY2021: 81)

EthicsDefender app  
**12 complaints**  
(FY2021: 25)

Telephonically  
**26 complaints**

Ethics Hotline  
**19 requests for guidance and advice**  
(FY2021: 7)





→ **DO NO HARM**

- In this section**
- ▶ HUMAN RIGHTS AND COMMUNITY
  - ▶ RESPONSIBLE INVESTMENT

▶ **HUMAN RIGHTS AND COMMUNITY**

The protection of human rights is a critical social issue as underpinned by the first two principles of the UNGC. Discovery communicates its progress on the implementation of the principles in our annual Communication of Progress. We monitor any changes in disclosure requirements and adapt our Communication on Progress accordingly.

We uphold the rights of our employees, clients, partners, suppliers and society, and oppose all and any forms of discrimination based on race, gender, ethnicity, age, religion, political and sexual orientation and sexual expression, nationality, union membership, physical disability or HIV/Aids status.

▶ **RESPONSIBLE INVESTMENT**

The Board recognises that responsible investment requires material ESG issues be recognised, evaluated and incorporated into investment analysis and decision-making processes, including integrating ESG opportunities and issues through active ownership policies and practices. Discovery has a formal, approved Responsible Investment Policy and is a signatory to the PRI.

Discovery's investments are held in government and corporate debt instruments, collective investment schemes, listed equities on behalf of unitised life policies, and bank deposits. Most of our investments are held on behalf of our clients who have purchased linked policies and collective investments.

Discovery also holds investments to meet future policyholders' claims and solvency requirements, and to provide a buffer for unexpected events. Our stakeholders, including clients, lenders and shareholders, place their trust and confidence in us to manage and protect their interests. Therefore, we must invest responsibly. Our Responsible Investment Policy supports this, and applies to all funds and asset classes managed internally and externally.

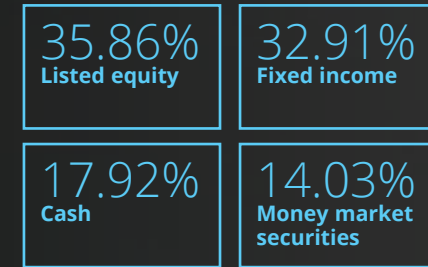
**Our Responsible Investment Policy principles**

- We require our external asset managers to incorporate ESG factors into their investment process and be active owners through proxy voting and engagement
- We require our internal functions and staff responsible for investing assets (bank deposits, bonds and other investible assets) to incorporate ESG factors into their investment process
- We are committed to public disclosure about our responsible investment policy and implementation.

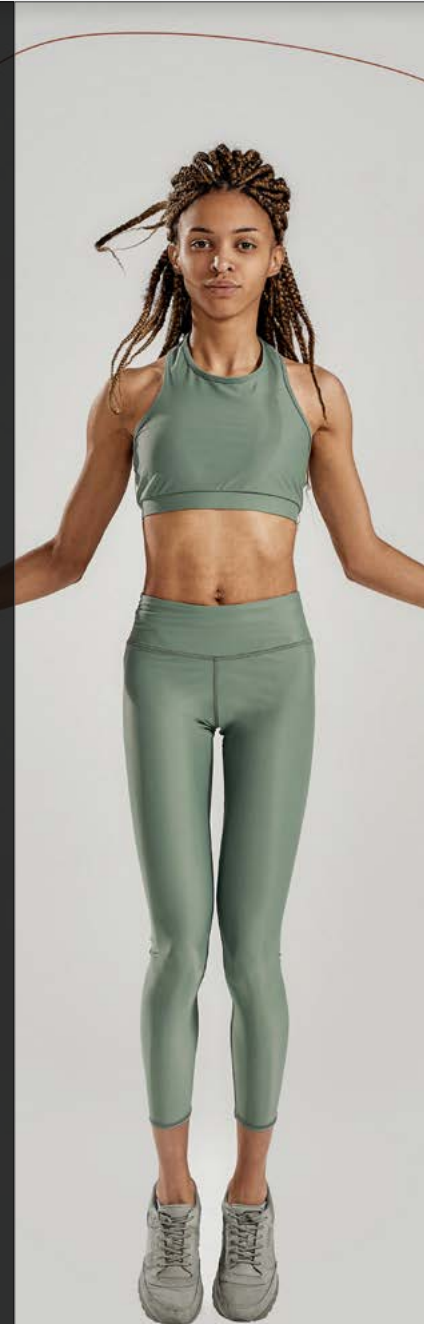
**Overview of Discovery's assets under management\***



**Our assets under management consist of:**



\* All listed equity and fixed income assets are managed by external asset manager partners.





► RESPONSIBLE INVESTMENT

**External asset managers**

We are guided by the PRI in our approach in using external asset managers, focusing on three criteria:

**Selection**

All actions that lead up to choosing an external investment manager (shortlisting, questionnaires, meetings)

**Appointment**

Formalising the relationship by setting the investment mandate through legal documentation

**Monitoring**

Regularly reviewing and assessing the quality of the activities of the external investment manager during the investment period

When we became a signatory to the PRI, most of our asset managers were appointed, so we focused on strengthening monitoring by requesting reports and feedback sessions and reviewing their ESG and responsible investment policies. We incorporate ESG in the selection and appointment of new asset managers when new appointments are required.

To deliver on their mandate, Discovery requires that asset management partners consider ESG impacts associated with their portfolio companies. ESG is therefore

included in our dialogues with most of our external managers in our defined appointment and monitoring process.

Ninety One is a global asset management firm that has been a PRI signatory since 2008. Ninety One manages most assets directly under our management in South Africa, including a large percentage of the Group's fixed income investments and Discovery-managed collective investment schemes.

Some of our bond holdings are managed by ALUWANI Capital Partners, which applies ESG principles, although the bulk of these holdings are government bonds over which we have limited influence in the application of ESG principles. Offshore funds are advised by BlackRock, which has a leading ESG programme; as a signatory to the PRI since 2008, BlackRock scored A or A+ in all 17 categories of the PRI Assessment Report in 2020.

Offshore share portfolios are managed by Goldman Sachs, which also has a comprehensive ESG programme. Recognised as an asset manager with a long-standing commitment to sustainable finance, Goldman Sachs is a signatory to the PRI, earning an A or A+ score across all categories of the PRI annual assessment in 2019, and is a member of the Sustainable Markets Initiative.

In the UK we appointed Vanguard and SEI (in addition to Ninety One) to manage our UK-based fixed income and listed equity assets. Both global asset managers are PRI signatories (since 2014 and 2018 respectively).

Asset managers appointed by Discovery to manage assets under our control are subject to their respective responsible investment policies. Discovery checks that these align with our stated policies and objectives, and considers the extent to which responsible investment is embedded in the investment and ownership practices of asset managers as part of the selection process prior to appointment.

**Incorporating ESG factors into the investment process**

The Board is responsible for setting the direction on how responsible investing should be approached and conducted by Discovery, particularly when external asset managers are appointed. We regulate the extent to which responsible investment is embedded in asset managers' investment and ownership practices through a formal mandate reflecting our Responsible Investment Policy.

The Responsible Investment Policy includes ESG factors applicable to asset managers, asset classes and investee companies, and is implemented through engagements with our asset management partners and periodic reviews of investment mandates.

As part of our responsible investment processes, we:

- Monitor reports provided by our investment managers to ensure consideration of ESG factors, and assess that they show active ownership in, for example, proxy voting and transparent management engagement

- Ensure that external asset managers and internal Discovery staff responsible for allocating investments must consider ESG factors when identifying risks and opportunities associated with their investments falling under this policy
- Review and monitor data and ESG factors of investment solutions to assess that investment strategies, including sustainability considerations, are aligned with objectives.

One of the ways in which ESG issues can be incorporated includes screening – where filters are applied to the lists of potential investments, thus ruling out or including companies for investment based on their preferences, values or ethics. Through Ninety One we follow a combination approach of integration, engagement and proxy voting whereby, if necessary, companies are encouraged to improve their ESG risk management or to develop more sustainable business practices.







► RESPONSIBLE INVESTMENT

We adhere to the precepts of the Institute of Asset Management, including its exclusion policy for manufacturers of cluster munitions, anti-personnel mines, and chemical and biological weapons.

We recognise that some clients have strong positions on investing in particular sectors or companies based on specific social issues. Accordingly, we can apply screening to prevent investment in these areas.

Similarly, we can exclude specific stocks or sectors based on a set of business activities, in line with client requirements. Specific exclusions are loaded to our trade order and deal management system, thinkFolio, which prevents any excluded stocks being purchased for the portfolio.

We have not yet incorporated ESG into our internally managed cash and money market securities investment decisions. Through our Capital, Currency and Investment Committee, we aim to integrate ESG factors in our investment analysis and decision-making process for these particular asset classes going forward, applied in reference to and through the use of ESG ratings agencies and indexes.

Allocations are guided by regulations and financial markets in South Africa, in a typically small and concentrated market.

**Primary ESG data sources for ESG application procedures for asset management and own investments**

ISS

Asset management	Procedures
<b>MSCI ESG</b> (Including for our own investments)	Ratings, controversy flags, business-involvement screens: Used to support ESG research and investment risk monitoring
<b>RepRisk</b>	Data and news: Used to support ESG research and investment-risk monitoring
<b>ISS ProxyExchange</b>	Vote execution service and research: Considered in the voting decision
<b>CDP</b>	Carbon-related data: Used to assess and understand exposure to climate change-related risks
<b>Bloomberg</b>	Various datasets: Used to support ESG research

Our focus in FY2022 was to ensure, at a policy level, that awareness and appropriate foundations and governance structures were established to support the implementation of our Responsible Investment Policy and its integration with our overall investment philosophy.

Important during this period was to ensure that our Responsible Investment Policy aligned to that of our majority asset managers and other related internal investment policies. Our current governance structures were assessed to ensure roles and responsibilities relating to the Responsible Investment Policy are allocated and that the policy is managed and reported on at the appropriate levels.

We identified suitable reporting mechanisms for internal functions and staff responsible for investing internally managed assets, incorporating ESG factors into the process. In addition, we identified adequate and regular reporting measures for externally managed assets, allowing for ESG factors and proxy voting and engagement.

We supported and participated in the quarterly PRI information platforms for Africa, where tools, resources and learning sources are shared.

We continue to participate in forums or initiatives through the PRI that address relevant emerging issues, including South Africa's National Treasury discussions on a just transition, green taxonomy – where we provided input on the PRI draft response to the South African Green Finance Taxonomy consultation, the JSE sustainability guidelines and the global Investor Agenda.

Vitality UK aligns with and supports the Group's Responsible Investment Policy principles. In line with these principles, VitalityInvest partnered with leading investment managers to manage their range of funds. They do this by using a simple three-step process that aims to:

- 1 Exclude companies that do harm
- 2 Select companies that do more to contribute towards the environment, society and governance
- 3 Review the funds and the companies they invest in regularly to ensure they continue to meet their ESG objectives.

The Group has decided to exit the UK investment market given the structural change in market conditions mainly driven by significant margin compression.





Case study  
**RESPONSIBLE INVESTMENT THROUGH NINETY ONE**

Ninety One has a comprehensive ESG policy in place and integrates ESG considerations into its investment decisions.

Ninety One aligns to investment codes of good practice in South Africa and the UK:

- Signatory to the PRI
- Signatory to the United Kingdom Stewardship Code
- Endorses Code for Responsible Investing in South Africa

Rated A+ in the 2021 PRI Assessment Report for Strategy and Governance and applicable listed asset classes, the asset manager is a founding supporter of the Impact Investing Institute in the UK and is also signatory to the:

- Singapore Stewardship Principles
- Hong Kong Principles of Responsible Ownership
- Japanese Stewardship Code
- Korea Stewardship Code
- ISG US Stewardship Principles, among others.

Ninety One is an active investor, and engages with investment teams to discuss fund performance, through regular interactions and formal quarterly meetings. Purposeful engagement ensures the preservation and growth of the real value of assets.

**Ninety One's engagement categories include:**

- Strategic**  
Engagements that focus on critical issues, including sustainability, business model and operational issues.
- General**  
Engagements that form part of the investment process and focus on engagement goals not prioritised for strategic engagement, particularly corporate governance.

**Advocacy**  
Ninety One's sustainability committee provides guidance to its investment teams on a limited number of advocacy projects. Advice includes teams' participation in advocacy where it aligns to their investment priorities.



**Overview of ESG integration within Ninety One**

	Prior to investing	Monitoring	Active ownership
<b>Assets class</b>	Fundamental research	Portfolio management	Engagement
<b>Equity</b>	Material-based integrated ESG analysis	In-house capability to monitor and alert on changes in ESG information	Conducted according to each investment team's engagement priorities
<b>Multi-asset</b>			
<b>Fixed income</b>	Integrated scorecard approach	In-house capability to monitor and alert on changes in ESG information	Quarterly sovereign ESG reviews and scorecard updates
<b>Private markets</b>	ESG assessment for assets defined by respective management systems	Monitoring needs defined following extensive due diligence exercise	

Ninety One follows different investment options and approaches across their local and offshore portfolios, both in South Africa and through VitalityInvest in the UK. The asset manager leverages advanced digital technology enabling clients to choose and compare their investment choices, while allowing clients to filter for ESG criteria in some instances.



→ **CULTIVATE TRUST**

Consumer trust is a valuable intangible asset, supporting client acquisition and retention and driving increased market share in the countries where we operate. Our brand equity has driven growth in new business through distribution support from financial advisers.

**In this section**

- ▶ PRODUCT GOVERNANCE
- ▶ DATA SECURITY AND CUSTOMER PRIVACY

To build and maintain trust we must remain true to our values of integrity, honesty and fairness and demonstrate our performance as an active corporate citizen by playing a meaningful role in the broader business community and society.

▶ **PRODUCT GOVERNANCE**

**Consumer protection and responsibility**

Our Treating Customers Fairly (TCF) Framework regulates how Discovery manages the treatment of customers at all stages of the client relationship.

Our TCF Framework ensures that:

Customers can be confident they are dealing with a company where their fair treatment is central to its culture

When customers receive advice, the advice is suitable and takes account of their circumstances

Products and services marketed and sold are designed to meet the needs of identified customer groups and are targeted accordingly

Customers are provided with products that perform as companies have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect

Customers are given clear information and are kept appropriately informed before, during and after the time of contracting

Customers do not face unreasonable post-sale barriers to change products, switch providers, submit a claim or make a complaint.

Our customer conduct frameworks define a set of requirements for each business unit within the organisation. Our customer conduct forums assist the TCF Committee – a subcommittee of the Risk and Compliance committee – with overseeing the implementation of the customer conduct frameworks and to ensure that fair treatment of clients is embedded in Discovery's culture, business operations and products.

The subcommittee, which ensures the fair treatment of customers and that management implements suitable processes to ensure such fair treatment, is a sub-committee of the Group Risk and Compliance Committee. During the year, the TCF subcommittee's terms of reference and framework documents were updated.

To ensure our business is conducted responsibly and ethically in alignment with our values, consumer protection legislation is reported to and monitored by the Social and Ethics Committee, who reports to the Discovery Board of Directors.

New products or benefits offered to clients are reviewed and approved by relevant customer conduct forums and the actuarial committees are regularly updated.

**Transparent information and fair advice**

**Transparent information**

Discovery's communications are intended to be comprehensive and transparent, using clear and uncomplicated language wherever possible. We use a multi-channel approach to communicate with our clients, ensuring they are aware of pertinent information relevant to their policies and products.

We consider the following criteria when drafting and distributing communications:

**Transparency of the content**

Discovery aims for our communications to be concise and relevant to ensure clients can understand the subject matter without becoming distracted by irrelevant content.

**Communication method**

Discovery uses a wide range of communication methods, including digital platforms (our mobile app and website), emails, SMSs, letters, and the salesforce.

**Frequency of communication**

Discovery communicates with our clients annually, as well as more frequently with ad hoc communications as and when necessary. Marketing content is also delivered through television, radio and digital channels, including social media and print advertising.

**Responsibility for communication**

While responsibility is spread throughout the organisation depending on its nature, specific approvals are required by key managers across the marketing, technical marketing, communications, and systems teams, as well as other areas where necessary.





► **PRODUCT GOVERNANCE**

Communications generally falls into two categories. While the substance of the content is similar, the tone and nature of the two vary:

**MARKETING COMMUNICATION**

- Focused on product positioning
- Financial advice is not provided
- Detail at a high level for a cursory understanding of the product features
- Material is distributed through intermediaries, and is available on the Discovery website and app

**CONTRACTUAL COMMUNICATION**

- Comprehensive disclosure on product workings, providing a full understanding of benefits, costs, policy changes, exclusions and loadings
- Communications have a consistent structure, tone and language
- Includes quotes, policy schedules, product guides, and letters
- Includes relevant information, such as contact details, complaints procedures and claims processes
- Sent to clients at appropriate points during the client lifecycle
- Material is distributed through intermediaries or directly by contacting Discovery

Marketing communication is approved by relevant business area managers and Group Compliance, and with each product launch we consider the six outcomes of our TCF principles. Products are also reviewed and approved by Group Compliance and our customer conduct forums, who consider relevant regulatory requirements and marketing elements related to the product, and report to the TCF Committee.

Our approach to marketing is governed by regulations aimed at protecting the interests of consumers. This includes policyholder protection rules, TCF legislation, the Protection of Personal Information Act (POPI Act), and the Financial Advisory and Intermediary Services Act General Code of Conduct rules. Specific sector-based codes and directives are also considered, such as guidelines issued by the Council for Medical Schemes (CMS) in healthcare insurance.

Plan guides, policy documentation, and terms and conditions are always available to members and clients through our digital platform.

Large print or braille copies of plan documentation are provided on request.

**Fair advice**

It is crucial that Discovery's representatives comply with all applicable legislative requirements and the company's ethical values. Representatives, such as financial advisers, must adhere to the highest standards of client care, and ensure clients are treated fairly.

Discovery ensures that our financial advisers remain fit and proper and provide sound advice to our clients. We make use of the smart compliance system to record and monitor all compliance and supporting documentation to advice provided and sales concluded.

A dedicated team of due diligence officers and compliance officers ensures the compliance documents and financial services provided to our clients adhere to the requirements of the Financial Advisory and Intermediary Services Act and the General Code of Conduct for Financial Services Providers and Representatives.

Group Compliance, an independent second line function, provides oversight through:

- Planned and ad hoc monitoring reviews
- Guidance notes
- Regulatory change programmes, among others.

**Product programmes**

11 410 employees

completed

441 product training programmes

in FY2022



**Product training** is continuously provided to support **product launches** and **upskilling employees** in operational business teams.





## ► DATA SECURITY AND CLIENT PRIVACY

Data security and privacy continue to be our highest priority; we are committed to protecting our clients' data and digital lives.

Discovery uses data to improve services and develop products that meet our clients' needs; thus, it is imperative that we ensure the responsible collection, use, security, retention and sharing of personal information to operate ethically and preserve the trust of our clients and partners.

We are unique in terms of the types and volumes of data we collect and analyse, and to protect client information we ensure robust processes are established to control access to systems and databases. Our data-centric model ensures vital information is safeguarded as we build, enhance and deliver innovative products.

We have a fiduciary duty to protect the data we collect and implemented appropriate measures across the Group to support data integrity, privacy and security. Our comprehensive Data Governance, and Data Management and Data Privacy Framework covers all aspects of collecting, using and retaining data and our data governance and data privacy forums respectively oversee the implementation of the framework.

The Information governance and security team develops and maintains a trusted and secure platform for engagement with clients. Data, security and privacy require a multidisciplinary approach, and technology solutions, mature processes and skilled employees contribute to ensuring that clients who engage with Discovery do so with ease and trust.

Various business areas oversee these aspects, including Business (through the Group Privacy Officer and Deputy Information Officers), and specialised functions such as Compliance, Risk, Legal and Human Resources. The Group Privacy Office is responsible for engaging with clients and employees on privacy matters.

Our framework continues to mature across business areas, and in FY2022 we enhanced our alignment with data privacy requirements by implementing a privacy information management platform. The aim of the platform is to create transparency and visibility on privacy-related activities across the Group.

### Risks

Our primary risks include the security of data, cyber threats and cyber security, and the increasing digitisation of our business. Remote working poses a challenge in terms of cyber-security risks, which we mitigate by enhancing our security, privacy and data loss perimeters; additionally, we frequently conduct awareness sessions and training for employees to ensure the risk of cyber threats and privacy concerns are top of mind. We are working towards a Digital Trust Framework to enable our workforce to access our resources safely, from anywhere.

Cyber-threat activity is increasing with general phishing and scam campaigns. There has been an increase in exploit toolkits, which are used by cyber criminals to attack vulnerabilities in systems to distribute malware. We have also faced significant phishing and credential stuffing attacks.

In response, we rapidly enforced multi-factor authentication mechanisms across our customer channels to mitigate credential stuffing attacks, and we advanced our security capabilities to deter the ever-present phishing threats. Our teams remain alert to and continuously monitor potential threats.

### IT governance

Our Group Risk and Compliance Committee, supported by our Group Chief Information Officer (CIO), Group Chief Information Security Officer and Group CIO Forum, is responsible for technology and information governance. The Group Chief Risk Officer monitors, assesses and reports on data risks.

The IT team regularly reports to the Board in support of initiatives that drive our strategic shift towards a data-centric cyber-security model. In addition, the Board and Executive Committee oversee our compliance with the standards of the European Union General Data Protection Regulation and the POPI Act in South Africa.

The Group CIO Forum's mandate aligns to King IV™ practices and emphasises data governance and privacy. Risks are classified under the ISO 27001 Information Security Standard and the National Institute of Standards and Technology Cybersecurity Framework. Both frameworks drive the security programmes we implement to enhance our systems and processes.



### Auditing and training

Our security polices, systems and processes are audited by an independent external auditor annually. Training on compulsory data privacy and cybersecurity awareness is conducted for our developers, long-term contractors and employees quarterly. The training is tailored for our financial advisers and business consultants who also complete modules on data and compliance. Privacy and security training is provided to new employees.

We apply strict data sharing and identity protection policies in our interactions with service providers, and only share data when necessary, with client consent. Our dynamic technology environment supports the unique requirements of each business unit, and every CIO is part of the Group CIO Forum. This ensures alignment with Group initiatives and data and cyber-security standards.



## OUR CONTROL ENVIRONMENT

In Discovery, logical and physical access management is controlled by an end-to-end life cycle process that integrates into the Discovery human resources systems and processes. Appropriate structures, forums, programmes, directives and controls ensure data governance.

Periodic internal and external reviews are conducted to measure the adequacy of the implemented controls on infrastructure and platforms processing confidential data. Changes to the environment processing personal confidential data adhere to processes and a strict change management protocol.

Organisational security includes the following measures:

- Employees are required to complete the security awareness training conducted through videos and assessments
- A dedicated Information security team reports to the Group Chief Information Security Officer
- Employees are required to sign a confidentiality agreement
- A background check is done for new employees, including credit checks, criminal records, previous employment and verification
- Physical and logical access is promptly removed for terminated employees
- All third-party service providers must undergo a stringent due diligence process.

Security policies are held at Group level. These provide a comprehensive governance environment across acceptable use, application security, cloud computing, incident response, data governance

and data management, passwords, mobile device management, removable media and technology equipment disposal, among others.

We commit to notifying all affected clients if their information is breached based on the notification process stipulated in their contract with Discovery, and as required by data privacy legislation to the appropriate regulating bodies.

Key management activities include:

- **Information governance and privacy** ensures that Discovery's information and the data of its stakeholders are protected, lawfully processed and managed across its lifecycle.
- **Information security services** proactively protect and defend the organisation from threats, and prevent the occurrence and recurrence of incidents commensurate with the organisation's risk appetite.
- **Cyber security** monitors ongoing operations and actively hunt for and detect adversaries, and respond to and report instances of suspicious events and unauthorised actions promptly. We also provide ongoing actionable threat intelligence and perform resilience exercises to continuously improve posture.
- **Management assurance** ensures that we are accountable for appropriate controls which are validated for the governance of information assets, including the successful adoption of risk mitigating capabilities. This function is charged with ensuring procedures and activities comply with regulatory requirements and internal policies, standards and processes.

## FUTURE FOCUS AREAS

GRI

We aim to optimise our data and technology environment for affordability, quality and cost, by:

- Simplifying and automating processes to empower people, reduce costs and engage digitally with employees, members and partners
- Tracking to reduce downtime, enhance operations, improve cyber security and increase developer productivity

Aligning data and technology spend to business needs:

- Developing strategic supplier relationships
- Providing services internally on a commercially transparent basis
- Enhancing data and technology governance and risk management

We will also prepare our data and technology environment for future needs and market forces. This includes a fully digital experience, federal innovation and disruptive technology, where we:

- Create an innovation vanguard in key business technology areas, including digital channel architecture, customer relationship and experience management, digital skills and digital technology foundation
- Create a learning effect through communities of practice in digital innovation, digital culture and practices and digital governance
- Enable and scale early success in Agile platforms, Cloud Era skills, prototyping and business use cases and composable architecture



### POPI ACT

The POPI Act, which sets out a comprehensive set of conditions for governing the collection, processing, storage, communication and disclosure of personal information, has been in full effect since July 2021. The Discovery executive team and Board reviewed the POPI Act implementation programme in depth and is satisfied that Discovery operates in line with the requirements of the Act. In FY2022, we included compulsory POPI Act training as part of our Privacy Programme rollout.



*Our capabilities are a strategic imperative for Discovery and a critical pillar in our strategy and Shared-value Insurance model.*

*We leverage our data and technological capabilities to create an integrated experience for our clients across all businesses and to drive our expansion globally.*

## IN THIS SECTION

Managing our risk



### KEY METRICS

- R57.81 million in SA and £80 025 in UK in ESG research spend
- R210 147 302 million fraud recovery
- 7 796 people trained in anti-corruption
- 68 013 Flexicare retail memberships
- 10 540 bookings made on Connected Care
- Number of registered doctors on HealthID is 5 369

## → MANAGING RISK

Risk management is a critical function, and identifying and managing ESG-related risks across our business and supply chain is becoming increasingly important.

At Discovery, comprehensive mechanisms are in place for identifying, managing, reporting and aggregating risks. We drive a top-down risk management approach by factoring risk into decision-making, and a bottom-up approach as part of our day-to-day processes and projects. The Board is the highest body responsible for risk governance within the Group, and is assisted by the Group Risk and Compliance Committee to implement processes that ensure risks are identified and managed within Board-approved risk appetite and limits.

Our Risk Management Framework is clearly defined and embedded across the Group. It enforces consistency within our set risk taxonomy across all entities, and includes a risk-rating matrix scaled for each entity, to assess and rank the likelihood of risks and their impact. A three-lines-of-defence model is applied which is core to our model and identifies and manages material risks. Our risk appetite and limits are set at business entity and Group levels, with clear accountability and reporting requirements.

Our formal Group Risk and Compliance Committee meets six times annually to ensure that material risks that could affect the Group are identified, evaluated and effectively managed. Committee meeting findings are reported to the Board for review and discussion.

## Emerging risks and research

We track and respond to ESG-related risks in the ordinary course of our business, including those linked to health issues and broader trends, such as the effects of an ageing population. ESG risks are treated in the same manner as all risks set out in our Group-wide risk taxonomy. ESG risks that impact the health of our clients are managed as part of our business with the Vitality programme.

Incentivising healthy behaviour lies at the core of our business, and our Vitality programme mitigates health risks by delivering tailored programmes that encourage healthy behaviour. In turn, this positively impacts society – healthier people place less pressure on public health services. In addition, our vast dataset on health and related behaviours allows us to assess and respond to geographic health trends, such as levels of diabetes, in different markets.

Some emerging risk themes have opportunities linked to existing or potential products that benefit members, our continued market relevance and society. For example, Discovery supports technological advances in healthcare, such as delivering remote care to clients through the Connected Care platform that safely and securely links patients and providers. We also actively engage with all stakeholders in the healthcare ecosystem to assess and

support (where these deliver safe, effective, and cost-effective care) technological advancements in treatments and advances in medical treatment options.

NHI in South Africa is a risk area related to healthcare access and need. It stands as both a risk and an opportunity – a risk in its potential impact on the sustainability of medical schemes; an opportunity to address the levels of inequality in healthcare access and limited basic healthcare provision.

## Opportunities arising from ESG risks

Risks related to emerging health issues like obesity and the impact of environmental changes, urbanisation trends, and an ageing population present opportunities for our business. Increasing volumes of evidence link engagement levels with Vitality to increased wellness, and other product enhancements related to emerging trends stand to deliver shared value across members, Discovery and society.

Discovery Health, Discovery Life, Vitality and the UK businesses track these risks as part of their business-as-usual processes. As clear trends emerge in the data, these risks move from a macro level to defined risks with clear opportunities for mitigation and product development or enhancement.


[Our purpose and values](#)
[Our people](#)
[Our brand](#)
[Our capabilities](#)
[Governance](#)

## OUR CAPABILITIES

Managing risk

### Research on ESG risks

Discovery's rich evidence base covers behavioural science, preventive medicine, nutrition and workplace health, among others. Since 2005, we have published almost 50 papers in academic journals in partnership with leading researchers, universities and institutions.

In addition, we conduct internal research, mostly white papers released, where applicable, as Discoverers for our broker partners. Internal research is ongoing to support evidence-based decision-making.

Research spend in South Africa in 2022:

**R57.81 million**

(2021: R50 million)

Research spend for Vitality UK in 2022:

**£80 025**

For some of the recent research conducted, see below:







## Corruption and other financial crime

ISS

Discovery is committed to preventing financial crime, including money laundering, bribery and corruption, fraud, theft and market abuse, and funding terrorist activity. Our risk-based internal procedures, policies (including our Group Anti-corruption Policy, Whistle-blowing Policy, Financial Crime Risk Management Policy and Anti-money Laundering Policy), systems and controls ensure that high standards of awareness and crime prevention are maintained across the Group.

Business units within Discovery may elect to develop their own policies regarding anti-corruption, provided that their policies remain consistent with the Group Anti-corruption Policy, and any deviation must be approved by the Board.

We mitigate financial crime risks by:

### CONDUCTING DUE DILIGENCE

Discovery implemented due diligence processes to manage and monitor our relationships with clients. Different levels of due diligence measures are applied based on risk exposure, including identification, verification and screening of relationships on an ongoing basis and as part of establishing a relationship.

We use the World-Check database to detect individuals and entities listed on sanctions or politically exposed persons lists. Clients operating in high-risk countries are flagged for investigation and an enhanced due diligence process.

### ENCOURAGING REPORTING

We encourage all internal and external stakeholders, including employees, clients and partners, to report fraud, bribery, corruption, money laundering and unethical behaviour to our whistle-blowing hotline. This report can be made anonymously.

Discovery implemented several platforms in addition to the whistle-blowing hotline, including reporting criminal or unethical behaviour to the relevant Board committee, human resource function, the financial sector regulator, a law enforcement agency or recognised professional body. These platforms are facilitated and monitored by Group Forensics, Ethics and the Financial Crime Office.

Discovery also has a standard operating process to guide employees on reporting a suspicious transaction or activity to the Money Laundering Compliance Officer and Financial Intelligence Centre. The process is accessible on the central Policy Portal on the Group intranet, along with comprehensive detail on all aspects of the Risk Management and Compliance Programme.

### PROVIDING TRAINING AND AWARENESS SESSIONS

Employees are appropriately trained in anti-money laundering and counter-terrorist financing, corruption, financial crime and sanctions regulation according to their level of engagement with client onboarding and transactions.

Training is compulsory for all employees. Refresher training is provided annually, and awareness sessions are conducted on an ongoing basis.

### IMPLEMENTING ROBUST POLICIES AND PROCESSES TO MANAGE FINANCIAL CRIME

Through our Anti-corruption, Anti-money Laundering, Whistle-blowing and Financial Crime Risk Management policies, we encourage a zero-tolerance attitude towards financial crime and empower employees to raise matters of concern.



7 796 people  
(2021: 6 671) received communication and training on anti-corruption, terrorist financing and international sanctions.

Core employees are required to complete anti-money laundering training (new employees receive training as part of their induction, and existing employees receive training on an annual basis).

0

confirmed incidents (2021: 0) of corruption in which an employee was dismissed or disciplined in South Africa



### ANTI-COMPETITIVE PRACTICES

Discovery's business practices are premised on principles of open competition. Discovery prohibits anti-competitive behaviour and has a firm compliance strategy and frameworks in support of sound legal practices.

Group Compliance, First-line Compliance and Group Legal were trained on the Competition Law in 2021, the recording of which was made available for completion through the learning management system. Executive and Non-executive Directors and employees will be educated on the elements of anti-competitive behaviour to mitigate the risk of such behaviour through a compulsory training initiative in FY2022 and FY2023. Group Compliance is providing advice on the development of an anti-competitive practices framework.

In FY2022, a brokerage self-initiated proceedings in the Competition Tribunal against Discovery Health due to its decision not to pay commission to the brokerage, in respect of advisory services rendered to a company that has a designated broker(s), as the brokerage in question was not a designated broker. These proceedings were instituted on the back of a finding during dispute resolution processes instituted in terms of the Medical Schemes Act, that this decision did not contravene the Medical Schemes Act and the Competition Commission, having taken a decision not to refer the matter to the Competition Tribunal. This matter is in the initial stages of the litigation process.

**ISS**

Discovery's Share Trading and Price-sensitive Information Policy sets out clear rules regarding insider dealings and regulates securities trading. Reminders on prohibition of trading in securities during defined or cautionary closed periods are communicated to all employees, and employees have been provided compulsory training in this matter.

Our Conflict of Interest Policy provides a framework for preventing conflicts of interest wherever possible and provides guidelines on dealing with unavoidable conflicts ethically and responsibly to mitigate potential risks. This includes information on employees accepting gifts, favours or entertainment. Compulsory annual training is provided to employees.

### MONITORING POLICY COMPLIANCE

Group policies are reviewed every second year or in the event of any material legislative or operational changes. Compliance with Group compliance policies is monitored by the Discovery Risk and Compliance Committee. Any breach of, or non-compliance with, these policies must be communicated to the applicable stakeholders as soon as reasonably practical.

Group Compliance, with input from key stakeholders, considers appropriate actions required to address non-compliance; if agreement on appropriate actions cannot be reached, the matter is escalated to the Chairperson of the Risk and Compliance Committee, who decides whether the breach or non-compliance is sufficiently material to be escalated further. If so, it is escalated to the Board, a Board committee or person. All instances of non-compliance with this framework are included in the regular compliance reporting process.

Company Secretarial owns the policy management process and implemented a policy portal available to employees. The portal prompts business units to review policies timeously, ensuring that the correct committees or the Board review and approve the policy according to the process.

Group Compliance supports Company Secretarial in this process to ensure that regulatory components align with the content and intention of policies. They also make recommendations and ensure the relevance and quality of the policies.



If you would like to report any suspicious behaviour relating to fraud, waste and abuse, please call

**0800 00 45 11**

(toll free) or email [discovery@tip-offs.com](mailto:discovery@tip-offs.com).

Discovery encourages reports related to fraud, including an incentive for whistle-blowers to receive up to 10% of monies recovered by contacting

**43477** via SMS, calling **0800 004 500**

toll-free or emailing [forensics@discovery.co.za](mailto:forensics@discovery.co.za).



### Preventing fraud, waste and abuse in the medical scheme environment

Fraud, waste and abuse (FWA) in the medical scheme environment poses a material risk to the sustainability of medical schemes. Considering escalating medical inflation and costs of healthcare, medical schemes have an obligation to manage these challenges and to protect the integrity of the healthcare system. Discovery Health invests substantial resources to address and manage FWA fairly and responsibly to preserve the schemes it administers for the benefit of its members.

Discovery's Group Forensic department has a specialised team of over 100 analysts and professional investigators who use forensic software systems to identify unusual claim patterns. Many incidents result from external complaints from members, other practitioners, and third-party whistle-blowers. Discovery Health prioritises every case arising from a tip-off.

Our fraud investigation processes are objective, impartial and fact-based. They comply with legislation and have been tested or approved through external legal reviews, senior counsel opinions and court judgments.

Recoveries and savings figures for FY2022:

**R210 million**

### Healthcare Professionals Reference Group

Discovery Health established the Healthcare Professionals Reference Group. In this forum, healthcare professional associations advise and contribute to the review, development and redesign of Discovery Health's forensic processes to enhance the fairness and effectiveness thereof.

In FY2022, the forum gathered to understand in greater detail the concerns from Discovery Health and provider associations' perspectives. The independently facilitated forum resulted in a finalised report of key recommendations to:

- Establish a billing review committee to focus on clinical coding matters (which form a small portion of forensic matters)
- Update communication templates to improve the tone of engagement
- Provide soft skill training for investigators
- Review key learnings from a pilot mediation or dispute resolution process
- Agree to encourage providers to involve their professional associations in investigations
- Provide material and case studies to enable professional associations to better inform their members regarding the processes and need for co-operation.

There is ongoing engagement with the Healthcare Professionals Reference Group on the action points, with the next meeting planned for 2022.



### FWA Tribunal

As part of an industry-wide collaboration to combat FWA, Discovery is actively supporting the CMS and working with all stakeholders to guard against the corrosive effects of corruption in the healthcare system.

Discovery Health engaged with the CMS through the HFA in this regard, which has formally expressed concern regarding the slow pace of progress in finalising the industry code of best practice as well as an industry tribunal for resolving disputes. The CMS has released no further updates.



## Managing regulatory risks – key developments in SA

We are committed to managing regulatory risk proactively. Recent developments we are monitoring include, among others:

### The Health Market Inquiry report

The recommendations of the Health Market Inquiry (HMI) report were referenced by various stakeholders in presentations made to the Parliamentary Portfolio Committee on Health (PCoH) hearings on the NHI Bill.

The inputs highlighted the importance of these recommendations for a sustainable private health sector. Discovery's submission of 25 January 2022 urged government to consider the HMI recommendations towards a reformed private sector. The Department of Health's presentation to the PCoH referenced disagreement with parts of the HMI recommendations dealing with measures for supporting small schemes. No further official developments have been noted.

### Draft Conduct of Financial Institutions Bill

The draft Conduct of Financial Institutions Bill will serve as a holistic, overarching legal framework for conduct-related legislation in the South African financial sector. A third version of the Bill is currently in the parliamentary process and serving before the National Economic Development and Labour Council. The next step is for the Bill to be tabled in Parliament. The Financial Sector Conduct Authority (FSCA) continues to support National Treasury in refining and progressing the Bill, which includes an assessment of current legislative instruments that overlap with the Bill. Discovery is an active participant in the industry body, FSCA and National Treasury engagements and concurred with the Association for Savings and Investment South Africa comments submission on the third version of the Bill in January 2022.

### Employment Equity Amendment Bill

The Employment Equity Amendment (EEA) Bill proposes significant amendments to the EEA, notably an amendment for a designated employer to set numerical goals in its EE Plan, complying with the sectoral targets set by the Minister of Employment and Labour.

The sectoral numerical targets aim to ensure equitable representation of suitably qualified people from designated groups at all occupational levels in the workforce.

The EEA Bill has progressed through parliament and is with the President for assent. We anticipate that from September 2022, Discovery's EE plans will need to align to the five-year targets. We participated in the consultation phase and reiterated our views in our submission: we believe transformation is imperative to elevate the socio-economic landscape of South Africa and are, generally, in support of the objectives of the proposals contained in the EEA Bill.

### Draft Financial Sector Transformation Strategy (FSCA)

One of the FSCA's strategic objectives is to promote the development of an innovative, inclusive and sustainable financial system and to support the transformation of the financial sector. Discovery supports transformation in the financial sector and acknowledges that there remains work to achieve the country's National Development Plan objectives.

### Draft Official Identity Management Policy

The draft policy aims to provide a framework recognising equality, non-discrimination and human dignity values when managing the official identity and status of all citizens and non-citizens who interface with the Department of Home Affairs (DHA). It also supports an inclusive, secure, accurate and confidential digital population register. Discovery participated in the consultation on the draft policy and reiterated its support for preventing discrimination against minority groups.

### Carbon Tax Act

As a signatory to the Paris Agreement, South Africa must meet its goals in reducing national GHG emissions in line with global temperature targets. To affirm the country's commitment and as a mechanism to foster behavioural change, South Africa passed the Carbon Tax Act in 2019. The Act imposes a tax on GHG emissions in South Africa. Specifically, it applies to persons conducting a GHG emitting activity, listed in Schedule 2 of the Act, with a combined total capacity above the threshold for that activity. Discovery's tax is based on its Scope 1 activities and is paid annually.



### Regulatory engagements

We work to ensure that our engagements with regulators are constructive and supportive. Recent engagements include:

#### FSCA

During the past year, Discovery attended scheduled monthly, quarterly and annual meetings with the FSCA, and ad hoc meetings as and when required. Discovery participated in FSCA forums and engaged on licensing applications, exemptions, complaints responses, market conduct, statutory returns and binder notifications. We also participated in engagements on the future regulation of medical schemes and low-cost benefit options.

#### PRUDENTIAL AUTHORITY

In FY2022, Discovery executives and Group Compliance met with the Prudential Authority through monthly, quarterly and annual meetings, and ad hoc meetings as and when required. Discovery participated in Prudential Authority forums, and engaged on licensing applications, key person change notifications, information requests, market conduct, statutory returns and material outsourcing notifications.

**COVID-19**

PMB requirements

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Vaccine costs

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Data requirements

Discovery Health continues to contribute positively to research and thought leadership on vaccine efficacy (in collaboration with the South African Medical Research Council) and long-COVID-19 effects.

Our vaccination sites across South Africa were for the benefit of all South Africans, with 1 024 958 vaccinations administered as at 31 March 2022.

**Low-Cost Benefit Options**

Joint Advisory Committee established by CMS

Discovery Health continues to participate in the Advisory Committee process. A draft framework document is under discussion. Existing insurers have been invited to re-apply for exemptions for a further two-year period (the current exemptions expired on 31 March 2022). The HFA continues to advocate for medical schemes to be allowed to participate in the exemption process.

**Fraud, waste and abuse**

Section 59 Interim Report and CMS FWA Tribunal

Discovery Health made detailed submissions on the Interim Report and is participating in the FWA Advisory Committee.

**National Health Insurance**

Nedlac deliberations on NHI Bill

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Portfolio Committee Hearings on NHI Bill

Discovery Health presented to the PCoH on 25 January 2022 and continues to participate in industry engagements directly, as well as through Business Unity South Africa and the HFA. The PCoH concluded the public hearings and resolved to proceed with a clause-by-clause review of the NHI Bill, following which it will be referred to the National Council of Provinces.

### Managing supply chain risks

Discovery is a supplier of financial services and products delivered across seven businesses:



The main elements of our supply chain as they relate to the activities, primary brands, products, and services of our businesses are:

OPERATIONAL INPUT INTO OUR BUSINESSES	SERVING OUR CLIENTS AND MEMBERS	VALUE-ADDED PARTNERS
<ul style="list-style-type: none"> <li>→ Technology infrastructure, including software purchase and licensing, computer leasing and maintenance</li> <li>→ Bank ongoing enhancements</li> <li>→ Technology partners</li> <li>→ Professional and management services</li> <li>→ Building/facilities services</li> <li>→ Marketing services</li> <li>→ Non-discretionary fees for licences with regulatory bodies and sector-related associations.</li> </ul>	<ul style="list-style-type: none"> <li>→ Brokers</li> <li>→ Financial advisers</li> <li>→ Discovery and Vitality platforms, including Apps and website</li> <li>→ Call centres</li> <li>→ Claims processing and provider payments.</li> </ul>	<ul style="list-style-type: none"> <li>→ Healthcare professionals, including doctors and specialists</li> <li>→ Hospitals</li> <li>→ Third-party service providers for Discovery Insure (including building contractors, contents replacement and repair providers, Active Rewards partners, and assessing partners)</li> <li>→ Retail partners (including our Tier 1 partners of gyms, HealthyFood partners, pharmacies, sports gear and equipment, fitness devices, leisure, travel, flights and fuel</li> <li>→ Other partners (including retail and lifestyle, and fitness platforms and communities).</li> </ul>
<div style="border: 1px dashed gray; padding: 5px; display: inline-block;"> <b>Applicable businesses</b> </div>		
<div style="border: 1px dashed gray; padding: 5px; display: inline-block;"> <b>Applicable businesses</b> </div>		



### Risk awareness and management measures in supply chain management

Group Procurement is responsible for risks relating to supply chain management. Group Risk Management facilitates the periodic assessment of these risks, including the strategic objectives and changes to processes. Risks are also identified, and applicable controls and related actions are formulated, tracked and reported on.

Process owners are subject to assessment to ensure that relevant management teams consider risk awareness and proactively manage risk.

The procurement management team sets and monitors key performance indicators and report on this as part of their business-as-usual activities.

As a financial services entity, Discovery has a minimal requirement for raw materials (which, in other industries, would constitute production inputs). The procurement of goods is, however, aligned with our value of being a force for good and as a signatory of the UNGC.

Prospective suppliers are subject to a comprehensive screening process and expected to comply with applicable Group policies, including the Anti-corruption Policy. Further, the Anti-corruption Policy itself includes extensive coverage of the expectations of vendors regarding anti-corruption.

Supplier screening includes economic risk and ESG factors through due diligence checks for compliance against:

- South African Revenue Service
- Companies and Intellectual Property Commission
- ESG assessments
- B-BBEE verification and compliance (with annual ratings verification through vendor submission of valid rating certificates).

The Group Procurement mandate and key performance indicator performance assessments are linked to the successful social and governance metrics assessment.

We are undertaking a supplier mapping exercise and policy review to maximise ESG considerations in our procurement process. This will include mapping the ESG impacts of our suppliers to ensure we can:

- Encourage responsible ESG practices across our supply chain
- Detect suppliers that constitute a potential ESG risk to the company
- Direct our response appropriately.

During FY21, we ran a pilot to include ESG screening to form part of standard operating procedures in supplier management, to assess the effectiveness of the questionnaire for suppliers and assessors.

To ensure that smaller entities were not disadvantaged during the screening process, only bids aimed at large entities with an annual turnover of more than R50 million in terms of B-BBEE legislation included the sustainability questionnaire. Our aim is to finalise the pilot in December 2022.

A supplier mapping process to assess the sustainability risks and opportunities of current suppliers will begin in December 2022.





### Preferential procurement

We increased our procurement spend on designated groups, focusing on black youth-owned businesses. We provide support by identifying suitable companies and facilitating access within Discovery to give them greater exposure and broaden their networks across the organisation.

We engage closely with existing suppliers to improve their B-BBEE ratings. While our primary objective is to optimise value for money, we maintain minimum requirements for awarding contracts. In instances where a supplier with a sub-optimal B-BBEE level is awarded a contract

based on a value proposition, we agree on predefined milestones with the supplier that must be achieved over the contract term. Our tiered points scoring system ensures that suppliers who are part of designated groups can compete fairly against well-established businesses.

We commit to maintaining fairness and integrity when awarding and managing contracts. We work closely with internal teams to ensure clarity in defining the scope of work and transparency in the criteria we use to evaluate bidder proposals.

In FY2022, we spent

**R2.73 billion**

**on procurement of black-owned businesses**

(2021: R1.62 billion; 2020: R1.57 billion; 2019: R1.37 billion)



**R2.58 billion**

**actual spend on SMEs**

(2021: R1.66 billion; 2020: R1.1 billion; 2019: R535 million)

**R1.58 billion**

**actual spend on 30% black women-owned enterprises**

(2021: R864 million; 2020: R947 million; 2019: R535 million)

**R8.94 billion**

**total procurement spend**

(2021: R7.24 billion; 2020: R5.7 billion; 2019: R5.28 billion)

To help **achieve B-BBEE procurement targets**, Discovery endeavours to do business with suppliers with a minimum **level 4 contribution**

B-BBEE Scorecard indicators	RECOGNISED SPEND			TARGET		
	%	Amount	Points	%	Amount	Points
Spend on all B-BBEE empowering suppliers	83.34%	<b>R7 447 282 805.00</b>	4.00	80%	<b>R7 149 084 675.20</b>	4.00
Spend on qualifying small enterprises empowering suppliers	11.87%	<b>R1 061 130 350.00</b>	1.32	18%	<b>R1 608 544 051.92</b>	2.00
Spend on exempted micro enterprise empowering suppliers	17.05%	<b>R1 523 494 793.00</b>	2.00	12%	<b>R1 072 362 701.28</b>	2.00
Spend on empowering suppliers that are at least 51% black-owned	30.55%	<b>R2 730 248 714.00</b>	5.00	30%	<b>R2 680 906 753.20</b>	5.00
Spend on empowering suppliers that are at least 30% black female-owned	17.63%	<b>R1 575 830 493.00</b>	2.00	10%	<b>R893 635 584.40</b>	2.00
<b>Bonus indicators</b>						
Spend on black stockbrokers and black fund managers	21.77%	<b>R 1 326 394 437.49</b>	2.00	5%	<b>R446 817 792.20</b>	2.00
Spend on designated group suppliers with at least 51% black ownership	4.21%	<b>R 376 594 825.00</b>	2.00	2%	<b>R178 727 116.88</b>	2.00



**OUR CAPABILITIES**  
Managing risk

**Enterprise and supplier development**

Promoting the growth and sustainability of businesses is critical to how we manage risks in our supply chain. We work to transform the economic landscape in South Africa with more black participants, particularly those with entrepreneurial drive leading to innovation, job creation, new commercial frontiers and a broadened asset base. We leverage our impact on the economy through our vast network of suppliers that support our business.

We target enterprises with over 51% black ownership and a turnover of less than R50 million rand as our qualifying enterprise and supplier development (ESD) beneficiaries – giving preference to black women-owned and youth-owned enterprises – and provide financial support in the form of loans and grants. We also provide non-financial support, such as business development support, training and mentorship opportunities.

We spread ESD loans across various sectors to meet the requirements of the business units in our South African operations. These include:

- New and existing medical facilities
- The transport sector
- The wellness sector
- Partner empowerment and job creation
- Supplier development
- Working capital for strategic suppliers
- Increasing product uptake
- Broker assistance
- Doctor and intermediary support.

The total value of **ESD loans** on our books is over **R74 million** (2021: R76.8 million)

**We supported**  
**149**  
**entrepreneurs**  
in 2022 (2021: 37)

**JABULANI SAFE HUB**

Discovery's ESD relationship with the Jabulani Safe Hub began in 2018. The Safe Hub is strategically located in the marginalised township community of Jabulani, Soweto. It provides a physical and emotional safe space where young people can access services, opportunities and support through sports, arts and culture-based programmes focusing on personal development, health, safety, education, accredited training and employability.

The globally award-winning Safe Hub model was designed to disrupt the intergenerational cycles of poverty, unemployment and inequality that trap young people growing up in disadvantaged communities. Through healthy and robust relationships with well-trained coaches and facilitators, young people are encouraged to explore their independence and individuality, build a core set of values, and strengthen their ability to deal with the challenges they face in everyday life.

The Safe Hub reaches **5 262** young people in Soweto (target: 2 000)

The Safe Hub hires **88 individuals** (target: 31)

The initiative **contributes to infrastructure development**, including construction of the youth and community centre and local economic zone, completed in 2021

**B-BBEE**

Since its promulgation in April 2004, the B-BBEE Act has formed the basis of the South African government's regulation of BEE. Discovery embraces this as we recognise the importance of transformation in our society for a growing and healthy economy.

Discovery Limited maintained level 1 contributor status in its annual B-BBEE audit on 30 September 2022, valid until 29 September 2023.







→ **INNOVATE FOR IMPACT**

**Financial inclusion**

Discovery's efforts in financial inclusion are broadly delivered across two areas:

- Product provision
- Increasing access through distribution and outreach.

We also have a dedicated ESD function to coordinate efforts and develop identified suppliers in our ecosystem.

**Access to quality healthcare**

Access to quality private healthcare is limited in South Africa, where most of the population relies on an over-extended public health system. Discovery recognises the need and importance of finding solutions to extend access to quality healthcare to more people at an affordable price. By strengthening and expanding access to quality private healthcare, Discovery Health reduces the burden on the public healthcare system.

**PRODUCT PROVISION**

Discovery continues to innovate in delivering healthcare and financial services, and we constantly strive to create new and appropriate product offerings that will increase opportunities to reach underserved demographics. The following sections detail some of these innovative offerings geared at increasing access and improving financial inclusion.

**Discovery Health**

**Flexicare**

Flexicare is a unique healthcare product – powered by Discovery and underwritten by Auto and General – providing access to quality private healthcare and wellness management to lower-income members and their families at an acceptable cost. The product was previously only offered in the employer market by Discovery.

It is part of our bold ambition to extend quality primary healthcare solutions to one million South Africans by 2025. Flexicare Retail membership covers unlimited general practitioner consultations with a Flexicare network doctor, medicine as prescribed by a general practitioner, chronic medicine for 27 conditions, basic dentistry, and basic optometry. Flexicare Retail members have the option to add trauma benefits and funeral cover.

**68 013 lives** covered by Flexicare at the end of June 2022 (July 2021: 58 034) an increase of 17%

**Discovery Insure**

Discovery Insure designed its Essential Plan to provide affordable insurance cover, particularly for the price sensitive market. The Essential Plan has lower limits on embedded benefits than the Classic and Purple Plans, but still offers comprehensive insurance cover with unique driving rewards and state-of-the-art safety features with Vitality Drive at a competitive price.

**Discovery KeyCare**

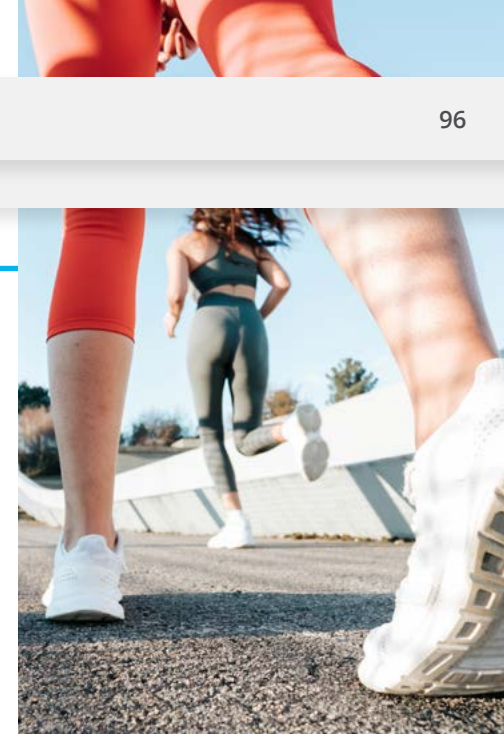
KeyCare is an affordable medical aid option, providing unlimited cover for hospital admissions, full cover in hospital for specialists, day-to-day cover, full cover for chronic medicines, extensive cover for pregnancy, and screening and prevention benefits.

We launched Keycare Start Regional in May 2022, which extends access to medical scheme coverage at the lowest price in the industry for individuals in specific regions. The lower entry point is facilitated through a close partnership between DHMS, Mediclinic and Intercare, enabling efficient, coordinated care for members.

Average number of lives covered by Keycare as at June 2022 is **230 148** (2021: 404 984) a decrease of 43.17%

**Discovery Prepaid Health**

Discovery Prepaid Health is a digital platform that allows every person living in South Africa access to private healthcare by purchasing vouchers that can be redeemed for high quality, affordable healthcare services, including face-to-face and virtual general practitioner consults. Launched in 2020, the platform is free-to-use and accessible through a web-based app or WhatsApp. It is available to all South Africans irrespective of whether they have any other Discovery product.





▶ **PRODUCT PROVISION**

**Connected Care**

Launched in April 2021, Connected Care replaced DrConnect as the Discovery Health Telehealth solution. Connected Care is an integrated healthcare ecosystem of benefits, services and connected digital capabilities providing healthcare to medical scheme members across the care continuum.

Connected Care online doctor bookings allow members to book virtual, telephonic, and in-person consultations with their doctors. The platform gradually grew until it became the central access point for Discovery Health member vaccines, launched in 2021. The platform allows Discovery Health members and prepaid users to book first or second dose vaccinations at a Discovery-managed vaccination site across the country.

The **Connected Care platform** exceeded **two million** logins during the reporting year, with over **600 000** vaccination bookings to Discovery-managed vaccines sites.

**Hospital@Home**

Discovery's Hospital@Home service offers qualifying members with low acuity disease the option of hospital-level care at home in place of hospitalisation, or the option of early hospital discharge to home-based care.

Our Hospital@Home offering is a transformative product that provides medical aid members access to a range of benefits delivered through their personalised care team in the comfort of their homes. It provides a seamless healthcare experience for patients – integrating world-class telehealth capabilities, digital tools, and sophisticated remote monitoring devices to enable real-time and continuous tracking of clinical progress.

Hospital@Home has the long-term potential to increase access to cost effective hospital-level care for existing and new customers. As the largest hospital at home provider in South Africa, up to 750 patients at any time can be admitted.

Discovery **won gold** in the **Product and Service Innovation category for Discovery Health's Hospital@Home** at the EFMA-Accenture Innovation in Insurance Awards 2022.

**Health ID**

Health ID is Discovery's electronic health record available to all users sharing important information with healthcare professionals selected by patients. These records provide a more complete view of patients' health history and test results, improving patient care and reducing the likelihood of serious medical errors, and decreasing the administrative burden for doctors.

We launched HealthID 2.0 in 2021 to improve the overall virtual consultation journey. The updated platform gives holistic view of a patient's health information which facilitates effective and efficient patient care, enabling better patient outcome. The platform reduces administration by assisting with electronic scripting and referrals.

Ongoing enhancements to the platform focus on a complete migration of capabilities from HealthID 1.0 to HealthID 2.0. We are also enhancing the journey of care for diabetes to allow full access to all members of the clinical care team.

2.9 million HealthID

cumulative users (2021: 2.7 million)



Average of **2 428 active doctors and practitioners**

**logged** on each month (2021: 2 394)

**Connected Care**

**6 565 providers registered**

(2021: 4 298)

**10 540 bookings**

(2021: 8 340)

**over 2 million member logins**

(2021: 358 620)





► **PRODUCT PROVISION**

**Discovery Bank**

Discovery Bank is a global leader in self-service and branchless distribution, leveraging our integrated web and app channels. We continue enhancing customer journeys and experiences and new banking clients enjoy an intuitive and simple onboarding process which takes less than five minutes, after which their virtual card is live and immediately available to use.

**Consumer financial education**

Discovery Bank offers financial education tools and services, including the Vitality Money Programme and Vitality Money Financial Analyser. Since May 2021, Discovery Bank has offered clients access to the Worth Financial Education course at a highly reduced cost. The course has garnered positive reviews from applicants:

- Client uncertainty about how to manage their financial situation reduced by 97% upon completion of the course
- Clients who completed the course save three times more monthly than those who did not complete the course

→ **LEVERAGE OUR TECH PLATFORM**

Technology is key to the success of our innovative Shared-value Insurance model, creating an integrated experience for our clients across all platforms. We develop most of our solutions in-house, optimising our systems for the current environment while also preparing the Group for the emerging digital world. We drive business innovation through research and development and focus on expanding digital tools and technologies like machine learning, artificial intelligence and the Internet of Things.

Our data and data science expertise are central to how we aim to transform the global financial services industry. By harnessing our expertise in data science and the power of technology and innovation, we can design products that help our clients change their behaviour for the better.

Furthermore, our innovations are inspired by societal challenges or opportunities we identify to deliver on our core purpose. We encourage our people to unlock greater value for our clients by leveraging our data science expertise or exploring unique data-driven solutions and cutting-edge technologies.

Given our access to personal and other information, we place a high value on responsible data stewardship. We embrace our fiduciary duty to protect the data we collect from our clients and have appropriate measures to support data integrity, privacy and security – ensuring we maintain trust with our stakeholders.

With rapid advances in technology and big data, we are working to ensure that data management includes consideration of ethics and fair use in how our products are delivered.

Supported by the Group Ethics Office, we aim to anticipate ethical issues and proactively build solutions into our products.

The Group Ethics Office provides an advisory role on megatrends that may impact the Group, including the ethical implications of artificial intelligence, machine learning and robotics. Due to the pace of advancement in these fields, a more proactive approach to ethics is critical to protect the interests of our clients and remain true to our values.





*Governance is a strategic enabler that allows Discovery to deliver on our sustainability differentiators by ensuring responsible and ethical behaviour and enhancing accountability. As a critical component of value creation, it promotes strategic decision-making while balancing short-, medium- and long-term outcomes to ensure the interests of all stakeholders are met.*

Good governance extends beyond compliance; it helps to build an ethical culture and enhances leadership, risk management, performance management and transparency.

The Board of Directors (the Board) is committed to the principles of good corporate governance, following the guidelines set out in King IV™, and is dedicated to building a values-based and ethical culture based on the principles of non-discrimination, integrity, transparency and fairness.

**King IV™ forms the cornerstone of our approach to governance, and we achieve our governance outcomes by supporting its goals:**



**MAINTAINING AN ETHICAL CULTURE**



**ENSURING EFFECTIVE CONTROL**



**DELIVERING GOOD PERFORMANCE**



**MAINTAINING LEGITIMACY**

→ **GOVERNANCE AND SUSTAINABILITY**

Discovery adopts a stakeholder inclusive approach to corporate governance. Stakeholder relationships are essential to our business, and we recognise the significance of regular engagements with stakeholders through our various platforms.

The Board and executive management perform annual assessments of the Group's strategy, business model, performance and sustainable development. Regular reports are provided to the Board on the sustainability of our business and its impact on the environment, communities and other stakeholders.

The Social and Ethics Committee assists the Board in implementing and monitoring strategies that facilitate sustainable social and economic development, and in integrating ethics and transformation across Discovery. The Committee also makes recommendations to the Board on good corporate citizenship, climate change strategy, environmental health and safety, stakeholder relations, and an inclusive economy.

**ESG Committee**

Discovery formed its ESG Committee in August 2022 with the mandate of embedding the ESG strategy within the organisation and driving the implementation of this strategy across the Group. The Committee will facilitate collaborative Group thinking across our South African, United Kingdom and Vitality Global operations.

The ESG Committee will work closely with the Social and Ethics Committee, which reports directly to the Board, as well as the Group Executive Committee and the UK ESG Committee to ensure close international alignment for a focused execution of the strategy.

**IN THIS SECTION**

**KEY METRICS**

**Targets of our commitment towards promoting diversity at Board level:**

- 35% black directors by 2023
- 40% black directors by 2025
- 25% female directors by 2023
- 30% female directors by 2025

**Key developments:**

- Established our CEO-led ESG committee
- Independence of the Board
- Separation of duties between Chairperson and CEO
- Appointment and rotation of directors
- Board effectiveness reviews





→ **ETHICAL BEHAVIOUR**

Our core values and purpose provide the foundation for building an ethical culture throughout the Group. We drive ethics within the organisation through our comprehensive governance framework and management process, and focus on:

Ensuring that leadership sets the example for ethical conduct

Reinforcing our core purpose and values

Holding regular discussions and ongoing communications, training and awareness to create and maintain a strong ethical culture

**Responsibility for ethics**

The Board leads ethically and effectively, and is responsible for governing ethics while supporting an ethical culture and setting an ethical direction for the Group. In addition, the Board establishes proactive management processes and structures, ensures that organisational ethics risks are mitigated and integrates and prioritises an ethical organisational culture.

The Board is assisted by the Social and Ethics Committee to mandate and oversee the Group Ethics Office, which, in turn, manages and implements the Ethics Management Plan and strategy throughout the Group. Furthermore, as a Group function, the Ethics Office supports the Board, executives, management and employees in cultivating and strengthening an ethical culture within the organisation.

**Cultivating an ethical culture**

We encourage a culture of honesty and candour and enable our people to speak up to report ethical infractions freely. We provide multiple mechanisms for them to do so, including through our Safe Reporting Framework, which enables anonymous reporting through independently managed channels.

→ **FAIR AND RESPONSIBLE PAY**

Discovery commits to ensuring that all our employees are fairly, responsibly and transparently remunerated. The Board is assisted in this matter by the Remuneration Committee, who ensures that our remuneration is market-related, fair and free of any prejudice. This approach is embedded in management processes, including job grading, annual salary benchmarking and annual income differential analysis (considering gender differential).

The Remuneration Committee considers advice from external advisers on improved remuneration policies, salary and incentive benchmarking and good remuneration governance practices, and oversees the Group's remuneration philosophy. The remuneration philosophy is aligned with Discovery's strategy and linked to individual performance through appropriate objectives that are reviewed by the Remuneration Committee.

As part of the Group's approach to fair and responsible pay, the Remuneration Committee regularly reviews the vertical pay gap between our highest and lowest paid employees. The committee also conducts analyses of the income pay differentials by gender and race, aligning salaries through interim salary increases. Pay differentiation is based on qualifications, experience, performance and market benchmarks.

The committee is implementing policies to further reduce variances in group-wide gender and race pay gaps. These policies incorporate ensuring pay equivalence by role, as well as meeting set targets for senior management representation.

Committee members receive regular training and information sessions to ensure that Discovery remains compliant with legislation and best practice.





## → BOARD DIVERSITY

We are committed to diversity at Board level as we understand that diversity of thought promotes prudent business sense. Our Board Diversity Policy is informed by corporate governance best practice and outlines our approach while meeting regulatory compliance.

The policy describes our voluntary minimum short- and long-term targets regarding race and gender representation. The Nominations Committee considers this policy when identifying and recommending suitable candidates for Board appointment.

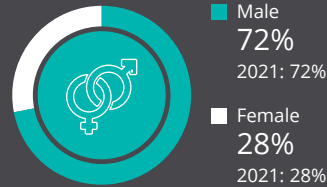
### Our voluntary minimum targets as of 30 June 2020.

Achieve  
**35% black**  
and  
**25% female**  
Board representation by 2023

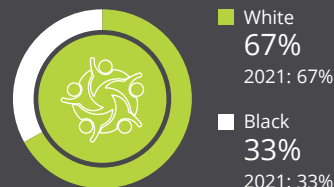
Achieve  
**40% black**  
and  
**30% female**  
Board representation by 2025

### BOARD DIVERSITY:

#### Gender diversity



#### Racial diversity



## → BOARD EFFECTIVENESS

The Board is the custodian of corporate governance within Discovery and ensures that corporate governance and good practice are inherent in fulfilling its responsibilities.

The Board Charter is aligned with the principles and practices recommended by King IV™ and other regulatory and legislative requirements and sets out the roles and responsibilities of the Board. The Board holds its directors accountable for their integrity, competence, responsibility, fairness and transparency. The Board Charter is reviewed annually.

The Board oversees the application of corporate governance principles, supported by specific statutory and other Board committees. The provisions set out in the Companies Act, King IV™ and regulatory requirements have been applied to the delegation of authority of the Board committees in assisting the Board with specific duties and functions.

The composition and succession planning of the Board is reviewed regularly, and remedial actions are undertaken where necessary. Our Company Secretary ensures that sound governance procedures are followed and maintained. The Company Secretary reports to the Board on all statutory duties and Board-related functions performed, and the objectivity of the Company Secretary is not prejudiced, despite the administrative reporting line to the Group Chief Financial Officer.

Delegation of authority to management is clearly defined to ensure effective exercise of authority and responsibilities. The Board reviewed and approved a revised Delegation of Authority Framework which details the powers

delegated to each Board committee and indicates the matters reserved for consideration by the Board and the Group Chief Executive.

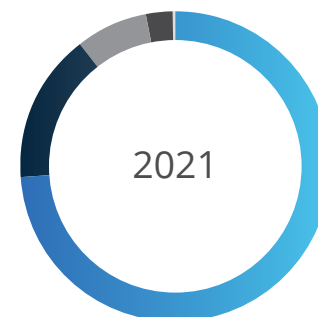
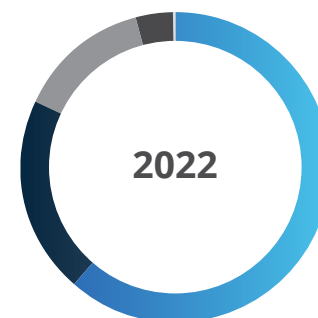
In FY2022, Discovery conducted a robust independent assessment of the Board and its Committees in line with the Discovery Evaluation of Directors Policy. The policy requires an independent assessment every three years. Key assessment focus areas included Board composition and dynamics, management and focus of meetings, and Board information and support. Overall, the findings of the review were positive and recommendations for further improvements will be implemented and incorporated in the annual workplan of the Board.

The role of the Chairperson of the Board and the CEO are independent and not held by the same person, to ensure that no individual has unrestricted decision-making power. The Chairperson of the Board is an Independent Non-executive Director. The Board, with the assistance of the Nominations Committee, is ultimately responsible for the appointment of new Directors and are appointed through formal, transparent processes by ordinary resolution at a shareholder meeting or the Annual General Meeting. Non-executive Directors are appointed for a period not exceeding three years and are subject to re-election on a rotational basis.

Every year, the Board conducts an assessment to ensure Directors' independence in fact and perception. The process includes an assessment of each Director's circumstances and performance to ensure that the Directors remain independent. We believe that the Independent Directors who serve on our Board are invaluable in facilitating robust debate and, as such, this assessment is viewed as critical.

# ANNEXURE: VALUE-ADDED STATEMENT

for the year ended 30 June 2022	2022		2021	
	R million	%	R million	%
<b>VALUE ADDED</b>				
Net income of Group	69 004		64 745	
Acquisition costs	(4 534)		(4 815)	
Payments to suppliers of material and services	(9 258)		(8 023)	
Investment income	(1 529)		12 171	
Financing costs	(1 658)		(1 648)	
Foreign exchange gains	155		(389)	
Share of net profits from equity-accounted investments	589		928	
	<b>52 769</b>		<b>62 969</b>	
<b>VALUE ALLOCATED</b>				
<b>To employees</b>				
Salaries, wages and other benefits	10 946	20.7	9 735	15.5
<b>To providers of capital</b>	57	0.1	63	0.1
Dividends paid to ordinary shareholders	-		-	
Dividends paid to preference shareholders	56		63	
Non-controlling interest	1		-	
<b>To government</b>	1 991	3.8	1 765	2.8
Normal taxation	1 528		1 236	
Value-added tax	381		430	
Capital gains tax	5		38	
Other	77		61	
<b>Corporate social investment contributions</b>	26	0.1	27	-
Discovery Fund and Foundation contributions	26		27	
<b>To policyholders</b>	32 434	61.4	46 607	74.0
Policyholder claims	30 900		28 178	
Transfer from assets/liabilities arising from insurance and investment contracts	1 534		18 429	
<b>Retention for expansion and growth</b>	7 315	13.9	4 772	7.6
Retained income	5 422		3 157	
Depreciation and amortisation	1 961		1 914	
Deferred taxation	(68)		(299)	
	<b>52 769</b>		<b>62 969</b>	<b>100.0</b>



TO POLICYHOLDERS  
**61.4%**  
(2021: 74.0%)

TO EMPLOYEES  
**20.7%**  
(2021: 15.5%)

RETENTION FOR EXPANSION AND GROWTH  
**13.9%**  
(2021: 7.6%)

TO GOVERNMENT  
**3.8%**  
(2021: 2.8%)

TO PROVIDERS OF CAPITAL  
**0.1%**  
(2021: 0.1%)



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Subsidiaries of Discovery Limited are authorised financial services providers.

