



Discovery

**SUSTAINABILITY
REPORT**

for the year ended 30 June 2024



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Our Sustainability Report is supported by a comprehensive suite of reports that provide our stakeholders with a holistic overview of the Group, its prospects and performance during the 2024 financial year (FY2024). These reports can be accessed on our website.

OUR REPORTING SUITE

Integrated Annual Report (IAR)

Our primary report to our shareholders, providers of financial capital and other key stakeholders, detailing how we created, preserved or eroded value during the year.

Group Annual Financial Statements

Group audited consolidated annual financial results for Discovery Limited, the Embedded Value Statement and Five-year Review.

THIS REPORT

Sustainability Report

An overview of the Group's performance against our Integrated Sustainability Framework and, where appropriate, against relevant standards and frameworks.

Climate Report

Describes the Group's approach to climate change and provides climate-related disclosures regarding governance, strategy, risk management, and metrics and targets.

Governance Report

Outlines the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance™ for South Africa, 2016 (King IV™)*.

Remuneration Report

Outlines our remuneration policy and implementation approach, along with factors influencing our remuneration-related decisions.

Tax Transparency Report

Communicates material tax disclosure information to demonstrate our commitment to tax transparency and operating as a force for good through our tax contributions.

Annual financial results presentation and booklet

ESG Databook

Notice of Annual General Meeting (AGM)

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NAVIGATING OUR REPORTING SUITE

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

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This icon refers to more information in this report

This icon refers to additional information available on www.discovery.co.za



Our reporting suite is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader





Introduction

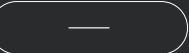
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INTRODUCTION





A message from our **Group Chief Executive and Head of ESG and Investor Relations**

We consider Discovery's pioneering Shared-value model to be a powerful mechanism for aligning the interests of business, customers and society. By creating economic value through incentivising healthier behaviours – and sharing this value with clients – we not only deliver on our business objectives but significantly impact people's lives. Crucially, because our purpose and business model require deep engagement with our members and broader society, we get involved in issues that affect the communities in which we operate – we develop responsible products, we invest in South Africa's doctors and strengthen the healthcare system, we fix potholes and create safe communities. We go beyond profit to meaningfully impact those we serve.

Our purpose-led approach and Shared-value model allow us to combine innovation with prudent financial and risk management and proactively seize opportunities to be a force for good. Despite a year characterised by persistent macroeconomic complexity, geopolitical tensions and extreme weather events, we focused on driving growth and impact with renewed vigour. To this end, we treated difficulties in our external environment as opportunities to leverage Discovery's capabilities and business model to positively impact our clients, broader society and the environment.

In line with our purpose of **making people healthier and enhancing and protecting their lives**, we recorded 576 million healthy activities in the 2024 reporting year, with more than 3.7 million life years saved and R14.9 billion in value returned to clients. It is very pleasing that all of these metrics showed significant progress over the year and we are tracking well against our goal of achieving 1 billion healthy activities per year by 2030. 772 000 health checks were completed through the WELLTH Fund, demonstrating that our clients are invested in understanding their health. We expanded our digital health ecosystem to further drive engagement and personalisation with two significant additions this year – our Personal Health Pathways product and the new Discovery Health app. We also continue to promote financial inclusion through shared-value health, financial services and life insurance products, which champion preventative care and improve the lives of our clients and broader society by promoting responsible behaviours. Through our focus on preventative care, we are also part of the solution to the global healthcare funding gap.

Encouraging our clients and society to practise healthy habits cannot be effective without recognising the health impacts of the physical environment in which they live. We therefore remain focused on **restoring the environment** by reducing our environmental footprint and making renewable energy accessible. Discovery Green, our energy wheeling platform, made excellent progress in procuring wind and solar generation during the year, securing the largest renewable energy procurement in the private sector to date. This is particularly exciting as the platform, which aims to generate over 1.3 TWh annually for customers, is well positioned to alleviate some of the pressure in South Africa's constrained electricity supply, aid Discovery's decarbonisation and ultimately contribute to our national and global climate goals. We also made significant headway on our net-zero roadmap, strengthening our decarbonisation drive as we continue to pursue our net-zero greenhouse gas (GHG) emissions goal by 2050 or earlier, with our Vitality UK offices having transitioned to close to 100% renewable electricity.



Our purpose and values are foundational to our continued success in uniquely challenging times. As we pursue our Ambition 2026 to be the leading insurer globally, our priority remains to advocate for demonstrable positive impact on the health and wellbeing of our clients and society.

Adrian Gore

David Danilowitz

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In addition to maintaining an environment conducive to good health, Discovery goes beyond sharing value with our direct stakeholders by **strengthening social systems** to the benefit of broader society. In 2023, we pledged, along with other prominent South African companies, to develop our country through partnerships and collaborate with government to address the energy, transport and logistics, and crime and corruption crises. We have since made good progress, with approximately 5 GW of rooftop solar unleashed and a private sector investment pipeline of around 60 GW; a significant improvement in business and Transnet leadership's relationship; and the inaugural meeting of the Joint Initiative against Crime and Corruption conducted. We are encouraged by the plans in place and will work to ensure they are implemented with urgency.

Our public-private partnerships aim not only to develop the country on a macro level but also achieve everyday impacts. Through Pothole Patrol, in collaboration with the City of Johannesburg, the Johannesburg Road Agency and Avis, we are effecting tangible change by repairing potholes and saving residents millions in claims. This initiative has repaired over 230 000 potholes since its inception in 2021.

We invested R101 million in social initiatives during the year through corporate social investment (CSI), community upliftment initiatives and skills development for the unemployed. We remain committed to supporting the public healthcare system by improving access to quality healthcare and training skilled healthcare professionals. In line with this, we contributed R28 million through the Discovery Fund to various non-profit organisations (NPOs) that provide essential healthcare services

to rural, underserved communities. In FY2024, Discovery Foundation disbursed R13 million in research and training grants to support academic medicine and invested R20 million in the Medical Student Loan Guarantee Fund to support undergraduate medical training.

We also developed the Luminaries initiative to recognise healthcare professionals who are contributing to innovation and excellence in South African healthcare. Through this initiative, we plan to deepen our relationship with healthcare leaders and bolster doctor sentiment in the country. This is particularly important given the developments related to the National Health Insurance (NHI) Act. While Discovery is steadfast in supporting quality, affordable healthcare for all South Africans, we believe the NHI is unworkable in its current form and will continue to advocate for a model that incorporates private sector funding and private healthcare delivery. To this end, we are focusing on constructive and collaborative engagements with government, business and civil society to ensure the best outcome for our members and broader society.

Our people are central to the value we create for our clients and society, and we continue to prioritise achieving a diverse, equitable and inclusive leadership and workforce with fair and responsible pay. We aim to liberate the best in our people, supported by internal training and development, and building skills in the actuarial industry through the Adrian Gore Mentorship Programme and Adrian Gore Fellowship Award. The merits of our people approach were demonstrated by Discovery winning the Employer of Choice Award in the insurance and health categories at the South African Graduate Employers Association and being named a top employer by the Top Employers Institute for the fifth consecutive year. In addition, Vitality UK placed in the Top 10 Sunday Times Awards Best Places to Work in 2024.

We have always believed in the individual and societal benefits of positive behaviour change. Today – through the evolving richness of our data combined with technological advancements, which are core to **our brand** and **our capabilities** – we can prove it. We are more certain than ever that financial services products integrating Vitality reflect preventative care and improve the lives of our customers and broader society. We continue to drive Vitality integration across our products in all markets to deepen engagement. Discovery's insurance products which have R18.4 billion in Vitality integrated premiums, is one example of products promoting responsible behaviours, and demonstrating greater physical resilience through lower mortality and morbidity rates.

We are immensely proud of the work Discovery has done and continues to do to be a force for good. We are encouraged by our demonstrated improved performance across most sustainability metrics that are key to our business, as illustrated throughout this report. Our path ahead requires even more focus on achieving tangible impact and growth as we pursue Ambition 2026. At the same time, we recognise that sustainable growth depends on a healthy, natural and social environment. As we continually find new ways to scale our impact, we remain committed to leveraging our Integrated Sustainability Framework to address critical health, social and environmental challenges.

ADRIAN GORE

Group Chief Executive

DAVID DANILOWITZ

Head of ESG and Investor Relations



We are immensely proud of the work Discovery has done and continues to do to be a force for good.

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Our sustainability performance *at a glance*

We continued to drive our purpose as a force for good in FY2024. These highlights provide a snapshot of our sustainability outcomes during the year through the lenses of our Integrated Sustainability Framework's sustainability differentiators and good business enablers.

↑ Improved
↓ Decreased

SUSTAINABILITY DIFFERENTIATORS

GOOD BUSINESS ENABLERS

MAKE PEOPLE HEALTHIER
PHYSICAL HEALTH

ENHANCE AND PROTECT LIVES
HOLISTIC HEALTH

STRENGTHEN SOCIAL SYSTEMS
COLLECTIVE HEALTH

RESTORE THE ENVIRONMENT
PLANETARY HEALTH

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42 MILLION ↑
lives impacted globally¹
(FY2023: 35 million)

576 MILLION ↑
healthy activities recorded²
(FY2023: 503 million)

>3.7 MILLION ↑
life years saved³
(FY2023: >3 million)

R14.9 BILLION ↑
shared-value dividend⁴
(FY2023: R13.7 billion)

R18.4 BILLION ↑
ESG integrated premiums for Discovery's responsible insurance products
(FY2023: R17.2 billion)

Discovery Bank exceeded 1 MILLION* ↑ clients since inception in 2019

Discovery Bank won **BEST CONSUMER SOLUTION** at the MTN Business App of the Year awards

Discovery Bank was voted the **NUMBER ONE BANK IN CLIENT SERVICING** for the third consecutive year in the 2024 Ask Afrika Orange Index® survey

25% lower **average retirement drawdowns for clients with Discovery Invest boosts**
(FY2023: 25% lower)

Launched an **industry-first Retirement Funds Two-Pot Calculator**, guiding the public on the impact of withdrawal and used over 50 000 times

Over 230 000 ↑ **POTHOLES** filled through Pothole Patrol since inception

Invested R101 MILLION ↑ through CSI, **community upliftment initiatives and skills development for the unemployed**
(FY2023: ~R100 million)

Invested R28 MILLION ↓ in **expanding access to healthcare**
(FY2023: R33 million) through the Discovery Fund and

R13 MILLION ↑ in **building healthcare capacity**
(FY2023: R12 million) through the Discovery Foundation

Approved R10.6 MILLION ↓ in research grants – predominantly to black medical specialists in the public sector
(FY2023: R12 million)

Discovery was the **LOWEST CARBON EMITTER** in our South African life insurance peer group

21.4% ↑ cumulative **reduction in global Scope 1 and 2 emissions** against our 2019 baseline⁵

Increased **SOLAR AS A PERCENTAGE OF TOTAL ELECTRICITY CONSUMPTION** in our South African offices to

4% ↑ (FY2023: 1%) through **rooftop solar**

Secured **RENEWABLE ENERGY WHEELING** to 1 Discovery Place from 2024 through Discovery Green

Received zero **waste-to-landfill** accreditation at 1 Discovery Place and our Cape Town office

Employee experience survey score remained unchanged at 80%

Continued **advancing fair and responsible pay** as **2nd OF 19** in income disparity ratio

Group balanced scorecard includes **26% ESG-RELATED METRICS**

Maintained our **LEVEL 1 Broad-based Black Economic Empowerment status**

Exceeded our voluntary minimum **Board diversity** targets with

46% **GENDER DIVERSITY**
38% **RACIAL DIVERSITY** ↑

Increased our **minimum pay threshold** in South Africa to **R200 000** per annum
(FY2023: R180 000)

Vitality UK accredited a **LIVING WAGE EMPLOYER** by the Living Wage Foundation

Maintained a **gender pay gap** of ~0% for same role size

WON TWO QORUS INNOVATION IN INSURANCE AWARDS – Global Innovator recognising overall world leaders in insurance innovation and Connected Ecosystems and Marketplaces for the Discovery Health app and Health Ecosystem

Developed a **Responsible Artificial Intelligence (AI) Policy**

Improved **workforce diversity** at senior management level with

44% **GENDER DIVERSITY** and 39% **RACIAL DIVERSITY** ↑

Finalists in the **BEYOND AWARDS** and ESG Africa Conference categories, recognising organisations that **go beyond to champion sustainability:** Beyond Large Scale Champion and Beyond Sustainability Report ↑

1 Lives impacted excludes reinsured lives in PAHI that have been derecognised as per the 2023 reporting year.
2 Healthy activities include relevant physical activity events recorded and HealthFood purchases, annually.
3 Life years saved is calculated, annually, from healthy activities recorded, using the methodology informed by the Habit Index.
4 Calculated annually and includes R6.7 billion and R7.4 billion shared value and rewards returned to customers, respectively, and R885 million Vitality behaviour change savings created for Discovery Health Medical Scheme.
5 Measured by Scope 1 and 2 emissions before verification.
* As at August 2024.

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About this report

Our 2024 Sustainability Report outlines how we share value to fulfil our purpose of making people healthier and enhancing and protecting their lives. This report includes information on how we performed against our Integrated Sustainability Framework, which is structured around four sustainability differentiators and supported by the Group's good business enablers.

REPORTING SCOPE AND BOUNDARY

This Sustainability Report provides a comprehensive view of Discovery Limited (Discovery or the Group) from 1 July 2023 to 30 June 2024 (FY2024). It also includes all material events up to the date of Board of Directors (Board) approval on 14 October 2024. Furthermore, it includes financial and non-financial information relating to the performance of our three market-specific strategic strands: Discovery (South Africa), Vitality UK and Vitality Global United States (US). Entities included in Discovery's audited consolidated annual financial statements are also included in this report.

The non-financial information and data disclosed in this report relate primarily to our Discovery business units in South Africa, which account for the bulk of the Group's revenue and employees. We also report on a set of environmental, social and governance (ESG) indicators for South Africa, Vitality UK, Vitality Global and Discovery Bank. We continue to improve the consolidation of non-financial information to reflect a broader Group perspective.

For more information about the Group's strategic and financial performance, prospects and revenue by geography, refer to our 2024 IAR.

This report also includes information relating to the Group's sustainability-related governance practices and how these support planetary and social health.

For comprehensive information on our governance philosophy, leadership and compliance with King IV™, refer to our 2024 Governance Report.

FRAMEWORKS AND REPORTING CRITERIA

In preparing this report we were guided by the:

- Global Reporting Initiative (GRI) – we continue to align our reporting with the GRI and Discovery has reported in accordance with the GRI Standards for period 1 July 2023 to 30 June 2024.
- Sustainability Accounting Standards Board (SASB) Standards
- United Nations Principles
- JSE Sustainability and Climate Disclosures
- Task Force on Climate-related Financial Disclosures (TCFD)
- ESG Rating Agencies criteria

Discovery has implemented the Churchgate Partners ESG World platform on our webpage to improve ESG transparency and efficiently disclose our sustainability-related information to all our stakeholders on a real-time basis.

Refer to our website to view our GRI Annexure, GRI Content Index and ESG World profile

FORWARD-LOOKING STATEMENTS

Certain forward-looking statements regarding the Group's future performance and prospects may be included in this report. These statements cannot be considered guarantees of future performance or outcomes as they may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are out of Discovery's control. These events may cause actual results to differ materially from our current expectations as disclosed in this report.

COMBINED ASSURANCE

Discovery is committed to disclosing accurate information that supports a variety of stakeholders in their decision-making. Our Combined Assurance Model integrates the efforts of our management and independent internal and external assurance providers to assure the integrity of this report. In the year under review, our reporting suite was assured as follows:

- Joint reasonable external assurance of Annual Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by our independent external auditor, Nexia SAB&T
- Limited assurance of factual statements by Group Internal Audit, who also verify the indicators not assured by Nexia SAB&T
- Verification of GHG emissions inventory by Verify CO₂
- Verification of Broad-Based Black Economic Empowerment (B-BBEE) rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2024.

This report is the culmination of a Group-wide process led by Discovery's sustainability team. Senior resources reviewed drafts at key stages of the process before submission to the Social and Ethics Committee. The report was approved following a review by the Social and Ethics Committee, a content assessment by Group Internal Audit – who reviews factual statements in the report – and the recommendation of the Discovery Board. Group Internal Audit also verifies the indicators not assured by the independent external auditors.

For details on our governance structures as they relate to sustainability, refer to page 111.

Find our external audit opinion and verification statements online

BOARD APPROVAL

Discovery's Board is responsible for the integrity of this report, and it confirms this report materially complies with the requirements of the frameworks and guidance outlined alongside. After reviewing this report, the Board believes it accurately and comprehensively explains how Discovery leverages shared value to fulfil our purpose of making people healthier and enhancing and protecting their lives.

The Board unanimously approved this report on 14 October 2024.

Sir Mark E Tucker
Independent Non-executive Chairperson

Adrian Gore
Group Chief Executive

We welcome your feedback on our reporting suite.

To submit any comments, email sustainability@discovery.co.za

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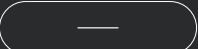
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About *our business*

We manage the creation, preservation and erosion of value through resources and relationships available or established to provide products and services through our composites. 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 model across our composites of Discovery SA, Vitality UK and Vitality Global – underpinned by our leading behaviour-change platform, Vitality, and supported by our unique foundation and operating model.

Our values

Our core purpose and values underpin every decision we make, ensuring we manage value creation, preservation and erosion in a way that is balanced.

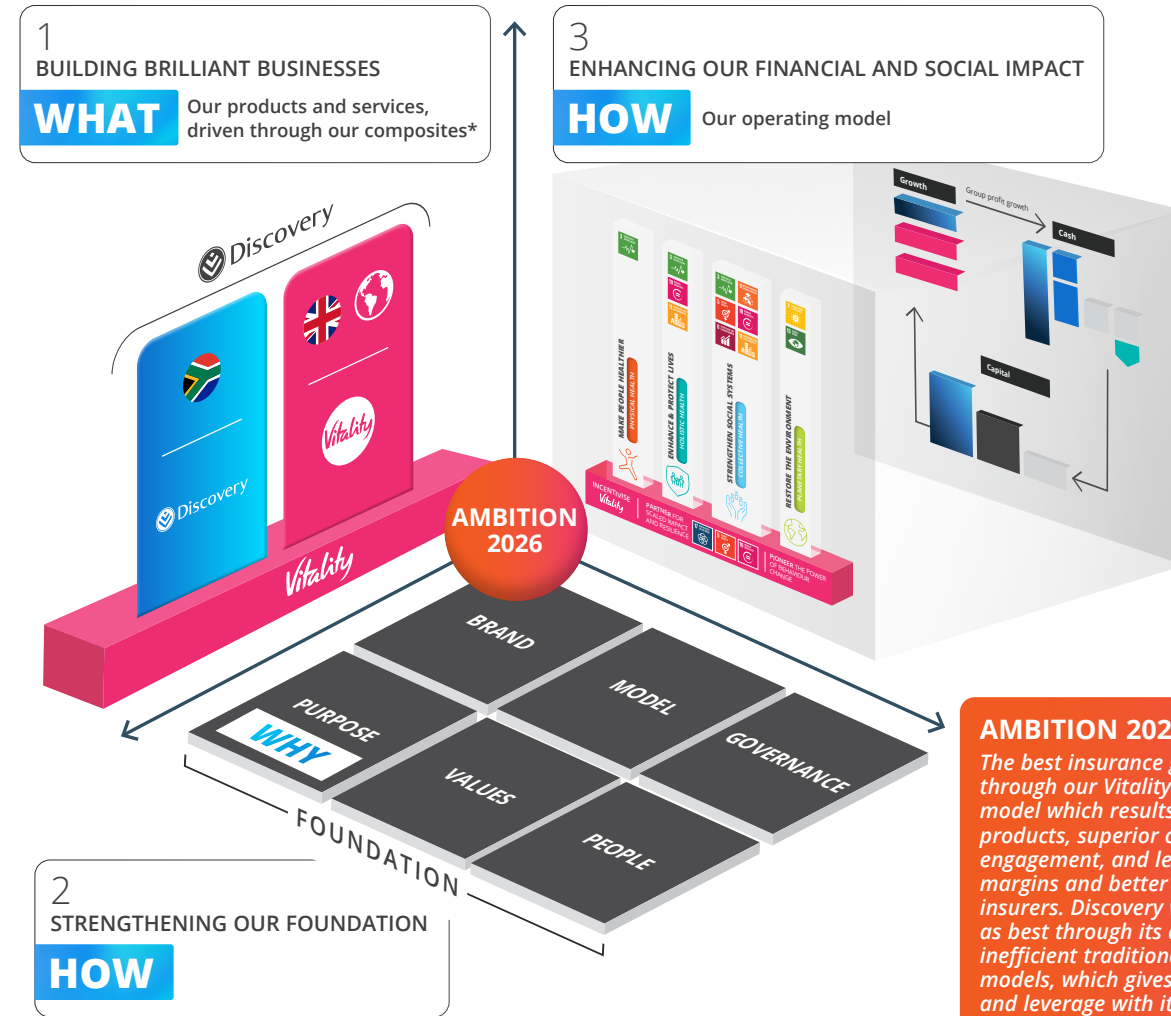
- Great people
- Liberate the best in people
- Intellectual leadership
- Drive, tenacity and urgency
- Innovation and optimism
- Business astuteness and prudence
- Customer, customer, customer
- Integrity, honesty and fairness
- Force for good

Our strategic objectives

To deliver on our core purpose and strategy we focus on three strategic objectives:

- 1 BUILDING BRILLIANT BUSINESSES**
- 2 STRENGTHENING OUR FOUNDATION**
- 3 ENHANCING OUR FINANCIAL AND SOCIAL IMPACT**

Our WHY, HOW and WHAT are fundamentally linked to our integrated thinking and the resources and relationships we rely on to create and preserve value for our stakeholders.



AMBITION 2026
The best insurance group globally through our Vitality Shared-value model which results in competitive products, superior customer engagement, and leads to higher margins and better returns for insurers. Discovery will be perceived as best through its ability to disrupt inefficient traditional insurance models, which gives the Group value and leverage with its partners.

* Subsequent to year-end, Vitality UK and Vitality Global were merged into a single global composite – Vitality – to deliver with uniformity in strategy, product and technology.

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OUR APPROACH TO ESG





Our Integrated Sustainability Framework

Our Integrated Sustainability Framework guides our approach to ESG, aligned with our core purpose of making people healthier and enhancing and protecting their lives. With this as our foundation, we maximise our impact through our Group Shared-value model to improve health outcomes and strengthen healthcare systems while ensuring strong environmental and governance performance.

We acknowledge our dependence on the broader social and environmental context and strive to influence solutions to challenges beyond our immediate business interests. Shared value is embedded in our DNA, forming the foundation of our products, services, stakeholder interactions and performance metrics.

Discovery sets ambitious goals and science-based targets at Group and business levels to drive and demonstrate progress. This approach involves:

- Scaling purpose-led innovation through our business model and across the value chain
- Disrupting the financial and insurance services sector through shared value
- Meeting investor and ESG rater expectations
- Aligning with and collaborating on global initiatives

HOW WE DEFINE SUSTAINABILITY

We are guided by and align to the UN and GRI definition of sustainability:

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Our commitment is reflected in our goal to build a sustainable business that benefits both current and future generations, in line with our core purpose. Through a double materiality approach, we assess our broader societal and environmental impacts, while also evaluating how these factors affect our ability to create and preserve value for stakeholders.

Contributing to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a global call to action for a more sustainable future by 2030. To ensure we contribute meaningfully to global efforts, we incorporate nine SDGs into our Integrated Sustainability Framework where we believe we can achieve sustained, scaled impact and support a sustainable future for people and planet.

Read more about our contribution to the SDGs throughout this report and in our SDG annexure, available on our website.

Our sustainability differentiators

Our four sustainability differentiators – **make people healthier, enhance and protect lives, strengthen social systems and restore the environment** – are the social and environmental impact dimensions unique to Discovery and our Shared-value model.

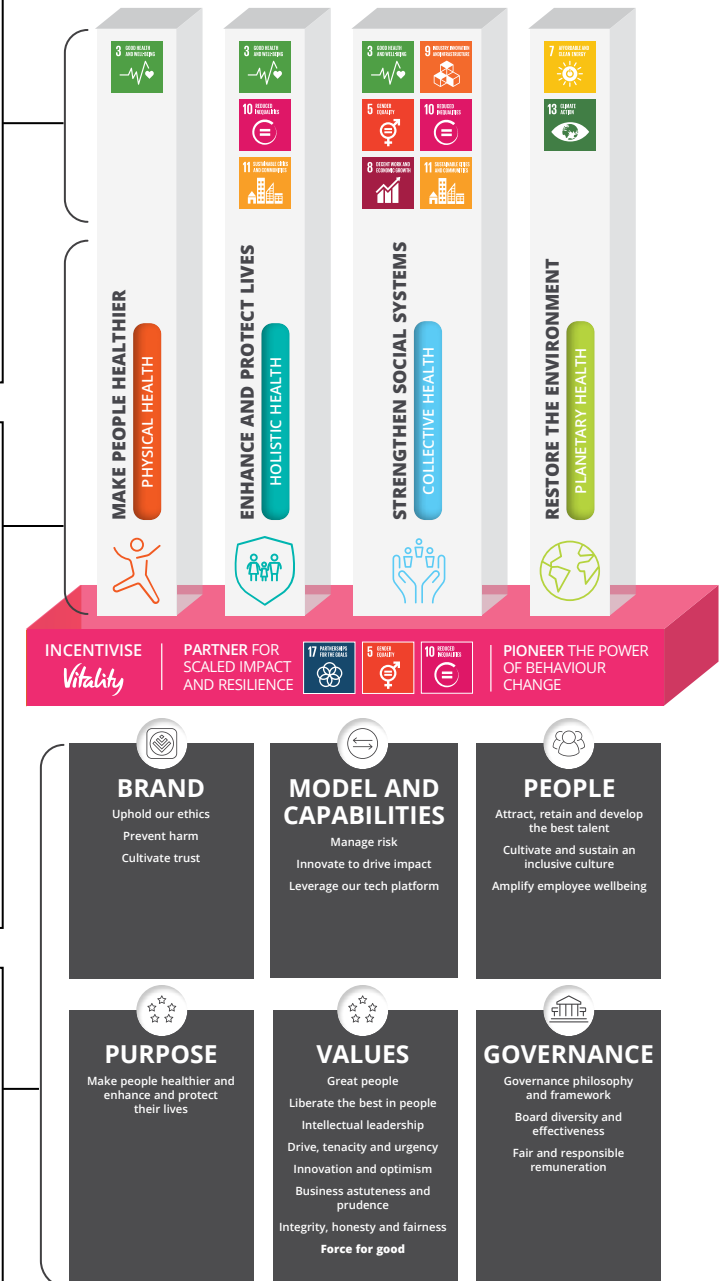
These differentiators guide how we allocate resources for the greatest impact and are underpinned by our Vitality chassis – which incentivises behaviour change – and our impactful, global partnerships.

We unpack our sustainability differentiators in detail from page 18 to 67.

Our good business enablers

Our good business enablers – **brand, capabilities, people, purpose, values and governance** – equip us to deliver on our sustainability differentiators. Aligned with the foundation of our operating model, these enablers represent the ESG risk and opportunity factors ensuring business sustainability.

We unpack our good business enablers in detail from page 68 to 114.





LEVERAGING SHARED VALUE TO DELIVER ON OUR INTEGRATED SUSTAINABILITY FRAMEWORK

Operationalised through Vitality, Discovery's Shared-value model not only creates a virtuous cycle of value-creation; we also depend on it for our own sustainability.

Through the shared-value lens, we transform insurance - traditionally a grudge purchase - into a **driving force for social change and healthy behaviour**. The value we create and share is not confined to the insurance environment: it ripples outwards to impact all the ecosystems in which we operate.

The concept of shared value is brought to life by the data that supports it. Based on over 27 years in behavioural insurance, we see how leveraging shared value positively impacts our entire operating universe:

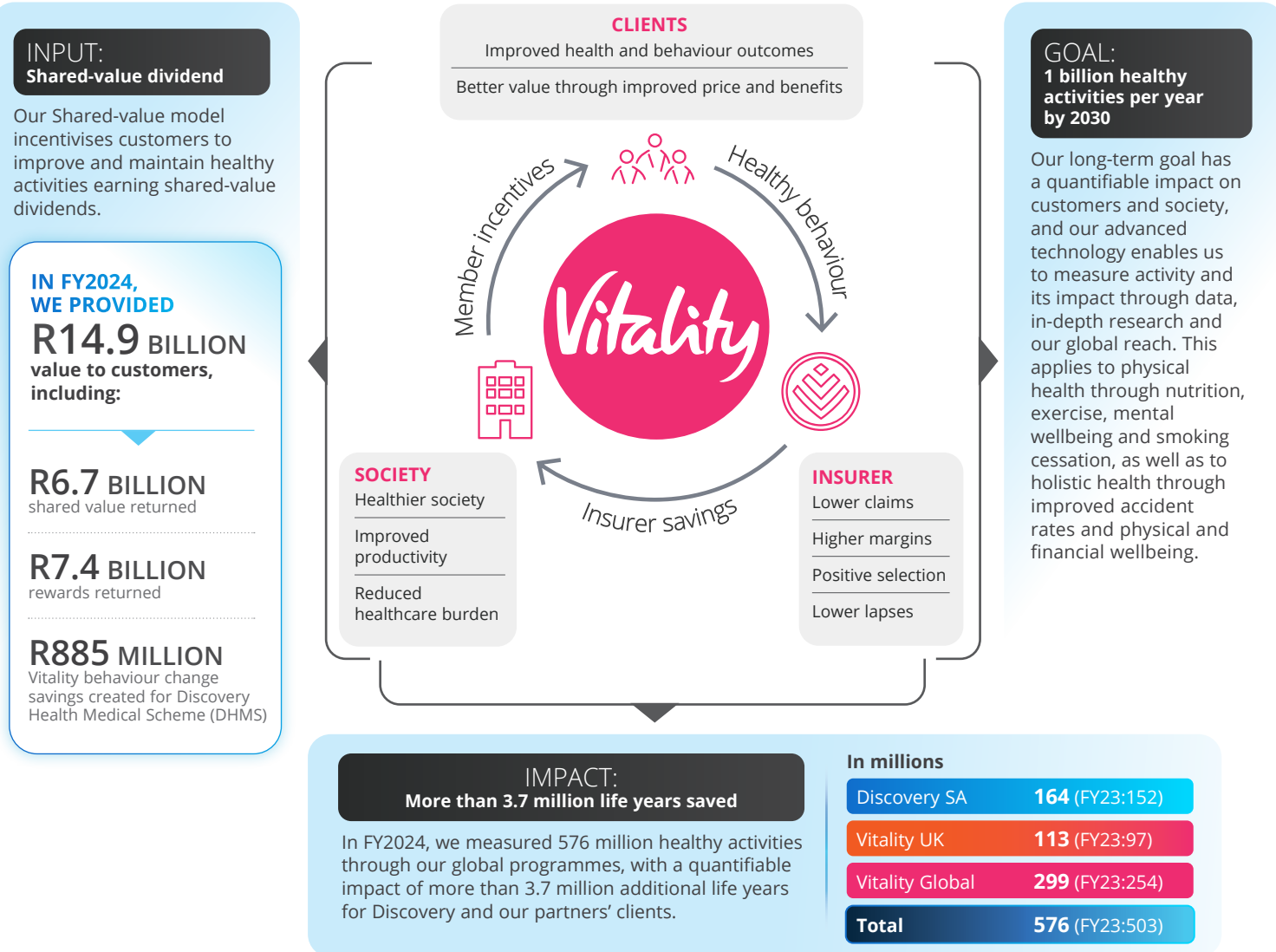
7% to 15%
LOWER COST OF INSURANCE

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

Shared value in action - how we amplify our contributions

Vitality is at the heart of Discovery's Shared-value model: our rich and comprehensive dataset allows for a sophisticated understanding of behaviour and the impact on risk. Through Vitality, we reward members for positive behaviour change in health, financial wellness and driving through a virtuous cycle of healthy behaviour, insurer savings and member incentives to ultimately drive impact for members and society.





Strengthening the ecosystems in which we operate

As guided by our shared-value ethos, we use our scale, insights and capabilities to support and strengthen healthcare systems, contribute to nation-building and support economic inclusivity. Societal challenges and related opportunities inspire our innovations, which help us deliver on our core purpose.

HOW WE SUPPORT OUR ECOSYSTEMS AND WHO BENEFITS

<h5>Incentivising healthy choices</h5> <ul style="list-style-type: none"> Make people healthier (page 19) Taking our Shared-value model into the workplace (page 35) 	<h5>Addressing critical skills shortages</h5> <ul style="list-style-type: none"> Discovery Foundation: Addressing the critical shortage of medical graduates and specialist skills (page 55) Developing the skills our industry needs (page 75) 	<h5>Improving healthcare quality, reducing costs and increasing access</h5> <ul style="list-style-type: none"> Discovery Fund: Supporting service delivery in rural and underserved communities (page 53) Breaking the iron triangle (page 20) Expanding access to quality healthcare (page 50) 	<h5>Collaborating to support constructive policy development</h5> <ul style="list-style-type: none"> Partnering as a force for good (page 61) Emerging risks and research (page 98) Responsibility for ethics (page 86) 	<h5>Supporting cost control and quality management across the system</h5> <ul style="list-style-type: none"> Responding to emerging trends (page 22) Breaking the iron triangle (page 20)
<h5>Research, data analytics and thought leadership</h5> <ul style="list-style-type: none"> Research into ESG-related risks and solutions (page 99) 	<h5>Enhancing road and community safety</h5> <ul style="list-style-type: none"> Paving the way for safer roads (page 58) Keeping learners safe (page 59) 	<h5>Driving environmental sustainability</h5> <ul style="list-style-type: none"> Restore the environment (page 62) 	<h5>Promoting financial inclusion and education</h5> <ul style="list-style-type: none"> Breaking the iron triangle (page 20) Financial education and inclusion through Discovery Insure (page 42) Financial inclusion through Discovery Life (page 39) Financial education and inclusion through Discovery Bank (page 47 and 48) Encouraging healthy financial behaviour beyond our client ecosystem (page 47) 	

- Members
- Healthcare professionals
- Healthcare system
- Broader society
- Non-governmental organisations
- Employees (improved productivity)
- Employers (improved productivity)
- Regulators
- Educational institutions
- Government

Our CSI promotes social impact – especially in South Africa, which faces escalating socio-economic challenges. CSI spending forms part of the greater spending dedicated to all social impact initiatives in the business. Our work through the Discovery Fund and Discovery Foundation is key to our impact in this regard, strengthening the public health system through training and service innovation and improving access to quality healthcare, including in rural and underserved areas.

We strengthen our ecosystems through the Discovery Fund and Discovery Foundation by:

- 01 Increasing human resources for health through training, including specialist training
- 02 Supporting service delivery in rural and underserved communities
- 03 Supporting health service innovation through technology and developing and replicating successful health models to increase access to service in rural and underserved areas
- 04 Engaging and forging strategic partnerships with other industry players
- 05 Supporting programmes that address the racial bias in the South African healthcare system
- 06 Promoting gender transformation in the health workforce

We revised our CSI mandate during the year to align to our Ambition 2026, our Integrated Sustainability Framework and value to be a force for good, as well as to consider national imperatives, business strategy and sustainable partnerships.

CONSUMER FINANCIAL EDUCATION

The Discovery website offers anyone a comprehensive library of financial education and tools, including calculators, how-to videos and documents and guides.

+ Refer to our website for more detail on our financial education and tools.

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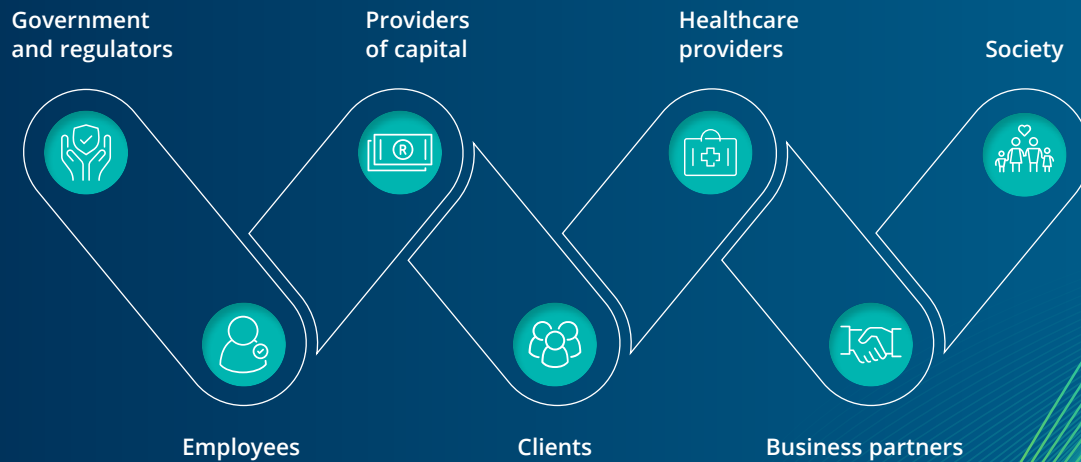
Managing ESG

To successfully execute our Integrated Sustainability Framework, we rely on strong supporting functions, structures and frameworks. By engaging with key stakeholders, implementing robust sustainability governance practices, effectively managing risks and compliance and continuously aligning with best practices, we demonstrate our commitment to promoting social and planetary health.

STAKEHOLDER ENGAGEMENT

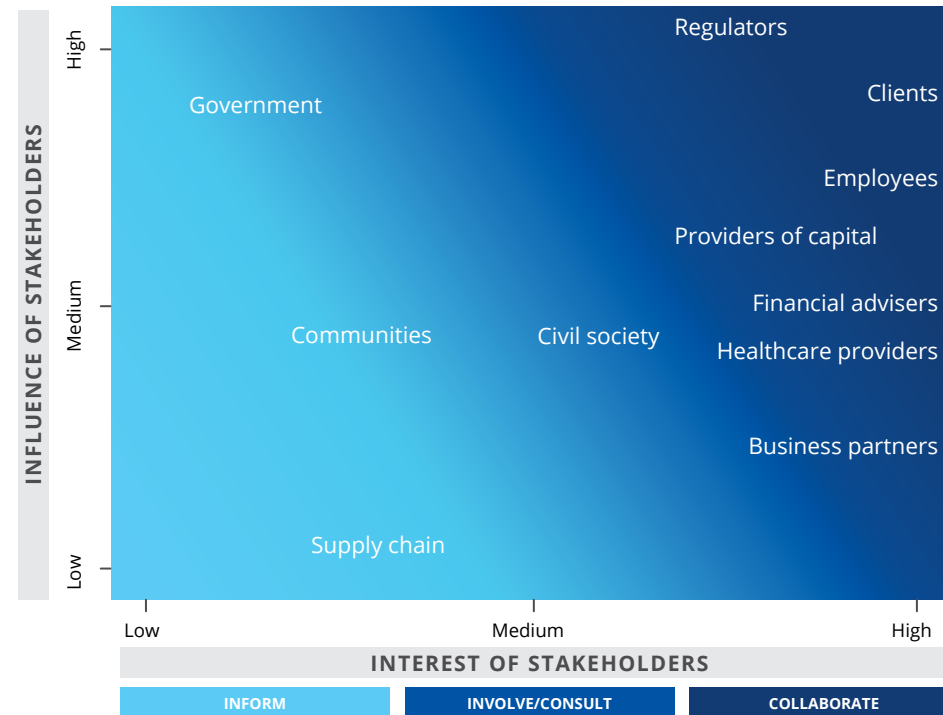
Maintaining good relationships with key stakeholders is critical to sustaining value across the Group. We engage regularly to understand stakeholder concerns, needs and insights, which drives the success of our Integrated Sustainability Framework. By recognising the mutual relationships between Discovery and our stakeholders, we can better identify, anticipate and respond to significant sustainability challenges and opportunities.

Our stakeholders



Our Stakeholder Engagement Framework

Our Stakeholder Engagement Framework guides our strategic approach to engaging with our stakeholders managing ESG-related risks. 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 stakeholders' level of influence or interest. The graphic below maps out our approach to managing our stakeholder relationships i.e. inform, involve/ consult or collaborate.



Our Stakeholder Engagement Policy and Framework were last reviewed and updated in February 2023. Our Stakeholder Reporting Dashboard was reviewed in 2024.

For more details on our stakeholder relationships, refer to our 2024 Integrated Annual Report.



Stakeholder engagement continued

Our ESG engagement matrix

WHAT WE ENGAGE ON		WHO WE ENGAGE WITH										
		Employees	Society incl. communities and civil society	Suppliers	Clients	Providers of Capital	Trade associations and industry bodies	Healthcare providers	Rating agencies	Business partners and Financial advisers	Government and regulators	
Environment	Climate	<ul style="list-style-type: none"> Energy and fuel efficiency GHG emissions Technology and opportunity 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Natural resources	<ul style="list-style-type: none"> Water (use and pollution) Land, forests and biodiversity (use and pollution) Sustainable sourcing 	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Waste and toxicity	<ul style="list-style-type: none"> Hazardous and non-hazardous waste Emissions and spills Electronic waste 	✓	✓	✓	✓	✓	✓	✓	✓		✓
	Environmental risk management	<ul style="list-style-type: none"> Disaster planning, response and resiliency LEED design and certification Climate change 	✓	✓	✓	✓	✓		✓	✓		✓
Social	Human rights	<ul style="list-style-type: none"> Ethical sourcing Supply chain standards 	✓	✓	✓	✓	✓		✓	✓		
	Labour, health and safety	<ul style="list-style-type: none"> Fair wages, benefits, training and development Labour standards, job stability and mobility Employee engagement 	✓	✓	✓		✓		✓	✓	✓	
	Diversity, equity and inclusion	<ul style="list-style-type: none"> Equal opportunity and participation Non-discrimination 	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Product safety, quality and brand	<ul style="list-style-type: none"> Customer satisfaction Affordability and accessibility 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Community engagement, partnerships and memberships	<ul style="list-style-type: none"> Volunteer hours Workforce/community demographic parity Alliance with key organisations, council and institutions Trade associations/industry bodies membership Corporate philanthropy 	✓	✓			✓	✓	✓	✓		✓
Governance	Board composition	<ul style="list-style-type: none"> Minority representation Gender equality 	✓				✓		✓			✓
	Ethics and compliance	<ul style="list-style-type: none"> Anti-corruption Cyber security and data privacy Oversight and accountability Management policies, systems and disclosure (transparency) Political contributions and lobbying 	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	General corporate governance	<ul style="list-style-type: none"> Executive compensation Board leadership and structure Share structure (multiple classes, Board election) 	✓				✓	✓	✓			✓
	Risk management and mitigation	<ul style="list-style-type: none"> Codes of conduct Sensitivity analysis and stress testing 	✓		✓	✓	✓	✓	✓	✓	✓	✓

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Sustainability differentiators

Good business enablers





GOVERNING SUSTAINABILITY

How we support good sustainability governance

Good governance extends beyond compliance. It builds an ethical culture and enhances leadership, risk management, performance management and transparency – all of which are crucial for effectively managing sustainability. We support good sustainability governance through the following mechanisms:

- The Group Chief Executive assumes responsibility for sustainability and implementing ESG topics within Discovery
- Responsibilities at Board and executive levels ensure delivery on our Integrated Sustainability Framework
- ESG risks and opportunities are assessed, managed and publicly disclosed across the Group
- Financial and sustainability performance measures, including climate-related and ESG targets, are linked to remuneration
- Our capabilities, organisational structure and remuneration are reviewed to ensure they enable delivery on our ESG ambitions and goals

Our stakeholder-inclusive approach to corporate governance – with the support of our risk and compliance functions – ensures the highest standards of risk management and compliance are embedded across the Group, including regarding sustainability matters.

+ **Our governance** is one of our Integrated Sustainability Framework's good business enablers. Read more about how good governance is integrated into our business from page 110.

RISK AND COMPLIANCE

The Board is committed to developing and maintaining the Group's strong risk and 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 we adhere to high levels of personal and professional integrity.

+ Managing risk is part of our capabilities, which is one of our good business enablers. For more detail on our ESG risk management approach, see pages 97 to 109.

ALIGNING WITH LEADING BEST PRACTICE

We demonstrate our commitment to ESG through global memberships, index inclusions and commitments and by aligning with leading best practice. This enhances our transparency and ensures stakeholders have the information they need to understand our ESG journey and make informed decisions. External recognition helps us measure our ESG progress, with 26% of our Group single incentive scorecard linked to ESG-related targets, which includes Discovery's ESG ratings.

Our key memberships and commitments

MEMBERSHIPS AND PARTICIPATION

- United Nations Global Compact (UNGC) Target Gender Equality programme
- UNGC Network South Africa
- UNGC Climate Ambition Accelerator
- UNGC SDG Innovation Accelerator
- UNGC SA Best Practices for Engaging and Supporting SMEs committee
- NBI Science Based Targets Network working group

COMMITMENTS

- Level 1 B-BBEE Codes of Good Practice
- UNGC Ten Principles
- World Economic Forum Stakeholder Capitalism Metrics
- Signatory and active participant of the United Nations Principles for Responsible Investment
- Signatory to the United Nations' Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance

Partnering as a force for good

Through our involvement with Business Unity South Africa (BUSA), we pledged to partner with over 130 of South Africa's leading corporations to assist, build and bolster initiatives aimed at addressing South Africa's current challenges with the aim of achieving sustainable, inclusive economic growth.

Through our Health Funders Association and BUSA memberships, we collaborate with the South African government to establish the necessary mechanisms to achieve a sustainable system of universal healthcare as outlined in the Presidential Health Compact.

We actively collaborate with several regulatory bodies, such as the Health Professions Council of South Africa, South African Pharmacy Council and South African Nursing Council.

Discovery Health has held several meetings with the Department of Health, National Treasury, Prudential Authority, academia, Health Systems Trust (universal health coverage index discussions), the South African Medical Association, the Health Funders Association, the health industry and the Presidency through BUSA to discuss matters related to universal health coverage, including the finalisation and implementation of low-cost benefit options (LCBOs) and the industry repose to the NHI Act.

Discovery is an active participant in the Board and Technical Advisory Committee of the Health Funders Association, providing technical input and participating in discussions on matters of industry importance.

We are also an active participant in the BUSA Health Policy group, which has been formed to deal with health-related topics. This has included building on learnings from COVID-19 in respect of public-private partnerships and collaboration.

We participated in the annual UNEP FI member survey in FY2024. The confidential survey feedback helps inform the UNEP FI's future strategy and priorities towards its goal of creating a financial sector that positively impacts and serves people and planet.

External recognition

We maintained the highest peer ratings across the following:

S&P Global Ratings

S&P Global (Dow Jones Sustainability Index): 63 score in the 89th percentile for 2023 reporting cycle, reflecting a significantly improved outcome



Sustainalytics risk rating: 14.9 low-risk score in 2024, a leading score in our local industry and a significant improvement from our 19.4 score in 2023



MSCI ESG Index: A rating for the 2022 reporting cycle, reflecting an improved outcome



IRAS Sustainability Data Transparency Index (SDTI): ranked first in the financial services – insurance and benefits sector in 2023*



Constituent of the FTSE4Good Index Series

* Relative to South African life insurance peer group



Material themes guiding our ESG approach

To fulfil our purpose and be a force for good, we must identify external factors impacting our ability to create and share value, as well as our impact on our stakeholders and broader society.

We determine our material matters and themes annually through a robust double materiality assessment, looking outward to understand our societal and environmental impact and inward to gauge what impacts our ability to create value for our stakeholders. This process informs the selection of material themes and matters for our IAR and Sustainability Report, ensuring cohesive messaging.

In FY2024, our materiality determination process identified and prioritised eight themes that influence enterprise value and Discovery's impact on the economy, environment and society. These themes, and the material matters that inform them, align with stakeholder concerns and needs and support the delivery of our core purpose.

Our materiality assessment is reviewed by our Group Executive Committee and submitted to the Board for validation.

HOW OUR MATERIAL THEMES RELATE TO OUR INTEGRATED SUSTAINABILITY FRAMEWORK

We mapped our FY2024 material themes against our Integrated Sustainability Framework and the SDGs to ensure clear pathways for meaningful impact.

Sustainability differentiators



MAKE PEOPLE HEALTHIER



ENHANCE AND PROTECT LIVES



STRENGTHEN SOCIAL SYSTEMS



RESTORE THE ENVIRONMENT



Our Integrated Sustainability Framework also depends on maintaining **sustainable financial health** across the Group.

Good business enablers



Our capabilities



Our brand



Our purpose and values



Our people



Our governance



Links to executive remuneration

We have embedded our ESG targets, which are included alongside, into our remuneration to ensure alignment at leadership level.



For more information on Discovery's financial performance, refer to our 2024 IAR.



1 Advance our disruptive Shared-value model

We drive positive behaviour change for shared value by providing innovative products that meet evolving needs. We are expanding into new markets and practising effective risk management.

Targets

- 1 billion healthy activities per year by 2030 ^R
- 1 million Discovery Bank clients by 2026

KPIs

- Life years saved
- Shared-value dividend to customers
- Responsible insurance product premiums
- Number of global markets we operate in

What we measure

- Customer engagement levels

Related SDGs



Related sustainability differentiators and good business enablers





2 Operate within a volatile socio-economic environment

We monitor uncertain economic factors such as geopolitical tension, energy instability and market volatility. We track economic pressure elements and address inequitable effects. Our Shared-value model supports strained healthcare systems, and we adapt to societal shifts, including mental health challenges. Our systems are designed for agile responses to global events.

What we measure

- Impact of economic conditions on persistency rates across product lines
- Impact of interest rates, currency and market volatility
- Impact of demographic and environmental conditions and risk factors on claims rates across product lines
- Response to grid failures and other power-related issues in South Africa
- Response to water limitations in South Africa

3 Ensure long-term financial sustainability

We allocate capital for growth and sustainability. We drive sustainable performance aligned with our Shared-value model. We research and manage emerging and climate change risks to maintain resilience. Our approach to responsible investment incorporates ESG factors to create societal impact and effectively manage risks.

KPIs

- Research spend
- Percentage lower cost for DHMS members vs other schemes
- DHMS fraud recovery amount
- Road fatality rate

What we measure

- Performance of Shared-value model across key risk and value indicators
- ESG investment criteria

4 Ensure good corporate governance and leadership

We respect human rights, promote ethical business conduct and prioritise Board effectiveness. Good governance is a cornerstone of our operations, supported by robust ownership and control measures. Clients' fair treatment and consumer protection are paramount. Our reporting is transparent and discloses financials, ESG factors, taxes and socio-environmental impact. We monitor and manage supply chain impact and support fair remuneration.

Targets

- 40% black and 30% female Board representation by FY2025
- Top quartile ESG ratings **R**
- Minimum wage

KPIs

- Vertical and diversity pay gaps with internal targets
- Number of employees trained on ethical conduct
- Ethical incidents reported

What we measure

- Board effectiveness reviews

5 Leverage and manage technology and innovation

We harness technological innovation while ensuring good governance in this space. Our technology platform safeguards against cyber threats, secures data privacy and promotes digital inclusion and equality.

KPIs

- Number of data breaches and cyber-security incidents
- Number of research publications
- Discovery Bank availability percentage

Related SDGs



Related sustainability differentiators and good business enablers

MAKE PEOPLE HEALTHIER

STRENGTHEN SOCIAL SYSTEMS

- Our capabilities
- Our brand
- FINANCIAL STRENGTH

MAKE PEOPLE HEALTHIER

ENHANCE AND PROTECT LIVES

- Our capabilities
- Our governance
- FINANCIAL STRENGTH

STRENGTHEN SOCIAL SYSTEMS

- Our people
- Our governance
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MAKE PEOPLE HEALTHIER

ENHANCE AND PROTECT LIVES

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- Our capabilities

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6 Empower our people

We aim to attract and retain motivated teams by offering job security, engaging benefits and wellbeing support. We continuously enhance workforce capabilities to meet current and future demands. We value diversity, ensure equity and foster a sense of belonging. We uphold labour standards, prioritise health and safety and maintain effective grievance management.

Targets

- Employment equity targets **R**
- Senior female appointment targets (UK) **R**
- Employee engagement percentage **R**
- Staff retention percentage **R**
- Skills development target

KPIs

- Workforce Vitality Age vs actual age gap
- Workforce turnover and involuntary turnover
- Employee training hours/days
- Learning and development spend
- Percentage of employees with active Vitality membership
- Number of employees registered with Healthy Company

Related SDGs



Related sustainability differentiators and good business enablers

STRENGTHEN SOCIAL SYSTEMS

- Our purpose and values
- Our people
- Our governance

7 Expand and strengthen our social impact

We address societal challenges by promoting behavioural change and leveraging unique differentiators for shared value. Collaboration is key to amplifying impact, achieved through philanthropy, volunteering and strategic partnerships. We support economic development by creating jobs and providing inclusive services. Additionally, we drive healthcare and financial services accessibility through inclusion and education initiatives.

Targets

- Impact 1 million lives in rural and underserved areas by 2026
- Train 600 medical specialists by 2026
- 20% employees volunteering for Discovery ForGood annually

KPIs

- Potholes repaired through Pothole Patrol
- Enterprise supplier development disbursements
- Skills development and training for the unemployed
- Social investment
- Financial inclusion: number of lives covered by KeyCare and Flexicare
- Number of employees volunteering
- Rand value of employee volunteering activity
- Discovery Fund essential healthcare services in rural communities
- Research grants for black medical public sector specialists
- Procurement spend on black-owned businesses



MAKE PEOPLE HEALTHIER

STRENGTHEN SOCIAL SYSTEMS

ENHANCE AND PROTECT LIVES

RESTORE THE ENVIRONMENT

- Our people
- Our purpose and values

8 Strengthen our environmental stewardship

We are committed to restoring the environment. We reduce emissions and aim for carbon neutrality. We are continually increasing awareness and improving management of environmental impacts and stewardship.

Targets

- 21.4% cumulative reduction in Scope 1 and 2 emissions against 2019 baseline in FY2024 **R**
- Carbon neutral by 2027
- Net zero by 2050 or earlier
- Zero waste to landfill

What we measure

- Paper use
- Kilotres of water withdrawn from municipal water supplies
- GHG emissions



RESTORE THE ENVIRONMENT

- Our purpose and values
- Our governance



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03

SUSTAINABILITY DIFFERENTIATORS





MAKE PEOPLE HEALTHIER

PHYSICAL HEALTH

SUPPORTING THE SDGs



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



RELATED MATERIAL THEMES

Advance our disruptive Shared-value model

Operate within a volatile socio-economic environment

Ensure long-term financial sustainability

Leverage and manage technology and innovation

Expand and strengthen our social impact

WHY DOES THIS MATTER?

Making people healthier is the core of our business and the first sustainability differentiator of our Integrated Sustainability Framework, **linking directly to our purpose**. Our preventative approach to healthcare leverages our deep understanding of individual health risks to incentivise healthy behaviours scientifically proven to reduce those risks.

WHAT DO WE DO?

Our business is aligned with the health and wellbeing of our clients. The Vitality Shared-value model uses leading **analytics, rewards and incentives** to help clients **make healthier choices**. Doing this better makes us more competitive, benefits the business and maximises its **positive impact on our clients and society**.

HOW DO WE DO THIS?

Breaking the iron triangle [+ Page 20. >](#)

Responding to **emerging trends** [+ Page 22. >](#)

Driving change through the **Vitality platform** [+ Page 25. >](#)

Personalising healthcare to drive behaviour change [+ Page 31. >](#)

Taking our Shared-value model **into the workplace** [+ Page 35. >](#)

TARGET

1 billion healthy activities per year by 2030

PROGRESS MADE IN FY2024

Recorded **576 million** healthy activities during FY2024, including 102 million HealthyFood items purchased

KEY DEVELOPMENTS ON OUR JOURNEY TO MAKING PEOPLE HEALTHIER:

Impacted 42 MILLION LIVES GLOBALLY

(FY2023: 35 million lives*)

>3.7 MILLION LIFE YEARS SAVED

2.4 MILLION SCREENINGS AND VACCINATIONS

(FY2023: 2.3 million)

* Lives impacted excludes reinsured lives in PAHI that have been derecognised as per the 2023 reporting year.

- Vitality's global presence expands across 41 markets and our insurance partner membership increased by 17%
- Discovery Health Medical Scheme (DHMS) members pay an average of **11.1% less** than members of the subsequent seven largest open schemes (FY2023: 12.2%)
- Through our Hospital Care Initiative, members can compare hospitals' performance and make more informed choices. Among the **198 hospitals** rated, **65%** achieved a 'better than expected' rating
- Completed **772 000 health checks** through the **WELLTH Fund**, helping over **525 000** DHMS beneficiaries understand their health better
- In FY2024, Vitality UK members completed over 577 000 health reviews and received over **£89 million in total value in rewards**. In 2023, members showed a 13% increase in physical activity and 20% improvement in diet
- Launched the new Discovery Health app, enabling new digital healthcare innovations and service delivery in an ever-expanding connected digital health ecosystem
- Discovery's Health app and health ecosystem won Gold in the Connected Ecosystems & Marketplaces category at the 2024 Qorus Innovation in Insurance Awards
- Enhanced our HealthyFood benefit by introducing new partners and offering members more healthy options
- Launched an integrated exercise ecosystem, broadening the range of fitness facilities and exercise classes available to members, enabling seamless booking and payment in the app and introducing **VO₂ max** as a new cardio fitness indicator
- Developed **Personal Health Pathways** to optimise engagement in precise and personalised Next-best Actions to improve healthy habits and outcomes
- Expanded Vitality Health International Africa to seven countries in Africa

LOOKING AHEAD

- DHMS will launch Personal Health Pathways to all adult members in late 2024
- Grow the core medical scheme and health insurance businesses
- Enhance the digital health ecosystem by implementing the Discovery Health app and HealthID, offering medical scheme members new digital healthcare benefits and better integrating healthcare providers with member journeys
- Continue to build a lean and future-fit operating model and data science ecosystem
- Advance constructive and sustainable health policies
- Continue to build collaborative relationships with healthcare providers
- Build the brand through thought leadership content amplification and strategic brand initiatives

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Make people healthier

Enhance and protect lives

Strengthen social systems

Restore the environment

Good business enablers

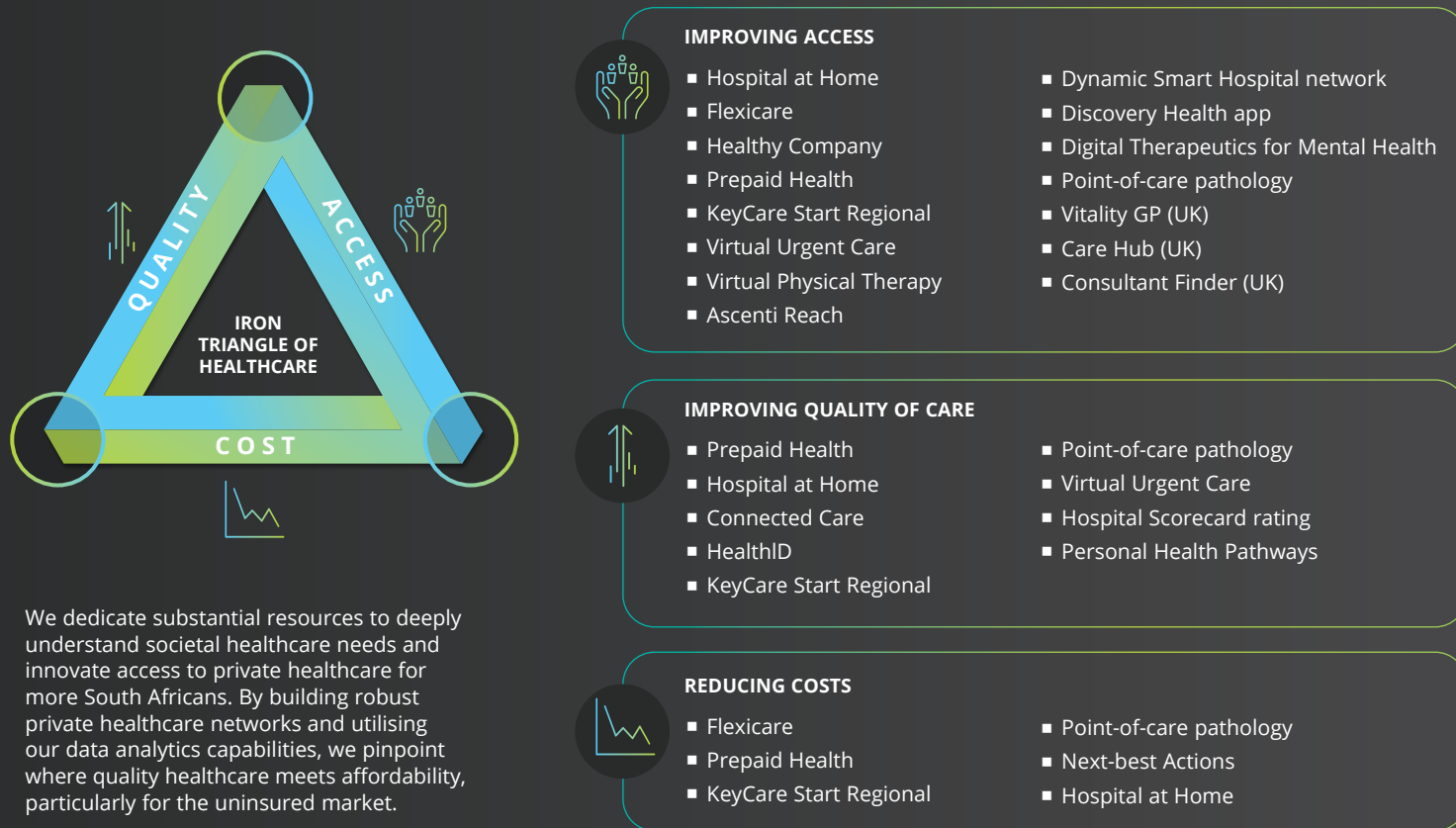




BREAKING THE IRON TRIANGLE

Healthcare is often thought of as a three-way trade-off between access, cost and quality – the so-called iron triangle. Improvement in one aspect is expected to come at the expense of the others. Discovery Health leverages technological advances and disruptive innovations to develop new ways to improve access to healthcare and reduce the associated costs without lowering quality – thereby disrupting the iron triangle.

Affordable healthcare models introduced by Discovery Health to increase access to lower-cost and quality healthcare include:



We dedicate substantial resources to deeply understand societal healthcare needs and innovate access to private healthcare for more South Africans. By building robust private healthcare networks and utilising our data analytics capabilities, we pinpoint where quality healthcare meets affordability, particularly for the uninsured market.

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Flexicare

Flexicare is a unique healthcare product – powered by Discovery Health and underwritten by Auto and General – providing access to quality private healthcare, wellness management and a world-class suite of digital tools to **lower-income members and their families at an affordable cost**. Flexicare also gives employers the opportunity to provide their household employees access to unlimited GP and nurse consultations, among other essential healthcare services. The Flexicare partnership with Clicks gives ClubCard members a 10% cashback benefit on their monthly Flexicare premiums.

By increasing access to private healthcare for people who cannot afford to join a medical scheme, we are advancing our bold ambition to extend quality primary healthcare solutions to a much broader cross-section of South Africa's population.

108 286
lives covered by Flexicare
(FY2023: 95 298 lives)

KeyCare

KeyCare's quality network arrangements ensure our members receive the best care available at an affordable price, and KeyCare's minimum offering caters to low-income earners with different levels of cover so that members are protected from out-of-pocket expenses when they need hospitalisation. Payment arrangements with a network of providers and facilities provide members with full cover – in line with their plan benefits – while keeping monthly premiums affordable.

KeyCare Start Regional, a partnership between DHMS, Mediclinic and Intercare, extends medical scheme coverage, **at the lowest price in the industry**, to people in specific regions across the Western Cape, Limpopo and Mpumalanga. At a lower entry point, members receive efficient, coordinated care with contributions up to 16% more affordable for principal members.

364 360
lives covered by KeyCare (average)
(FY2023: 387 447 lives)



PHYSICAL HEALTH

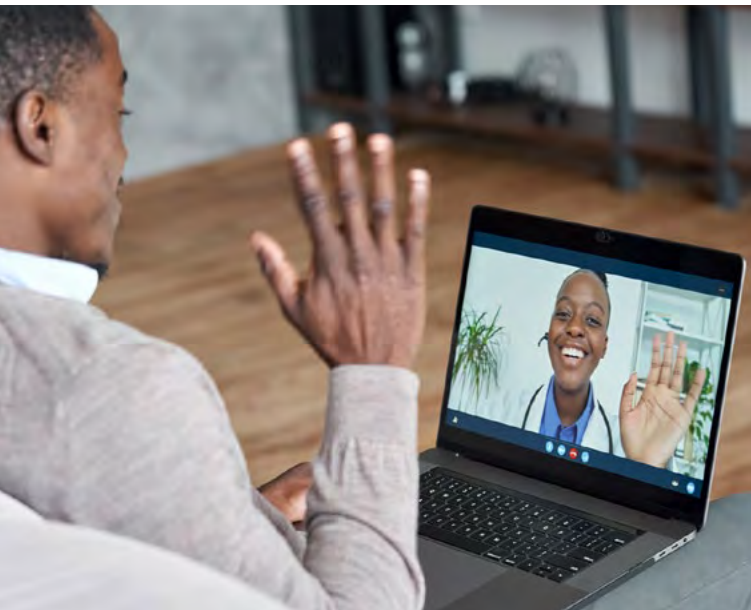
Breaking the iron triangle continued

Prepaid Health

Prepaid Health is a digital platform enabling anyone living in South Africa – irrespective of medical scheme membership – to buy and redeem vouchers at a discounted rate and receive high-quality, private, primary healthcare services, including face-to-face and virtual GP consultations. Employers can also bulk-buy Prepaid Health vouchers for employees and their families. The platform is free to use and accessible through a web-based app or WhatsApp. The latest digital technology minimises associated mobile data costs.

In October 2023, the High Court dismissed an application by the Council for Medical Schemes to halt the ongoing marketing, distribution and operations of the Prepaid Health product.

As at 30 June 2024, over **254 715** registered users of the Prepaid Health product purchased **13 960 VOUCHERS**



Digital Health Ecosystem

Discovery Health has integrated the member and provider digital platforms into a seamless digital health ecosystem that opens access through the Health app (for members) and through HealthID (for providers). HealthID is Discovery Health's electronic health record, available to all users, which shares important clinical and medical scheme information with patients' selected healthcare professionals.

The Health app creates a centralised hub for members' healthcare needs, elevating member-provider interactions. Key features of the Health app include virtual consultations through Virtual Urgent Care, Order Medicine Now, MyHealth for health records, internet-based Cognitive Behavioural Therapy and MyCover for policy administration. The app creates a connected digital capability that provides healthcare to medical scheme members across the care continuum.

Members can book virtual, telephonic and in-person healthcare consultations with their doctors, access reliable Mayo Clinic content from a digital healthcare repository and enhance chronic care management through various care programmes, activated through HealthID.

6 451 VIRTUAL CONSULTATION BOOKINGS BY MEMBERS

368 279 MEMBER USERS

1 127 344 MEMBER LOGINS

6 327 PROVIDERS REGISTERED

AVERAGE OF 2 573 active doctors and practitioners logged monthly

Hospital at Home

Our Hospital at 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. Hospital at Home provides home-based hospital-level care to qualifying members with low-acuity cases or the option of early hospital discharge to home-based care. It is 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 the patient's clinical status.

This innovation increases South Africa's hospital bed capacity by around **750 BEDS** and catalyses disruptive change in the hospital sector



Our Hospital at 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.

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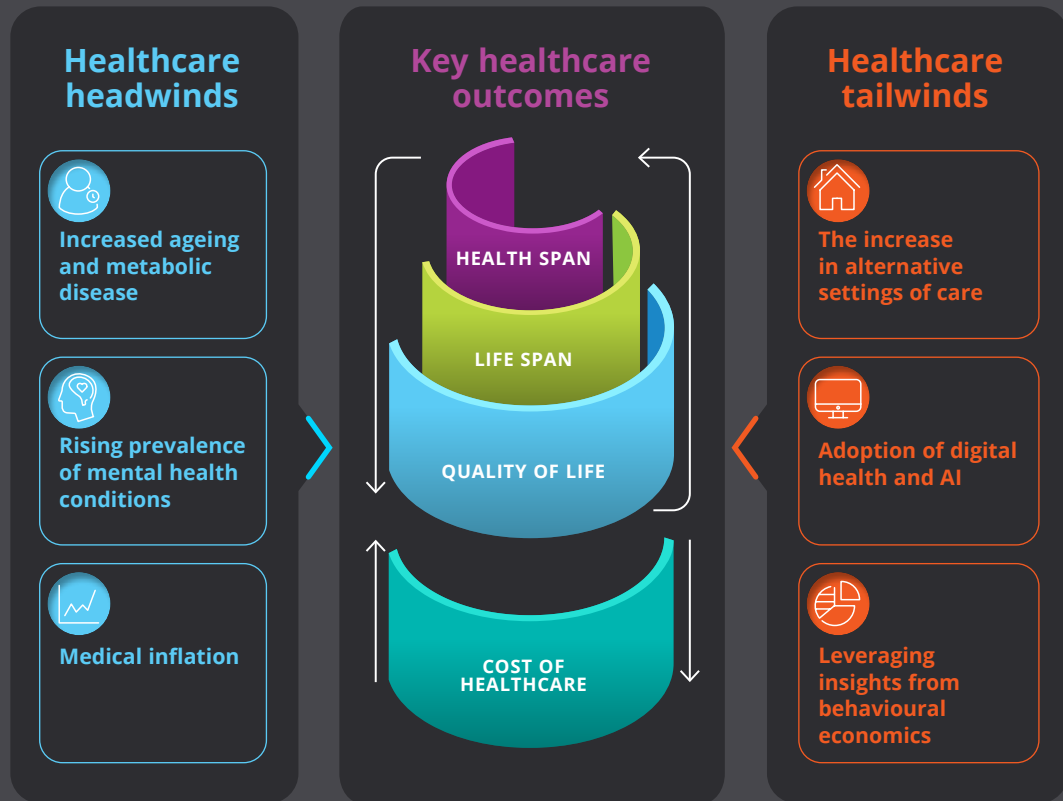




PHYSICAL HEALTH

RESPONDING TO EMERGING TRENDS

The healthcare industry faces a number of challenges that negatively affect key healthcare outcomes and increase healthcare costs. At the same time, supportive industry trends provide opportunities to counter these challenges to improve access to high-quality, affordable care.



Challenges facing the healthcare industry

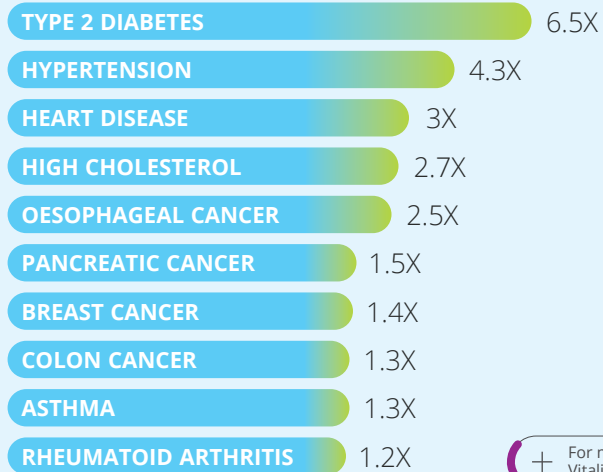
Increased ageing and metabolic disease

The average age of medical scheme members is increasing. In a landscape where open enrolment and community rating are standard – and without mandatory cover or risk equalisation – medical schemes can experience shifts in their membership profiles. Furthermore, as members age, their healthcare needs (and claim costs) increase, leading to the need for higher contributions to manage these growing expenses.

Additionally, the proportion of the covered population that suffers from chronic conditions like diabetes, cardiovascular diseases, cancer and poor mental health increases.

The obesity epidemic, in particular, is a global challenge: over 1.9 billion adults are overweight or obese. In South Africa, 31% of men, 68% of women and about 13% of children younger than five years are overweight or obese. A similar trend is evident in the UK, with one in three children overweight by the time they leave primary school. Obesity increases the risk of premature death and developing illnesses or non-communicable diseases like type 2 diabetes, cardiovascular disease and certain cancers while also increasing healthcare costs.

The risk of death increases in line with increasing weight – those with a body mass index (BMI) of over 40 have a 52% higher mortality rate. In addition, obese members are more likely to have a chronic condition compared to those with a healthy weight:



Our response

- Encourage members to form and maintain healthy habits around physical activity, nutrition and mental wellbeing and reward them for doing so
- Provide chronic disease management programmes, encourage early identification through regular screening and targeted interventions to prevent and manage long-term illness
- Offer disease management interventions and tailored programmes for high-risk populations living with chronic diseases to improve outcomes and reduce overall costs
- Use advanced predictive modelling to analyse members' health check results, claim patterns, family history of disease and other information that informs their risk of developing chronic metabolic diseases
- Attract young and healthy lives to improve DHMS's sustainability metrics

+ For more information on Vitality, refer to page 25.

+ For more information on Personal Health Pathways, refer to page 31.





PHYSICAL HEALTH

Responding to emerging trends continued



Rising prevalence of mental health conditions

Beyond the severe impact of mental disorders on personal wellbeing, poor mental health can directly impact our clients' physical health and increase the risk of developing chronic conditions. Living with a chronic condition also increases the risk of developing poor mental health. For example, depression is associated with an 18% increased risk of developing type 2 diabetes.

The prevalence of mental health conditions is rising

OVER 1 BILLION PEOPLE GLOBALLY ARE AFFECTED BY MENTAL AND ADDICTIVE DISORDERS

Around 16% of the world's population

IN SOUTH AFRICA,

30%

of South Africans will experience a mental disorder at some point in their lives

FROM 2012 TO 2022, MENTAL HEALTH CONDITIONS INCREASED BY

120% in people between 18 and 24 years of age, and by 44% in older age groups

Our response

- Include mental health screening as part of the regular assessments in the Vitality programme and the WELLTH Fund, allowing for early identification
Refer high-risk members to the Mental Health Care Programme for better care management
Enable access to benefits that support our members' mental health journey, including the Mental Health Assessment Benefit, Mental Health Care Programme and Digital Therapeutics for Mental Health
VitalityHealth members in the UK can access up to eight sessions of talking therapy annually. They also have access to the mindfulness app Headspace

For more information on how we support our members' mental wellbeing, refer to page 83.



Medical inflation

In most countries, medical inflation typically runs at least 3% to 4% above consumer price inflation, driven by changes in the cost of healthcare services, changes in the supply of healthcare services - new hospitals as well as advances in medicine, medical procedures and medical technology - and increases demand for medical treatment. Long-term trends creating increased demand for medical treatment include the increasing prevalence of chronic diseases and greater demand for more comprehensive coverage by older people and those with chronic conditions.

Consumers feel pressure from rising interest rates, stagnant economic growth and high levels of consumer price inflation, which affects affordability of medical scheme cover for members. Challenging economic conditions often see healthier members prioritising other necessities or choosing to remain uncovered, while those with an immediate need for healthcare tend to prioritise medical scheme membership. This leads to higher levels of adverse selection and greater demand-side inflation.

Our response

Lower the cost of care by:

- Offering products that cater for diverse healthcare needs across the affordability spectrum, including the KeyCare range, Flexicare, Prepaid Health and trauma cover
Focusing on scaling the adoption of value-based care contracting arrangements
Reducing the cost of care through day clinics and point-of-care pathology, among others
Providing Hospital at Home services with a dedicated and expert care team in the convenience of members' own homes

Opportunities in the healthcare industry



The increase in alternative settings of care

Increasing costs and the need for greater convenience and improved access to healthcare services are pressuring the industry to innovate and find new ways to deliver care. Because of this, the places of care for surgical, diagnostic and in-patient services have shifted from traditional hospitals to home-based care, retail clinics, out-patient facilities or freestanding ambulatory service centres. This has the potential to significantly reduce costs, often while delivering care of better quality.

Our response

- Invest in sophisticated assets and capabilities to support transformation in the healthcare system and places of care
Provide home-based hospital care for qualifying conditions, supported by exceptional safety and quality standards, as well as continuous patient monitoring using cutting-edge digital technologies through Hospital at Home
Provide digital health platforms that support an integrated healthcare ecosystem for personalised, remote access to world-class care, including the Discovery Health app and HealthID

Discovery Hospital at Home has better clinical outcomes following discharge compared to traditional hospital admissions

When emergency care is required, effective response times ensure patient health is not adversely affected

Table with 5 columns: 67% lower probability of readmission to hospital, 63% lower probability of a visit to emergency department after discharge, 1 in 30 members require transfer to an acute hospital, 6 minutes average response time of emergency medical services, 0 admissions with adverse outcomes following emergency care

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PHYSICAL HEALTH

Responding to emerging trends continued



Adoption of digital health and AI

Digital health provides powerful channels to improve access to healthcare at scale and ease the burden on healthcare systems through initiatives like telehealth platforms that provide telephonic and virtual video consults. Healthcare professionals can receive almost real-time access to comprehensive clinical data relating to their patient population – from remote monitoring devices to pathology trend dashboards. These can be automatically analysed to flag predictive risk alerts that enable doctors to close the gaps in patient care quicker, leading to better health outcomes.

Our response

- Leverage our technology capabilities to broaden healthcare access through the new Discovery Health app, which enables digital access to high-quality, affordable care
- Combine third-party digital health solutions with our integrated ecosystem of world-class, comprehensive features and capabilities
- Offer digital healthcare management tools and assets, including virtual consultation platforms, digital health interfaces between patient and provider, remote monitoring and screening solutions as well as virtual care and support through health coaching, care coordination and navigation
- Analyse data using AI tools, predictive models, alerts and defined care pathways to create targeted behavioural change initiatives, support shared-value partnerships and enable proactive care coordination



Leveraging insights from behavioural economics

Behavioural economics seeks to explain human behaviour in the real world, demonstrating that people do not always make the best decisions even with the right information and tools available. Most decisions are made subconsciously and subject to cognitive biases – errors in thinking that lead to judgements or decisions that deviate from the optimal choice. By investigating the role of psychological factors in the way humans make judgements and decisions, behavioural economics enables innovation that reduces the effect of biases to improve behaviour and outcomes.

Our response

- Continue to leverage behavioural economics and the science of Vitality to deliver on our core purpose:
- Guide and incentivise people towards better behaviours through our Shared-value model and Vitality behaviour-change platform
 - Design interventions to address the areas with the biggest potential to change risk outcomes over the long term based on our understanding of the correlations between behaviour, cost and outcomes
 - Launch of Personal Health Pathways to incentivise engagement in personalised Next-best Actions

+ For more information on Vitality, refer to page 25.

Case study: Leveraging data to link perceived quality of care with readmission rates

During the year, we concluded an eight-year review of patient satisfaction surveys, through which we investigated patient satisfaction scores for DHMS members who were admitted to hospital – some of whom had an unplanned readmission shortly after their first admission.

Using those scores, we determined how patients who had an unplanned readmission perceived the quality of hospital care they received when first admitted, and compared their care scores to those of patients who did not have an unplanned readmission.

Our analysis shows that, between 2015 and 2022, patient satisfaction scores relating to hospital admission were lower for patients who were readmitted within 30 days of being discharged from their index admission than for those who did not experience an unplanned readmission.

This study highlights opportunities for addressing areas of concern flagged by patients around their initial and follow-up treatment, as well as the importance of clear patient communication during their admission.

Refer to the detailed study results here.

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PHYSICAL HEALTH

DRIVING CHANGE THROUGH THE VITALITY PLATFORM

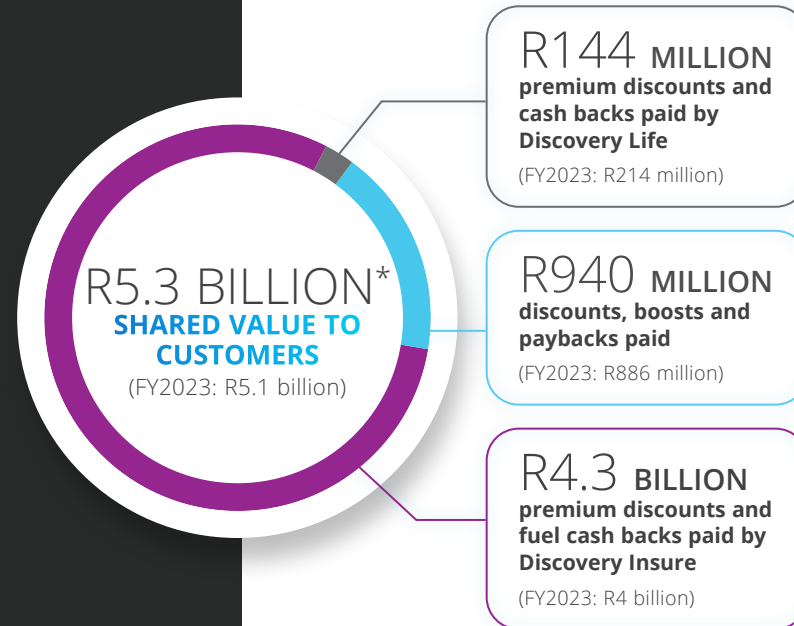
Vitality is Discovery's behaviour-change platform that combines insights from behavioural economics, clinical science, driving habits and personal financial management to guide and incentivise people to cultivate better behaviours. By understanding the correlations between behaviour and outcomes, we have designed Vitality to address those areas that have the biggest potential to change risk outcomes over the long term. The model applies behavioural design principles in creating interventions that provide members with pathways to reduce personal risk, and incentivises them to improve behaviour through three programmes – Vitality Health, Vitality Drive and Vitality Money.

The Vitality Shared-value model is globally relevant.

41
MARKETS

42 MILLION
LIVES IMPACTED
GLOBALLY

Members earn Vitality points by engaging in healthy behaviours like completing health checks, buying healthy food or increasing their physical activity. Points accumulate annually to improve members' Vitality status, with higher status levels earning more rewards, including discounts, Discovery Miles and cash back on various goods and services. Vitality points reset to zero at the start of each year, incentivising members to keep earning points to maintain or improve their status by becoming and remaining healthy year after year.



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



+ For more information on Vitality Drive, refer to page 40. >

+ For more information on Vitality Money, refer to page 45. >

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PHYSICAL HEALTH

Driving change through the Vitality platform continued

Improving our members' health through key interventions

Vitality interventions focus on four key areas:



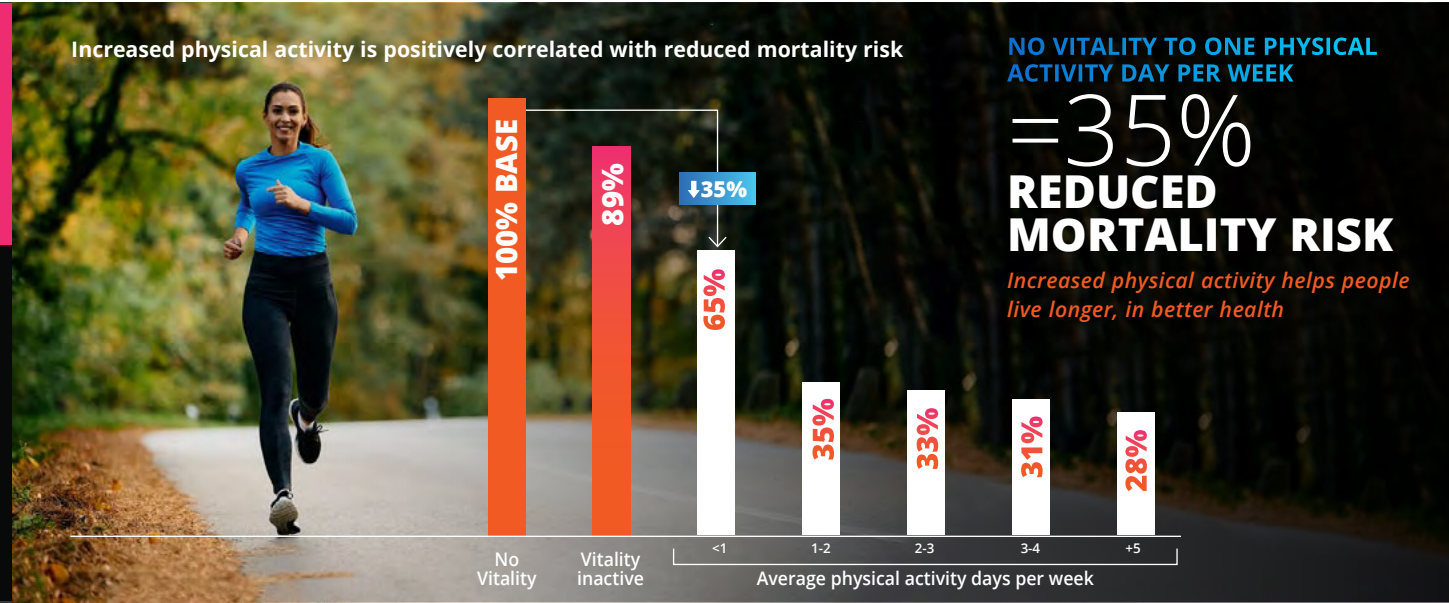
PHYSICAL ACTIVITY

Using the science of health behaviour change, Vitality encourages members to move more

Vitality champions physical activity by removing barriers to exercise, including cost, access to devices and lack of motivation – ultimately helping our members to improve their health outcomes. Members pay less when they get active and can exercise in a way that suits them – at gyms, outdoors or in group settings.

In FY2024, we launched Vitality Fitness – a first-of-its-kind integrated exercise ecosystem where members have access to over 400 fitness facilities and exercise classes, book and pay seamlessly in the app, engage with a fitness facility and earn Vitality points. We also introduced a new incentive linked to cardio fitness by measuring members' VO₂ max.

Increased physical activity is positively correlated with reduced mortality risk



NO VITALITY TO ONE PHYSICAL ACTIVITY DAY PER WEEK

= 35% REDUCED MORTALITY RISK

Increased physical activity helps people live longer, in better health

Vitality members exhibit **BETTER ENGAGEMENT IN THE HEALTH SYSTEM** – with a higher percentage completing Health Checks and mammograms

42 MILLION LIVES GLOBALLY (FY2023: 35 million lives)

22 BILLION STEPS AVERAGED PER DAY (FY2023: 16 billion steps)

6 496 HEALTH ASSESSMENTS AND VACCINATIONS PER DAY (FY2023: 6 211 health assessments)

3.6 MILLION WORKOUTS LOGGED PER DAY (FY2023: 4.5 million workouts)

4 265 NEW DEVICES LOGGED PER DAY (FY2023: 4 158 new devices)

41 535 GOALS ACHIEVED PER DAY (FY2023: 34 834 goals achieved per day)

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PHYSICAL HEALTH

Driving change through the Vitality platform continued

THE VITALITY HABIT INDEX

Healthy habits can profoundly extend the quality and length of life across ages, risk factors and health statuses – maintaining a small amount of physical activity has lasting health impacts. Given the role of behaviour in health risk globally, a better understanding of the mechanisms of habits can be a powerful way to improve individual health and encourage healthcare systems to prioritise preventive health.

Research conducted by Vitality and the London School of Economics, published as *The Vitality Habit Index*, mapped the behaviours of over 1 million Vitality members in South Africa and the UK to identify the best ways to form and maintain healthy habits – and to understand the science of how healthy habits can lead to longer, healthier lives.

The UK continues to grapple with a growing health burden while public health services remain under pressure. It is estimated that 35% of the population is inactive, which contributes to declining health and increased levels of non-communicable diseases like type 2 diabetes. This, in turn, increases the incidence of hospitalisation. Based on the research conducted, if half of this group achieves 5 000 steps once a week, the reduction in hospitalisation could lead to an estimated annual saving of £4 billion for the National Health Service. In addition, if those who currently have poor exercise habits (for example non-habitual exercise) were to consistently reach 5 000 steps three times a week, this saving increases to £15 billion.

Small changes to create and sustain healthier habits can significantly impact the UK's healthcare systems. Major positive impacts were seen at all age groups; however, this was particularly true for older generations: people over the age of 65 saw a 52% reduction in their mortality risk after maintaining a habit of 7 500 steps three or more times a week. This is significantly greater than those aged between 45 and 65 – who saw a 38% reduction in their mortality risk – and the total population, who saw a 27% reduction. The research further indicates that, on average, 7 500 steps per day achieves the bulk of the reduction in common-cause mortality. Beyond this, the health improvements become more incremental.

On average across all age groups, people who sustain a healthy physical activity habit – of at least

5 000 steps three times per week for two years

can add between 2.5 years (for men) and 3 years (for women) to their life expectancy.

People who sustain a habit of

10 000 steps, three times a week for three years

can reduce their type 2 diabetes risk by up to 41%. Increasing the frequency of exercise to 4 or more times a week saw a 57% reduction in risk of developing type 2 diabetes.

The Vitality Habit Index also sheds light on the science of habit formation to understand how people can build exercise habits and improve their health – the most enduring physical activity habits are formed gradually, in laddered increments, starting with a lower target. One of the fundamental challenges in embedding a preventative approach to health is bridging the gap between what people know they should do to remain healthy – and what they do. Incentives and personalised rewards can help bridge this gap while people gradually build up healthy habits, after which behaviours become automatic and resilient to change. Tailored incentives, coupled with a scientific understanding of how to form and sustain habits, can help people live longer, healthier lives.



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PHYSICAL HEALTH

Driving change through the Vitality platform continued



NUTRITION

Vitality provides education, incentives and nudges to help members buy, cook and eat more nutritious meals

Vitality's nutrition strategy influences behaviour related to food choices and eating patterns to reduce the prevalence of lifestyle diseases and their associated long-term complications. The programme focuses on encouraging and incentivising members to buy better, cook more often and eat healthier. We work with 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.

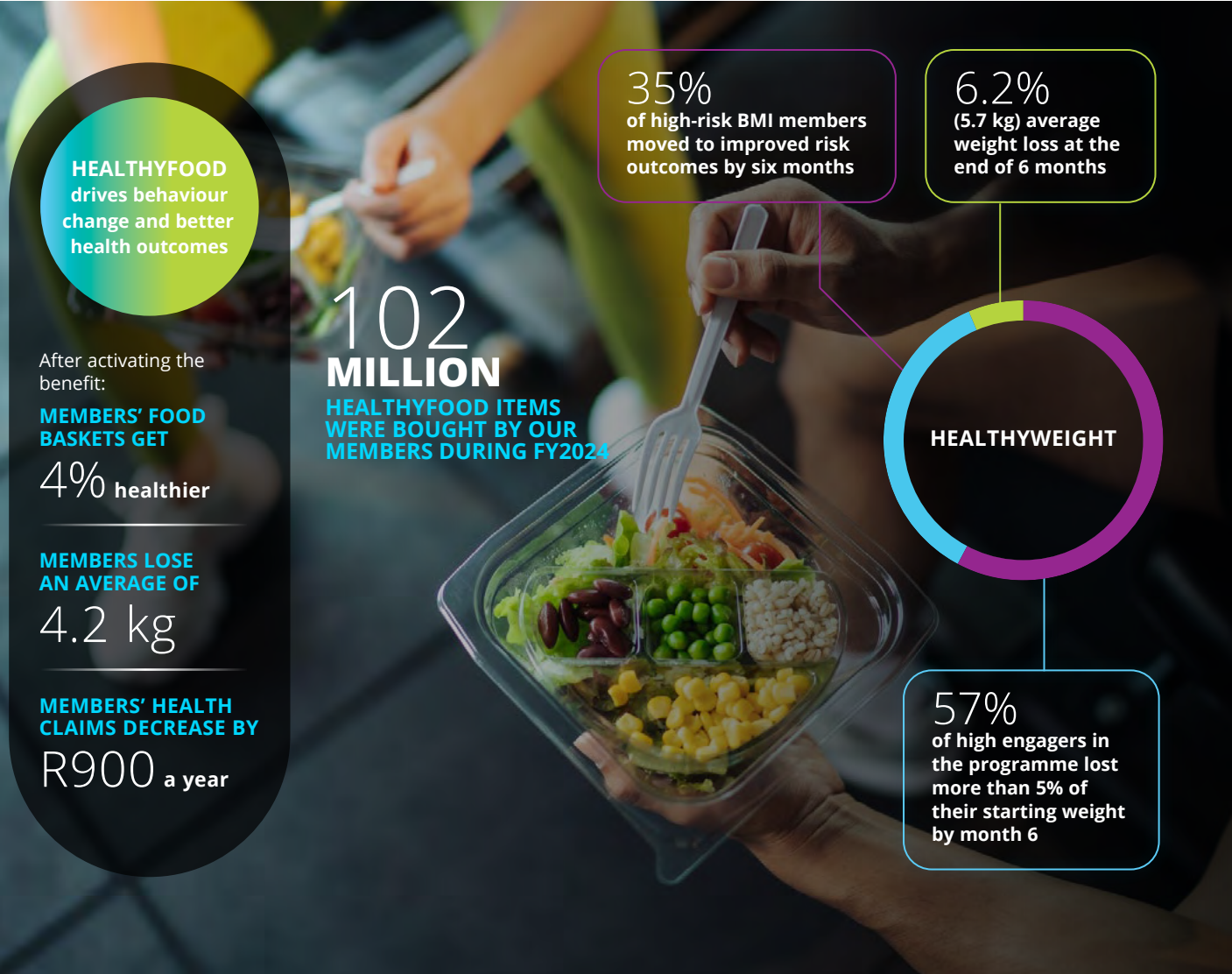
We encourage our members to improve their health through the following interventions:

Vitality **HEALTHYWEIGHT**, a fully personalised weight-management programme aimed at motivating members to eat healthier, establish healthy eating habits and maintain a healthy weight

HEALTHYFOOD, which rewards Vitality members for choosing from a catalogue of healthy food items. Members who buy healthy food receive cash back for their healthy purchases and monthly points towards their Vitality status, a tiered scale of rewards and incentives

The **HEALTHYDINING** benefit, which rewards members for choosing healthier options at restaurants, healthier takeaway meals or ready-meal kits

The Vitality **HEALTHYFOOD STUDIO**, a bespoke cooking studio based on the rooftop of 1 Discovery Place, teaches clients cooking skills to empower them to cook at home using healthy and delicious ingredients and recipes



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Driving change through the Vitality platform continued



MENTAL WELLBEING

The Vitality Mental Wellbeing programme uses assessments to determine members' mental wellbeing, provides tools to support mental health and rewards them for taking proactive steps to understand, improve and maintain their mental health

Members receive Vitality points for completing mental wellbeing assessments twice a year, enabling them to understand critical elements of their mental wellbeing by measuring resilience, depression, anxiety, overall wellbeing, alcohol consumption and sleep. After completing the assessments, members can activate the mental wellbeing module and get rewarded for tracking their mindful minutes and sleep goals through partner apps.

Vitality UK offers all its clients access to a virtual GP, physiotherapy and talking therapies as part of their core cover – the only insurer in the UK market to do so. Vitality UK was also the first insurer to remove underwriting and medical exclusions for talking therapy treatment. These services are of growing importance and account for over half of all mental health claims.

+ For more information on the products and services available to support our members' mental health, refer to page 33.



SMOKING CESSATION

Vitality helps members to quit smoking by providing discounted access to the world's leading smoking cessation programmes

Smoking imposes substantial economic costs, particularly healthcare costs, with estimates indicating that the global economy loses US\$1.4 trillion each year. While most smokers are aware of the negative impacts of smoking on their lives and want to quit, fewer than one in 10 smokers succeed. Professional support and proven cessation interventions can significantly improve a smoker's chance of successfully quitting.

Discovery Vitality offers tools to help tackle the addiction using technology, psychology and pharmacology, and has partnered with leading smoking cessation programmes to support members. Members can receive substantial discounts on Allen Carr's Easy Way to Stop Smoking as well as the GoSmokeFree programme.

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Driving change through the Vitality platform continued

MEASURING THE IMPACT OF VITALITY

The Vitality programme and incentivised engagement has proven to be a robust tool to both manage and achieve our core purpose. Increased engagement with the programme reduces mortality risk, increases longevity and enhances quality of life while reducing costs, average age and withdrawal rates in the Scheme.

Vitality significantly improves health conditions and reduces healthcare costs:

13% AVERAGE REDUCTION IN MORTALITY ACROSS ALL VITALITY STATUSES

Vitality-linked DHMS new business is on average 2.8 YEARS YOUNGER AND HAS LOWER RISK-ADJUSTED IN-HOSPITAL CLAIMS ACROSS ALL PLAN TYPES

Hospital admission rates are 20% LOWER FOR HIGHLY ENGAGED MEMBERS THAN INACTIVE MEMBERS

Blue status members have a score THREE TIMES HIGHER ON THE DEPRESSION QUESTIONNAIRE THAN HIGHLY ENGAGED MEMBERS

Across in-force DHMS business, Vitality members have a LOWER AVERAGE AGE, LOWER LEVELS OF CHRONICITY AND BETTER IN-HOSPITAL CLAIMS EXPERIENCE

Healthcare costs are 25% LOWER FOR HIGHLY ENGAGED MEMBERS COMPARED TO INACTIVE MEMBERS

Highly engaged members are 41% LESS LIKELY TO HAVE AN IN-HOSPITAL DEPRESSION CLAIM THAN BLUE STATUS MEMBERS

Vitality-linked lives have 20% LOWER WITHDRAWAL RATES

In-hospital claims are 21% LOWER FOR VITALITY MEMBERS

DHMS members with Vitality generated a R885 MILLION SURPLUS FOR THE SCHEME IN 2023



Vitality UK

Engagement in the Vitality programme remains high in the UK, helping members to understand and improve their health while earning rewards. In 2023, our data indicated that highly engaged members incur 28% lower healthcare costs and highly active members live up to 4.8 years longer.

In FY2024, our members...

Completed over 577 000 HEALTH REVIEWS and 55 000 HEALTH CHECKS

Completed over 1.4 MILLION MINDFULNESS SESSIONS

Benefited from 1.8 MILLION DISCOUNTED HEALTHYFOOD BASKETS

Realised value of over £89 MILLION

Attended 320 000 PARKRUNS

Received discounts on nearly 90 000 SPORTS SHOES 2.7 MILLION COFFEES AND OVER 1 MILLION MOVIES

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PHYSICAL HEALTH

PERSONALISING HEALTHCARE TO DRIVE BEHAVIOUR CHANGE

Globally, companies continue to harness the power of AI and big data to personalise healthcare and health risk management. Leading academic research highlights seven common themes for improving longevity, with the consensus being that behaviour change is required in relevant areas to improve healthspan and lifespan. In the context of sustained increasing ageing of insured lives over time, we recognise an opportunity in leveraging Discovery's data assets to drive positive habit formation and reduce healthcare costs. Our unrivalled dataset and understanding of the underlying science and evidence of behaviour change puts Discovery in a unique position to personalise healthcare pathways.

Our rich and comprehensive dataset longitudinally links clinical and wellness data. Measured from 2008 to 2024, the dataset encompasses:

WELLNESS DATA

1.1 BILLION DEVICE DATA EVENTS

26.5 MILLION LIFE-YEARS OF VITALITY ENGAGEMENTS

CLINICAL DATA

48.7 MILLION LIFE-YEARS OF DEMOGRAPHIC DATA

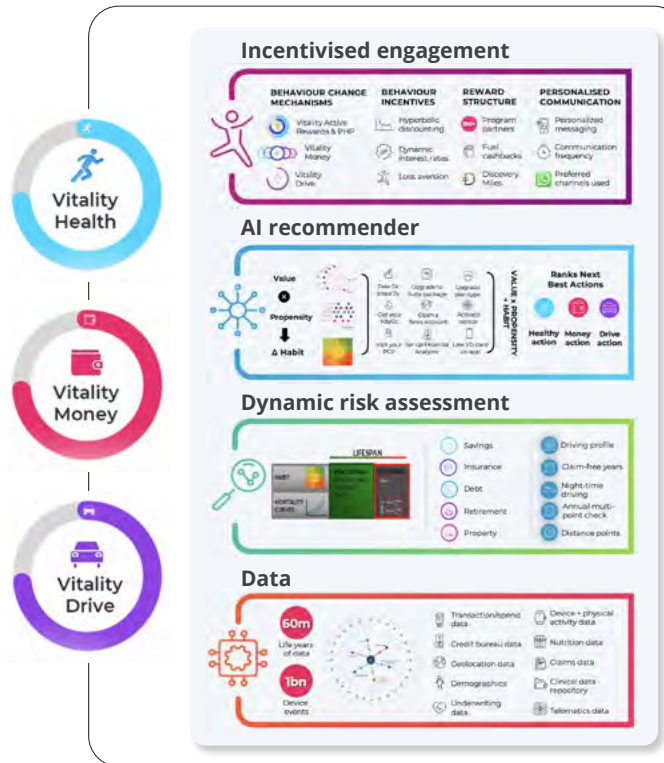
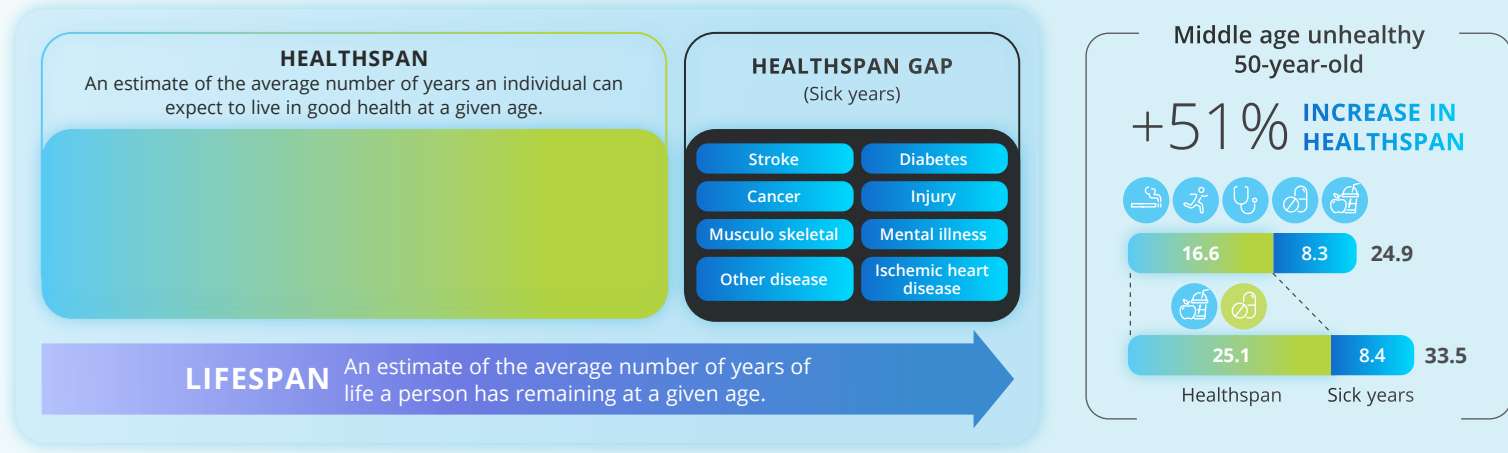
48.7 MILLION LIFE-YEARS OF HEALTH UTILISATION DATA

11.7 MILLION LIFE-YEARS OF DATA RELATED TO HEALTH CONDITIONS

A few simple actions can improve the health and longevity of individuals

Recent research by Discovery Health indicates that small and easy-to-complete actions, taken consistently over time, can have dramatically positive impacts on members' life expectancy (lifespan) and healthspan, the number of remaining years a person is likely to spend in good health.

A 50-year old person can increase their healthspan by as much as 51% by taking a few simple actions on a consistent basis, while someone aged 70 years can increase their number of remaining years in good health by as much as 90%. Forming healthy habits improves health and longevity at all ages with the positive effects exponentially increasing with age.



Through our Personal Health Pathways (PHP) programme, set to launch in 2024, we will help our members create and sustain healthy habits by combining personalised next-best health and exercise actions with rich and meaningful incentives. The programme creates a new category of wellness that incorporates complex wellness and deep chronic disease management into one hyper-personalised structure: an intelligent, science-based platform that follows an individual throughout their lives – regardless of age and changing health status – creating personalised healthcare journeys for DHMS's 2.7 million adults members.

Vitality UK is already providing members with data-driven recommendations based on habit theory and causal mortality to maximise their health through the Next-best Action programme. The programme targets the critical health

behaviours of physical activity, nutrition and mental wellbeing to deliver curated health improvement experiences tailored to each member's circumstances. Members are nudged to complete weekly tasks and earn Vitality points for their Active Rewards and Vitality status for completing the recommended activity.

Vitality UK's 12-month weight management pathway for at-risk members has proven effective in supporting members to lose weight and improve their health. In 2023, on average, participants lost 5.6% of their starting bodyweight with more than half reaching the target of 4%, and 24% achieving a weight loss of 10%. These levels of weight loss are associated with reduced risk of diabetes and cardiovascular disease. Findings from the first phase showed that 43% of participating members with type 2 diabetes reversed their diabetes.

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PHYSICAL HEALTH

Personalising healthcare to drive behaviour change continued

VITALITY UK NEXT-BEST ACTIONS

Next-best Actions have shown notable achievements in 2023, including broader lifestyle improvements:

52%

ACHIEVED THEIR WEIGHT LOSS GOAL OF LOSING 4% OF THEIR BODY WEIGHT

43%

OF TYPE 2 DIABETIC PARTICIPANTS REVERSED THEIR CONDITION

47%

OF SMOKERS IN THE QUIT SMOKING PATHWAY WERE ABLE TO STOP SMOKING

The PHP programme will be rolled out in South Africa. Each member will receive a PHP built from the DHMS and Vitality datasets using advanced actuarial analysis, data science modelling and behavioural economics. The process characterises members' habits and preferences, contextualises where they are in their healthcare journey and predicts their health risks. This allows us to offer every member a unique pathway and the most relevant Next-best Action for health improvement, personalised to their health status, behaviour and needs throughout their lives.

Members will be encouraged to engage in their personal pathways using a range of behaviour science techniques. These include hyper-personalised recommendations, compelling gamification and intelligent rewards to drive engagement in key actions that improve health and form healthy habits – ultimately leading to quantifiable health improvement across all members.

DEPLOYING AI AT SCALE TO IMPROVE THE HEALTH OF OUR MEMBERS

Largest clinical and lifestyle dataset globally

Over 30 years of clinical, lifestyle and behavioural data to better understand each member's health risks, preferences and habits.

Science-based clinical intellectual property

Extensive clinical expertise across population health management, behaviour change and disease management to augment deep personalisation.

Advanced data science and machine learning

Leveraging advanced machine learning and data-science capability to prioritise and personalise the next actions that are most relevant to each member to optimise long-term health improvement.

Delivered through the new Discovery Health app and an intuitive WhatsApp journey, making it easy for each member to know what will have the biggest impact on their long-term health.

PHPs to navigate members to better health

Personalised and dynamic pathways that follow a member throughout their life and changing health status.

Next-best Actions to simplify engagement

The most important clinical and lifestyle actions a member can take to improve their health.

Rewards for completing Next-best Actions

Gamified rewards system to drive engagement, create habits and improve health outcomes.

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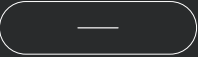
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Personalising healthcare to drive behaviour change continued

The gateway to a personalised, end-to-end healthcare journey

In October 2023, we launched our new Discovery Health app as a single point of access for our members and their digital healthcare needs. The app provides access to cutting-edge digital healthcare technology and services, including new innovations and benefits for our members. Through the app, users can move seamlessly between their Discovery products, understand and optimise their health, access care and manage their health plan in a connected digital health ecosystem that will continue to expand over time.

The app enables enhanced care and new benefits for our members, including three exciting, first-for-South Africa features:

ENABLING VIRTUAL URGENT CARE

Through the Discovery Health app, DHMS members have on-demand and convenient access to a dedicated panel of emergency room doctors who provide immediate virtual care for urgent medical conditions 24/7. In an emergency, the app can instantly geolocate the member, summon emergency medical services and transfer relevant clinical records to the emergency service provider to enable improved care.

Doctors can conduct a virtual medical needs assessment and diagnosis, create a treatment plan, generate an immediate e-script and refer customers for face-to-face consultations. Where needed, members can be referred for emergency care or an ambulance can be dispatched to the member's location.

INTRODUCING VIRTUAL PHYSICAL THERAPY

In partnership with Genie Health, Discovery Health members have access to evidence-based physical rehabilitation via video that is supported by AI technology. This conveniently extends the connection between patients and allied healthcare professionals into the comfort of the patient's home. The highly sophisticated platform tracks patients' movement to ensure correct form through AI camera technology.

The Virtual Physical Therapy platform has a flexible approach to physical rehabilitation, depending on each patient's individual needs. Virtual Physical Therapy combines virtual consults and self-guided sessions according to a personalised recovery plan to complement in-person consultations with a physiotherapist, chiropractor or biokineticist. Patients can access remote monitoring and coaching for better recovery outcomes through virtual consultations or the chat functionality in the app.

PROVIDING COMPREHENSIVE SUPPORT ALONG THE FULL MENTAL HEALTH JOURNEY

The incidence of poor mental health continues to rise globally. In South Africa, the prevalence of mental illness in DHMS members increased by almost 20% compared to before COVID-19 – mental illness now affects over 13% of all Scheme members.

High global prevalence of mental health disorders	High prevalence of depression in South Africa, with majority untreated	Disproportionate impact on younger individuals
1 in every 8 people in the world live with a mental health disorder	1 in every 5 people in South Africa have symptoms of probable depression	+13% increase in Discovery Life insurance claims for suicide in 2022
1 in 3 women 1 in 5 men will experience major depression in their lives	Only 25% of South Africans with mental health disorders receive treatment	+149% (<30 years) +50% (31 – 40 years) increase in Discovery Life insurance claims for younger clients

Driven by our focus on early intervention, we introduced the Mental Health Assessment Benefit, a quick and easy mental wellbeing assessment available to all members via the Discovery Health app. Once completed, the assessment results and clinical data are used to evaluate the member's risk of mental illness, stratify these risks and provide relevant risk-funded interventions for at-risk members.

Digital therapeutics are increasingly being used to treat mental health disorders, with 68% focusing on mental health interventions, including internet-based cognitive behavioural therapy. From 2019 to 2023, Vitality UK's Talking Therapies claims increased by 179%, while in-patient mental health claims decreased by 69%.

Discovery Health has partnered with Silvercloud to deliver Digital Therapeutics for Mental Health, the first ever medical-scheme-funded digital therapeutics product in South Africa. The platform provides convenient access to evidence-based mental health therapy focused on early intervention against depression or depression with anxiety through the Discovery Health app. Through the app, patients can access personalised care and treatment at anytime from anywhere and, as members engage, real-time data is shared with the prescribing healthcare professional to track progress in a dynamic feedback loop.

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PHYSICAL HEALTH

Personalising healthcare to drive behaviour change continued

Case study: The link between mental health and existing chronic conditions

Our data highlights a significant trend in healthcare costs associated with chronic members, particularly those with mental illness. Chronic members with mental illness have 3.8x higher healthcare costs than members with no chronic or mental illness, and 2.5x higher healthcare costs than members with a chronic condition and no mental illness. On average, members with one existing condition and suffering from mental illness cost 1.4x more than those without mental illness.

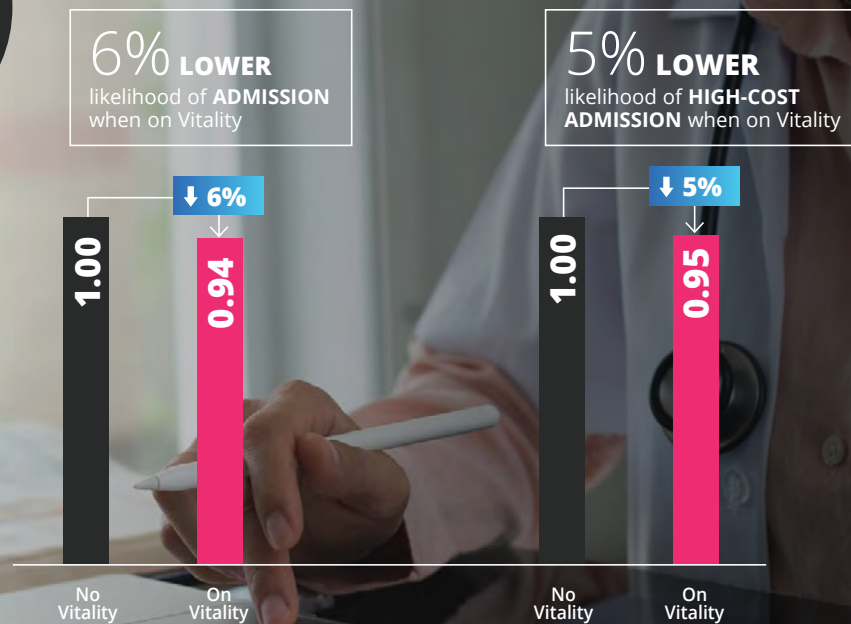
During the year, we used causal modelling to assess the impact of mental illness on diabetic members and its effect on their healthcare outcomes.

Our research highlights the critical impact of mental illness on diabetes:

- One in six members living with diabetes have a mental illness, with higher severity in advanced stages diabetes
- Members living with diabetes developing mental illness within 12 months see an 11% rise in hospitalisation costs and a 4% increase in other medical costs
- More severe diabetes stages are associated with higher mental illness prevalence and mental illness severity is higher among members with diabetes compared to non-diabetics
- Members with both diabetes and a mental illness have higher diabetes-related hospitalisations, higher mortality rates and lower medicine adherence

Notably, members living with diabetes and with mental illness on Vitality show better outcomes, presenting a key opportunity to leverage Vitality for improved health results.

Improved cost outcomes for members with diabetes and mental illness on Vitality



We recognise the opportunity in leveraging Discovery's disease management programmes and wellness programmes incentivising physical activity and nutrition to reduce the impact of mental illness on members with diabetes and their in-hospital outcomes.

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PHYSICAL HEALTH

TAKING OUR SHARED-VALUE MODEL INTO THE WORKPLACE

Compared to those in poor health, healthy employees are:

- More productive
- More motivated
- More resilient to change
- More likely to engage with business priorities

Supporting employee health and wellness is a critical aspect of good business practice. Ensuring employees have access to quality healthcare is essential to sustain the health and productivity of a workforce.

Healthy Company

Healthy Company is Discovery's digitally enabled, comprehensive employee assistance programme which proactively supports employees and allows employers to respond to employee health and wellbeing challenges. Healthy Company brings Discovery's Shared-value model into the workplace, going beyond the traditional insurance model to incentivise employees to remain in good health, reducing the cost of their insurance, and sustaining their health and productivity.

Employers' focus on employee wellbeing has extended beyond traditional wellbeing solutions. Healthy Company delivers intelligent, actionable insights and reporting for each employee, covering their health and wellbeing as well as their progress in managing these risks. Employees then have access to tailored solutions, ranging from prevention and education to ongoing or episode management based on their risk profile. This includes our Healthy Company Coaches, who are available to assess employees' physical, emotional, legal and financial wellbeing and refer them to professionals, including psychologists, registered counsellors and social workers, trauma and debt counsellors, or legal advisers. The Discovery app and website provide a comprehensive overview of employees' health and wellbeing as well as access to wellbeing assessments and relevant interventions.

The Healthy Company app provides practical and proactive interventions to help employees cope, including access to a mood capture tool, a suite of wellbeing risk assessments that automatically trigger appropriate interventions and online educational content. The interactive employer dashboard provides comprehensive reporting of employee risk classifications, utilisation and engagement with Discovery-related interventions, as well as yearly trends and benchmarking.

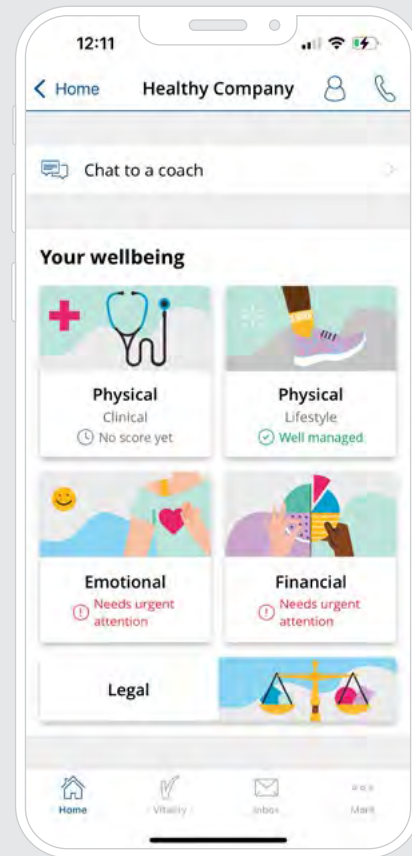
In 2024, we recorded:

21 461 INTERACTIONS from 8 425 MEMBERS

62 052 MOODS, of which 88% WERE POSITIVE

11 395 CALLS, 1 957 CHATS

19 049 EMOTIONAL COUNSELLING SESSIONS



DISCOVERY CORPORATE & EMPLOYEE BENEFITS

Leading the industry by offering:

The best product in a Two Pot world

The most consistently outperforming portfolio

RETIREMENT FUNDS

Pension & Provident Umbrella Funds
Single and multi manager funds
Active and passive management
Sharia compliant options

GROUP RISK

Life Cover
Income Protection
Severe Illness
Capital Disability
Global Education Protector

HEALTHY COMPANY

Physical
Emotional
Financial
Legal

Proactive 24/7 support

Employee Rewards
Digital tools and assessments
Enhanced reporting and actionable insights
Unified benefits platform

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Strengthen social systems

Restore the environment

Good business enablers





PHYSICAL HEALTH

Taking our Shared-value model into the workplace continued

Promoting a healthier and more productive workforce in Africa

Through Vitality Health International, we are expanding Discovery's footprint to reward healthy behaviours and build a healthier Africa. During the year, we expanded our local healthcare provider networks to offer the best healthcare access to our members anywhere in their country. Vitality Health International has built one of the broadest continental networks, ensuring our members have access to health insurance all over the continent and across the world. In FY2024, Vitality Health International will provide its members with access to elective care at multiple hospitals in the UK, with direct billing arrangements with exclusive hospitals in the United Arab Emirates, Portugal and India, as well as access to more providers beyond this.

Vitality Health International continues to work with African countries where we operate to reduce the high incidences of malaria. The disease is preventable and treatable but continues to take an unrelenting toll on human health in Africa.

Malaria remains the most prevalent disease in Africa, significantly impacting the lives and livelihoods of the most vulnerable.

249 MILLION YEARLY CASES OF MALARIA GLOBALLY - 94% OF WHICH ARE IN AFRICA

608 000 DEATHS WERE REPORTED IN 2022 DUE TO MALARIA World Health Organization.

During the year, we introduced the Vitality Malaria Benefit, which includes a rapid diagnostic self-test and over-the-counter medicine for low-risk individuals who prefer to self-medicate for mild and moderate malaria cases. Employees will be able to self-test and get their malaria results within minutes, enabling quick diagnosis and allowing them to receive the necessary treatment as soon as possible. By decreasing the time between infection and treatment, we can lower the incidence of complications and death and reduce transmission of malaria.



LAUNCHING THE VITALITY CHAMPIONS HUB IN THE UK

In the UK, Vitality launched a new online hub as part of its Vitality Champions Programme to provide greater support to corporate clients who want to embed health and wellbeing into their culture. The programme equips corporate clients with the necessary resources to build healthier, more engaged and productive workforces - including bespoke company workshops, health tips and advice, and access to experts.

The Champions Programme leverages behavioural economics, the expertise of health and wellbeing professionals and its expansive network of Performance Champions - ex-professional athletes like Rugby World Cup winner Maggie Alphonsi and Olympic hockey player Alex Danson-Bennett - to provide an experience unavailable anywhere else. This empowers our corporate clients to build impactful health and wellbeing strategies that can improve the health and productivity of their staff - Vitality data indicates that those clients with health insurance have 2.5 more productive days a year than those without it. As well as educating and incentivising, Vitality works with its members to increase engagement.

By introducing a brand-new online resource, Vitality will expand its Champions Programme, streamline access and foster community and collaboration. The dedicated employee platform will give members a chance to join and learn from an ever-growing community of likeminded and passionate health and wellness advocates and, ultimately, change the health of their workforce.

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ENHANCE AND PROTECT LIVES

HOLISTIC HEALTH

SUPPORTING THE SDGs



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



RELATED MATERIAL THEMES

- Advance our disruptive Shared-value model
- Operate within a volatile socio-economic environment
- Ensure long-term financial sustainability
- Leverage and manage technology and innovation
- Expand and strengthen our social impact

WHY DOES THIS MATTER?

As the second differentiator of our Integrated Sustainability Framework, holistic health **encompasses Discovery's broader view of health as interconnected and dynamic beyond the singular lens of physical health.** We know the various states of health are interdependent; clients who manage life and health risk, reduce accidents, plan for retirement and manage their money well experience greater overall wellbeing.

WHAT DO WE DO?

Through Vitality, we develop responsible products to incentivise and reward our members for changing and improving their health, driving and financial behaviours to generate greater wellbeing.

Our responsible product development is deeply embedded in our commitment to sustainability, and our products are designed not only to enhance customer experience but also contribute positively to social wellbeing and environmental stewardship. Discovery integrates ESG in its insurance underwriting process, with due consideration of the impact of ESG risks.

We define responsible products through the percentage of Vitality integration, and the combined effect of this model is significant. Vitality integration correlated to increased and sustained physical activity and lower mortality and hospitalisation rates, ensuring all products it integrates with – health, insurance, investment or banking – promote healthy behaviours. 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?

- Revolutionising risk cover [+ Page 38. >](#)
- Incentivising good driving [+ Page 40. >](#)
- Enabling financial independence [+ Page 43. >](#)
- Revolutionising banking [+ Page 45. >](#)

TARGET

1 million Discovery Bank clients by 2026

PROGRESS MADE IN FY2024

Number of clients grew by 36% to 958 055 as at June 2024. Discovery Bank reached 1 million clients in August 2024.

KEY DEVELOPMENTS ON OUR JOURNEY TO ENHANCE AND PROTECT LIVES:

R12.1 billion ESG INTEGRATED PREMIUMS FOR DISCOVERY LIFE'S RESPONSIBLE INSURANCE PRODUCTS

(FY2023: R11.5 billion)

- Discovery Life continued to demonstrate an industry-leading claims record while being the biggest writer of new business in the market*
- 25% lower average retirement drawdowns in post-retirement products for clients with boosts compared to clients without boosts, improving preservation of savings
- Discovery Insure launched a new road safety campaign in partnership with the United Nations, with the aim of reducing road fatalities in South Africa
- Road fatality rate of 9.57 per 100 000 lives compared with the South African rate of 22.2 per 100 000 lives
- Discovery Bank was voted the number one bank in client servicing for the third consecutive year in the 2024 Ask Afrika Orange Index® survey

* Leading claims record at the Ombudsman; 50% lower than our average competitor

R6.3 billion ESG INTEGRATED PREMIUMS FOR DISCOVERY INSURE'S RESPONSIBLE INSURANCE PRODUCTS

(FY2023: R5.7 billion)

- Discovery Bank won Best Consumer Solution at the MTN Business App of the Year awards, a testament to our commitment to delivering the best banking experience that includes the latest user and behavioural insights
- Discovery Bank was voted number one in the banking service for both retail and private banking in the 2024 Ask Afrika Orange Index® survey
- Discovery Life was voted number two for the funeral insurance category in the 2024 Ask Afrika Orange Index® survey
- We are a signatory to the UNEP FI Principles for Sustainable Insurance, through which we work to better understand, prevent and reduce ESG risks and better manage opportunities to provide quality and reliable risk protection

LOOKING AHEAD

- Focus on innovation, product development and demonstrating the efficacy of the Group's Shared-value model
- Leverage digital and AI capabilities to further grow Discovery Bank and achieve its vision of being the leading retail and business bank in South Africa, recognised for its product innovation, robust digital banking infrastructure and client impact
- Continue to deepen and integrate responsible insurance products across our South African businesses

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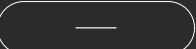
Make people healthier

Enhance and protect lives

Strengthen social systems

Restore the environment

Good business enablers





HOLISTIC HEALTH

REVOLUTIONISING RISK COVER THROUGH DISCOVERY LIFE

For 24 years, Discovery Life has forged the evolution of life insurance to enhance and protect our clients' lives. By harnessing the Shared-value model, the business drives positive client behaviour and outcomes by incentivising healthy and financially responsible actions. By rewarding clients for managing their health and finances through Vitality integration, the model creates actuarial surplus, resulting in lower premiums, better policy persistency and reduced claims. Clients benefit from unique financial rewards, such as the PayBack benefit, which returns a portion of their premiums. Additionally, innovations like the Funeral Plan 2.0 further extend these benefits, offering discounts and premium returns to clients who maintain healthy behaviours and consistent policy adherence.

Overall, this model not only enhances client value but also contributes to a healthier society. The business's shared-value payments are now growing faster than claims pay-outs, indicating a paradigm shift from traditional insurance models as clients seek to derive significant value from their life policies through healthy behaviour while being protected.

R12.1 BILLION

ESG integrated premiums for Discovery Life's responsible insurance products

Over R53 BILLION

in claims paid since Discovery Life's inception through market-leading products that cater to the dynamic needs of our clients

Secured a **27%** market share in the retail-affluent market in FY2024, with growth across all key retail distribution channels

With unique insights and a comprehensive dataset with 60 million life years, we ensure continued quality of life and make our clients healthier. Spearheaded in three phases, Discovery Life focuses on responsible product innovation that meets client needs and provides unparalleled value. These phases are:

1 SEPARATING RISK FROM INVESTMENT

Discovery Life was instrumental in transforming the South African life insurance market by separating risk and investment products.

2 INTRODUCING THE SHARED-VALUE MODEL

By integrating with other Discovery products such as Health, Vitality and Bank, Discovery Life can incentivise and share the surplus generated by clients who manage their health, wellness and finances well.

3 PERSONALISING THE CLIENT EXPERIENCE THROUGH DIGITALISATION

The rapid acceleration in digital adoption, along with the Group's technology assets, facilitate a platform that enables real-time insurance and shared-value – creating a personalised journey for clients. This includes offering simplified, yet comprehensive, products enabled by digital channels, providing an easy understanding of benefits and access to rewards through digital platforms for financial advisers and clients.

For more information on Discovery Life's offerings and performance during the year, refer to our 2024 IAR.

Increasing longevity through innovation

EVOLVING the Discovery Life Plan 3.0

Over two decades, Discovery Life has built the most comprehensive suite of local Life Plans, aimed at all client segments and designed to meet the full spectrum of their needs. We continue to broaden the offering and, this year, we expanded the Discovery Life new generation product, Life Plan 3.0, to the Essential, Classic and Purple Life Plan 3.0. Clients and advisers can access the most affordable risk cover in the market through a digitalised journey and interact fully with their policies and features through the Discovery app. The Life Plan 3.0 simplifies the Discovery Life product offering and customers' interaction with the Discovery Life Plan, further encouraging clients to actively engage with the programme and improve their health.

EXPANDING the breadth of benefits and shared value

Clients need access to comprehensive risk protection for their families while ensuring long-term premium sustainability. Discovery Life expanded the benefits available on our new business quoting and advice technology platform, Adviser 360, enhancing the sustainability mechanisms provided through our Shared-value model to create a powerful, long-term value proposition for our clients and their families. This includes introducing new, fundamentally unique spouse and child benefits to the new technology underlying our next-generation life insurance.

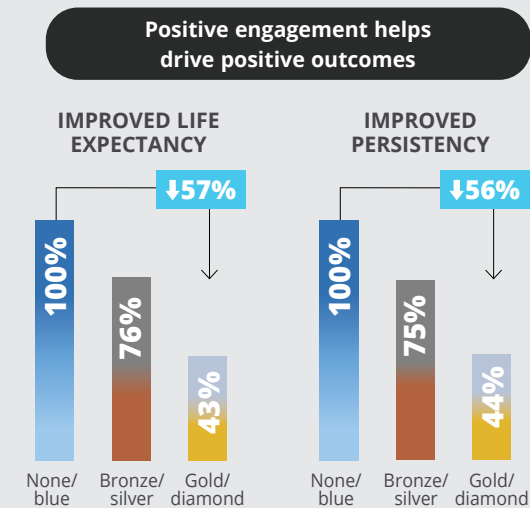
ENABLING next-generation financial planning

In a new-age digital world, Discovery Life is committed to seamlessly deliver comprehensive cover to our clients. We continue to expand access to our full suite of local personal Life Plans on Adviser 360, ensuring the best user experience for advisers and their clients. We transformed the Financial Adviser Zone into Adviser 360, which provides an integrated and centralised sales platform across Discovery. The platform also enables a client-centric, end-to-end digital sales process with real-time activation while simplifying the quoting and compliance processes through dynamic pre-population and digital acceptance.

The results: healthier clients with lower risk profiles

Vitality members have some of the highest life expectancies in the world at 83 years, compared to the average South African life expectancy of 65 years.

Integrating Vitality into our life insurance offering results in responsible insurance products that incentivise healthy behaviour, thereby increasing the life expectancy of our engaged clients while improving persistency. Because of this, we can share the positive actuarial surplus with policyholders through shared-value mechanisms like premium discounts, PayBacks, Cash Conversion and premium sustainability benefits.



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HOLISTIC HEALTH

Revolutionising risk cover through Discovery Life continued



The power of shared-value Insurance

Discovery Life's shared-value payouts increased by 14% in FY2024 to R2.4 billion, totalling R15 billion over 24 years – reflecting the business's commitment to the Group's purpose. Our clients received the following value through the Shared-value model over the years:

Annual integrated premium savings (Premium savings in 2023 through integration with other Discovery products)
R1.9 BILLION
SAVED IN FY2024

Total PayBacks paid to date rewarding clients for managing their health and wellness
R15 BILLION
(R2.4 BILLION ANNUALLY)

AS OF THE 2023 CALENDAR YEAR:

Cash Conversion expected to be paid over the next five years
R8.1 BILLION

Tertiary education costs expected to be funded through the University Funder Benefit over the next 21 years
R2.9 BILLION

Total Principal PayBack Fund in force on the Business Life Plan
R2.6 BILLION

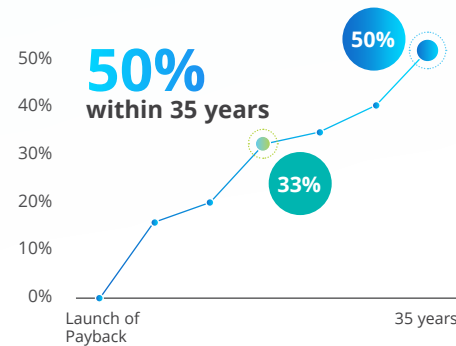
Total Dollar PayBack Fund in force on the Dollar Life Plan
US\$65 MILLION

CLAIMS PAID IN THE 2023 CALENDAR YEAR:

Life cover
R3 BILLION

Disability, illness and income protection
R3.2 BILLION

PayBacks and Cash Conversions relative to total claims



Financial inclusion

Discovery Life offers a comprehensive suite of local and global life insurance policies with market-leading cover, award-winning benefits and financial rewards designed for clients' lifestyles and needs, including the following products that promote financial inclusion in the lower end of the market:

Funeral insurance

Funeral insurance is vital in South Africa, reflecting the cultural importance of funerals and the need for financial readiness amid life's uncertainties. It offers a gateway for broader financial planning, providing peace of mind and enhancing life quality by addressing significant market opportunities for disruption and consumer education.

Funeral Plan 2.0 brings shared value to the funeral insurance market by serving people with limited income. It is tailored for distribution through extensive channels, including 1 091 tied agents and 442 independent financial advisers to date.

This funeral product offers several benefits, including extended cover support for spouses, automatic baby cover and enhanced accidental death benefits – protecting our members from financial and emotional burden during difficult times.

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HOLISTIC HEALTH

INCENTIVISING GOOD DRIVING THROUGH DISCOVERY INSURE

Since inception in 2011, Discovery Insure has introduced over

50

UNIQUE INSURANCE INNOVATIONS

in the South African short-term insurance industry

For over 10 years, Discovery Insure has provided unmatched value to clients through relentless and continual innovation. With an in-force annual premium income of over R6.8 billion and billions of our clients' assets on the book, we continue to provide exceptional value to our clients through claims and benefit pay-outs.

Discovery Insure's investment in telematics was critical in unlocking key insights that enable us to create a nation of safe drivers. Through our state-of-the-art telematics technology, we have access to over **19 billion kilometres of driving data**, giving the business an in-depth understanding of factors influencing vehicle accident risks. Based on this, we see that five behaviours lead to three key causes of accidents, which comprise 60% of all motor fatalities.

Five driving behaviours

- Drinking and driving
- Aggressive driving
- Cellphone use while driving
- Lack of vehicle care
- Excessive speeding

Three leading causes of accidents

- Distracted driving
- Loss of vehicle control
- Reduction in vehicle safety

60%

of fatal accidents

Through our Shared-value model, we use incentive-based insurance principles to develop responsible insurance products that encourage behaviour change and reduce insurance risks. We do this through Vitality Drive, Discovery Insure's unique behaviour-centred driver programme that rewards clients for driving well.

R6.3 BILLION

ESG INTEGRATED PREMIUMS FOR DISCOVERY INSURE'S RESPONSIBLE INSURANCE PRODUCTS

Vitality Drive is based on four key concepts:



Behavioural economics

The Vitality Drive programme is designed around the concept and science of behavioural economics. It provides clients with unrivalled value and rewards for driving well while being dynamic – allowing it to adapt to an ever-changing environment. The programme 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.



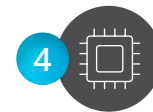
Points structure

Our clients earn Vitality Drive points by driving well, improving their driving behaviour and ensuring their vehicles are safe to drive. Points focus on behaviours with the biggest impact on our clients' risk – including acceleration, braking, cornering, speeding, night-time driving, distance driven and cellphone use. We apply actuarial algorithms to the driving data we collect to develop a scientific measure of driver behaviour, making it easy for our clients to understand their driving patterns and how they can improve. We also removed point-earning activities that are less correlated to risk; therefore, with the latest iteration of the Vitality Drive programme, 60% of Vitality Drive points are allocated to controllable driving behaviours.



Rewards

Vitality Drive rewards encourage sustained engagement and improved driving. Now, in conjunction with Discovery Bank, Vitality Drive clients can experience a more gamified Vitality Active Rewards platform and earn exclusive rewards for engaging with Vitality Drive.



State-of-the-art telematics technology

The programme uses the latest vehicle telematics technology to collect information about our clients' driving behaviour that directly impacts risk. 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.

For more information on Discovery Insure's offerings and performance during the year, refer to our 2024 IAR.

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HOLISTIC HEALTH

Incentivising good driving through Discovery Insure continued

Providing consistent and relevant value through innovation

With over a decade of experience, our business and product offerings continue growing as we find new ways to innovate and offer more value to our clients. During the year, we continued building on our existing product offering to launch the following new offerings:

EXPANDING

access to cover

To increase access to best-in-class insurance, we expanded our offering to include the Core Plan, specifically designed for clients who want a more **affordable premium** for their core insurance needs. Through the Core Plan, we provide clients with comprehensive vehicle and home insurance with service features conveniently accessible online. Clients can also join a simplified Vitality Drive programme, accessible through the Discovery Insure app.

ENHANCING

Vitality Drive

During the year, we enhanced the Vitality Drive programme by giving clients more ways to save by using their Insure Funder Account (IFA). The IFA enables clients to, among others, fund new tyres and vehicle servicing costs. Clients also receive a **50% discount** on their vehicle licence renewal fee through ChatBack, with the balance funded through their IFA.

PROTECTING

clients' homes against power surges

Following significant loadshedding in the 2023 calendar year, we experienced an increase in power surge claims, and recognised an opportunity to offer a **shared-value benefit beyond insurance cover**. As such, from November 2023 to January 2024, we offered clients with building or household insurance 25% off power surge protection devices from Takealot. The benefit was marketed with additional information to clients on how to avoid power surges.

Our clients are the centre of our rich ecosystem

64 MILLION

litres discounted

2.5 MILLION

Vitality Active Rewards drive goals achieved

654 012

trips discounted

28.5 MILLION

tyres funded

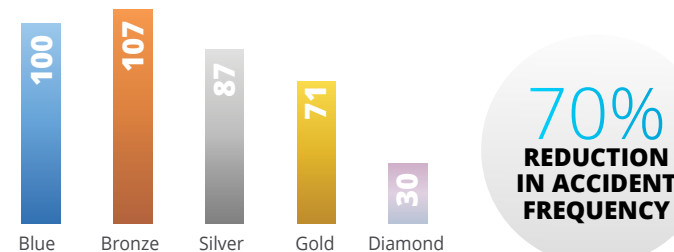
The result: safer roads for clients and other drivers

Vitality Drive members reduce their accident risk by 15% within the first month of joining the programme and have a 56.9% lower fatality rate than the South African average.

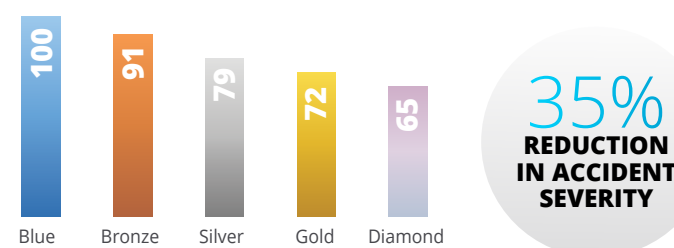
We leverage data assets across our various businesses to gather insights into road accidents in South Africa. For example, based on data from Discovery Life, we know that road accidents cause 30% of unnatural deaths. We design interventions that mitigate the causes of road accidents through the Vitality Drive programme, enable behavioural change and encourage our clients to become better drivers.

Vitality Drive shows positive results over the long term. Drivers who consistently engage with the programme and drive well have fewer and less severe accidents:

Relative average car accident claims by Vitality Drive status



Relative average claim amount by Vitality Drive status



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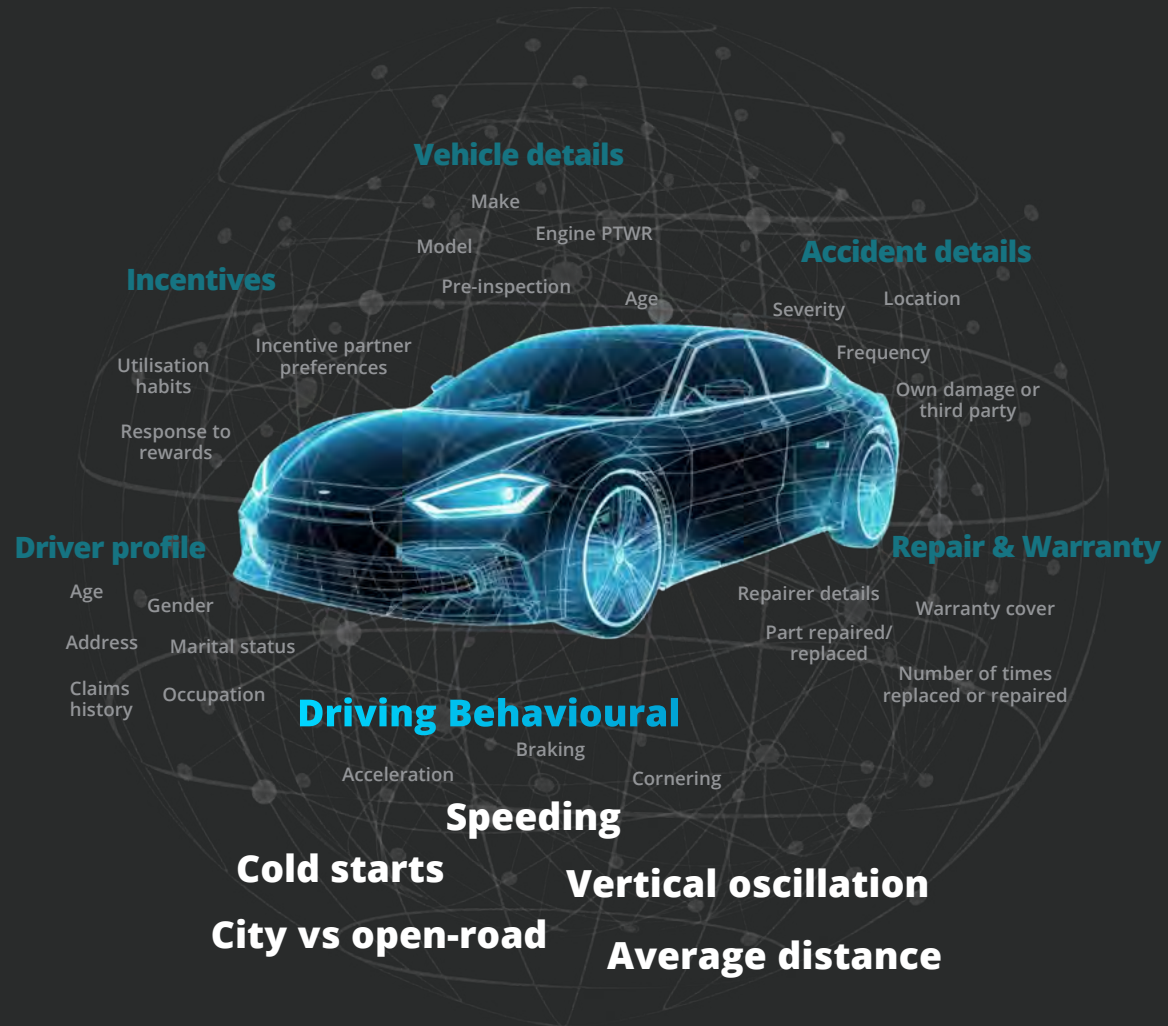




HOLISTIC HEALTH

Incentivising good driving through Discovery Insure continued

Our data gives us unique insights into vehicle condition



Manifesting the Shared-value model for clients and broader society



Good drivers pay a lower premium

Through Vitality Drive, clients who drive well can manage the cost of insurance premiums as they get a lower renewal increase compared to poor drivers. Clients that earn Diamond Vitality Drive status at least nine times per year and are claim-free receive no renewal increase on their vehicle premium.



The value of rewards is increasing over time

Good drivers also get rewards like fuel cash back and discounts on new tyres and vehicle servicing. The impact of these rewards is increasing over time, which then reduces the cost of vehicle ownership.



We keep clients and society safe

We keep our drivers and their families safe by giving them access to vehicle safety features such as Impact Alert, weather warnings, a vehicle panic button, Driver DNA and Motion Alert.

Financial education

Discovery Insure is a member of the South African Insurance Association, which conducts ongoing consumer education projects for young adults, households and SMEs. The business also offers clients and advisers a wealth of resources to help understand how our insurance plans and Vitality Drive work.

Financial inclusion CORE PLAN

The data suggests that the new quotes Discovery Insure are showing significantly lower sum insured values compared to the existing insurance book. In this light, we recognised an opportunity to lower the barriers to entry for clients, allowing Discovery Insure to tap into and better compete within a new market segment.

In FY2024, we launched our Core Plan, specifically designed for clients who require a more affordable premium for their core insurance needs. The Core Plan offers market-leading insurance at a lower price, and includes comprehensive vehicle and home insurance with online service features. The plan offers a dynamic excess structure.

ESSENTIAL PLAN

Our Essential Plan provides affordable insurance cover for the price-sensitive market. The plan has lower limits on embedded benefits than the Classic and Purple Plans but offers comprehensive insurance cover, unique driving rewards and state-of-the-art safety features with Vitality Drive at a competitive price.

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HOLISTIC HEALTH

ENABLING FINANCIAL INDEPENDENCE THROUGH DISCOVERY INVEST

DISCOVERY INVEST clients have accrued or received over **R20 BILLION** IN SHARED-VALUE REWARDS to date

Discovery Invest provides the only shared-value investment platform in South Africa that rewards healthy financial behaviour by encouraging clients to invest more and longer and withdraw wisely. The business continues to maintain its position as the fastest-growing active retail manager in South Africa, with over 280 000 clients and more than R145 billion in assets under management.

Behaviour change and shared value is more important than ever in determining investment outcomes. While people are living longer, they start saving too late and too little. We combine the best asset management solutions with our Shared-value model to encourage better investment behaviours that create unmatched client outcomes. All of this is housed in a cost-effective and technologically advanced platform that continues to evolve.

For more information on Discovery Invest's offerings and performance during the year, refer to our 2024 IAR.

Achieving better long-term investment outcomes through innovation

Enhancing our retirement provision

We first launched the Discovery Retirement Optimiser to address the retirement funding gap – the difference between projected retirement savings and what is needed to retire comfortably. In FY2024, we improved this offering to provide clients with more assets in retirement to further help solve their retirement challenges. The Discovery Retirement Optimiser creates immense savings for our clients through fee refunds, boosts on reinvested PayBacks and additional lump sums at retirement. It also provides ill-health enhancements when needed in retirement. The business also launched the Secured Capital Annuity – a fixed annuity with capital back on death via life cover with no underwriting. Uniquely, this product provides higher initial income, a 13th cheque for up to 10 years and an escalation pattern that mimics retirement spending patterns if clients require it.

Providing world-class asset management solutions

Cogence – with asset solutions advised by BlackRock – was launched in FY2023 as the first global discretionary fund manager in South Africa. It leverages the best asset management technology and unique health data and analytics holistic insights into the risks our clients may face on their retirement journey. This year, we built out a full range of fund versions of the Cogence model portfolios to simplify administration and gives broader access to the Cogence solution. The solution includes all of Discovery Invest's shared-value benefits. The Cogence technology seamlessly collects documents and helps advisers with compliance across external Linked Investment Service Providers. Reporting was further enhanced during the year.

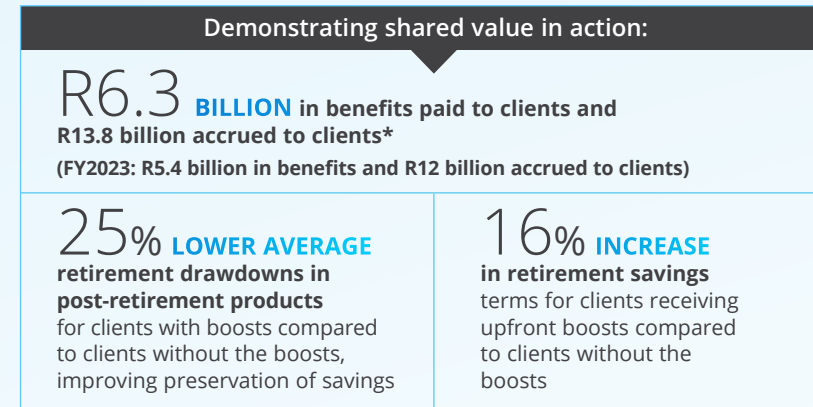
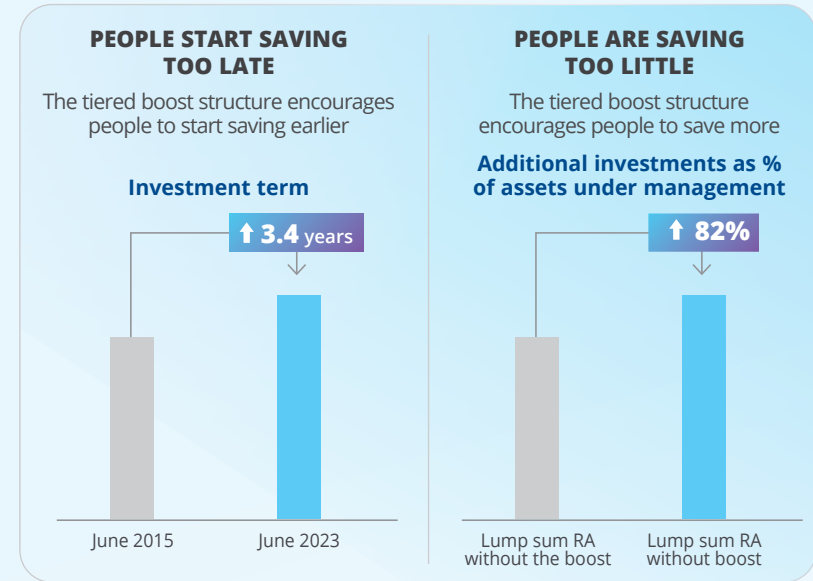


Enabling access to the best local and global investment opportunities

During the year, Discovery Invest introduced the Discovery Capital 200|300+, which doubles – or triples in some cases – a client's money (before fees and taxes) if a global share portfolio is flat or positive over a five-year period. The Discovery Dollar Capital 200+ Fund enables clients to double their money in US dollar before the effect of fees and taxes if a global share portfolio is flat or positive. We also launched the first endowment Bitcoin fund in South Africa with boosts, giving clients access to the world's most well-known digital asset. The business's new Discovery Focused Return Fund, hedged by Goldman Sachs, is another opportunity designed to target double-digit gross returns for clients.

The result: smarter choices

Retirement savings are increasingly important, with people living longer than ever before – the closer we get to living a 100-year lifetime, the more savings we need. 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.

For more information on our approach to managing investments responsibly, refer to page 109.

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HOLISTIC HEALTH

Enabling financial independence through Discovery Invest continued

Case study: Supporting clients, employees and broader society in a two-pot world

We support the rationale of the two-pot retirement system, which was implemented from September 2024 to help South Africans stay invested in their retirement funds until they retire.

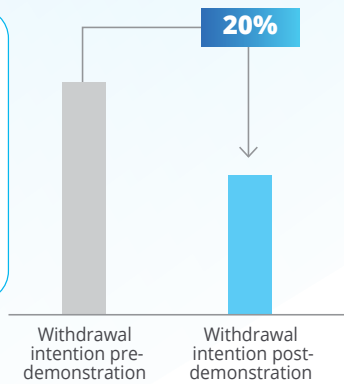
The two-pot system introduces a balanced approach to retirement savings. The savings pot provides flexibility by allowing members to access a portion of their funds once per tax year, without compromising long-term financial security. The second pot, reserved for retirement, ensures that members preserve a substantial part of their savings towards financial independence at retirement. This change aligns with our commitment to helping clients achieve their retirement goals while providing access to funds during genuine financial emergencies.

We recognise an opportunity to leverage our financial education, behaviour change and technological capabilities to ensure our clients, teams and broader society are ready for a two-pot world and understand its impacts.

Ongoing education

We focus on supporting South Africans with easy-to-understand information. Our Discover Two-Pot portal contains short explainer videos and an industry-first calculator to help anyone assess the impact of withdrawal.

20%
of members who were planning on making a withdrawal changed their minds after a demonstration of our Two-pot calculator

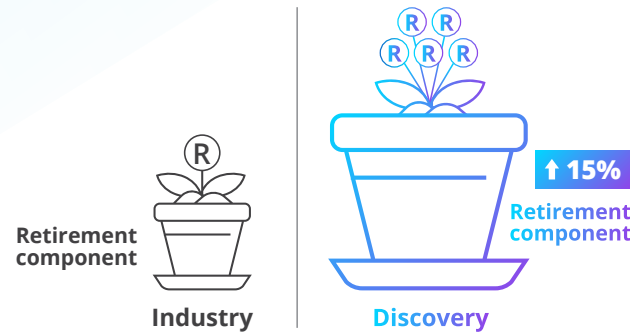


We engage with advisers and employees through masterclasses and Executive Committee roundtables.

Rewards for not withdrawing

Discovery is the only retirement fund administrator that boosts member assets and contributions by up to 15%. By paying these at retirement, members of our fund have been preserving their assets at higher rates to keep the boosts.

Boosts are more relevant than ever in a two-pot world, as they incentivise clients to keep their savings component invested and optimise their retirement component.



Administering quick withdrawals and optimising our fee structure

The Discovery Retirement Fund's withdrawal methods are 100% digital, robust in preventing fraudulent withdrawals and intuitive. Discovery Umbrella Fund members have access to a free Discovery Pay Bank account, which offers a further elevated withdrawal experience with the quickest claims submissions and payouts on the most secure platform.

Recognising that South Africans in retirement funds have needs to cover today, and in the spirit of balancing short-term needs with better retirements, clients may have a need to access funds for emergencies today from the savings and retirement components, ensuring clients get the most out of their savings pot withdrawals.

[Visit our Discover Two-Pot portal for more details.](#)

[Refer to page 103 for more on our operational and legal readiness for the two-pot retirement system.](#)



HOLISTIC HEALTH

REVOLUTIONISING BANKING THROUGH DISCOVERY BANK

SINCE 2019, DISCOVERY BANK HAS GROWN TO OVER

1 MILLION* CLIENTS,

WITH OVER

2.27 MILLION ACCOUNTS,

R6.6 BILLION IN ADVANCES AND R18.5 BILLION IN DEPOSITS

* As at August 2024

Discovery Bank has firmly established itself as one of the fastest growing banks in South Africa. It operates as a full-service digital bank through its award-winning app that caters to the full spectrum of the retail banking market and drives high levels of client engagement, utilisation and value. With its unique features and integration into the rest of the Group, the Discovery Bank app is now the primary interface used to interact within the Discovery composite, with over 10 million logins per month.

As a shared-value bank, Discovery Bank is designed to improve clients' financial behaviours. This is done through Vitality Money, our proprietary behaviour-change programme that measures how financially healthy our clients are, drives positive financial behaviours and engagement, and rewards them for managing their money well. In doing this, we know that changing five behaviours can improve overall financial health.



We use these behaviours, not income level, to measure our clients' financial health. We award them a Vitality Money status – Blue, Bronze, Silver, Gold or Diamond – where a higher status means clients manage their money well and have a lower risk of credit defaults. This is our Shared-value Banking model in action – through dynamic interest rates and rewards incentivising good behaviour, clients manage their money well, and we share the value with them. Furthermore, rewards can be increased by linking to Vitality and integrating across Discovery's product universe.

Discovery Bank: home to Discovery's product ecosystem

Discovery Bank represents a confluence of technology, social responsibility and a deep understanding of the nature of behavioural risk. This is underpinned by the Group's Shared-value model which, at its core, uses incentives and rewards – backed by advanced analytics and technology – to encourage our clients to make positive decisions that enhance their financial wellness.

Discovery Bank is the foundation of Discovery's South African product ecosystem, enabling clients to access all Discovery products and services through their bank account. This integration boosts client engagement, persistency and long-term value. Therefore, to enable product integration and access to powerful rewards across our unique ecosystems, Discovery Health, Life, Insure, Invest and Vitality leverage Discovery Bank's architecture to serve our clients better.

The result is the ability to monetise shared value and drive integration while delivering a single comprehensive and cohesive user experience to our financial advisers and clients.

For more information on Discovery Bank's offerings and performance during the year, refer to our 2024 IAR.

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HOLISTIC HEALTH

Revolutionising banking through Discovery Bank continued

Driving financial wellbeing through innovation

Revolutionising payments

The advanced payments engine that powers Discovery Bank enables clients to seamlessly pay anyone, anywhere, anytime, for anything safely and securely through our intuitive banking app, linked to the rest of our product ecosystem. Our virtual card gives clients a seamless digital banking experience with state-of-the-art security. This year, to encourage our clients to adopt digital technology, we linked the maximum base Discovery Miles to the use of a virtual card – which is safer, more convenient and flexible.

Introducing the first and only shared-value home loan

During the year, Discovery Bank launched its home loan product, giving clients comprehensive financing for their new home and the ability to switch their existing home loan or refinance their home. Our clients get access to an integrated offering that includes a home loan with financing, insurance protection for their home and family through Discovery Insure and Discovery Life. They also get exclusive solutions like solar and backup power through Rubicon and rewards for managing their money well – including a discounted interest rate, Discovery Miles and up to 30% off when they spend Discovery Miles in our home partner network.

Enhancing wellbeing through Discovery's fitness ecosystem

From 2024, Vitality is addressing individual exercise needs with Vitality Fitness – a first-of-its kind integrated exercise ecosystem, with payments by Vitality Pay from Discovery Bank. Clients can choose from over 400 exercise facilities and book a class that suits their needs, seamlessly paying with Vitality Pay using Discovery Miles or a linked Discovery Bank account. In addition, clients get 24 free gym visits a year.

Other innovations in FY2024 included:

Expanding Discovery Bank's lending suite by introducing the new Revolving Credit Facility to provide clients with financial flexibility and immediate access to credit when needed

Extending the digital payment capabilities by adding Value-Added Services vouchers, accessible through the Bank's app, including vouchers for gaming and entertainment

Introducing PayShap to make digital payments significantly more accessible and affordable

The result: healthier financial behaviour

Banking with Discovery Bank drives healthier financial behaviour, fundamentally transforming how clients engage with their money. As clients effectively manage their money, they create less risk and more value for Discovery Bank. We, in turn, share this value with our clients through improved interest rates and increased rewards.

Clients are rewarded for managing their money well with:

Lower interest rates on borrowings than what would typically apply with traditional risk metrics. Clients can reduce their rates across income segments by managing their money well

Higher interest rates on their savings. Clients who manage their money well typically save more over longer periods. Through the 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

Better behavioural alignment and engagement. Engaged clients can earn multiples of their monthly fees in rewards by using their accounts and managing their money well

Discovery Bank clients on Gold and Diamond Vitality Money status:

Have near zero lapse rates and default rates (Diamond status)

Have over 200 times more savings as a proportion of gross monthly income

Spend over 10 times more than unengaged clients across all income levels (Diamond status)

Have 96% lower credit loss ratio (Diamond status vs Blue status)



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HOLISTIC HEALTH

Revolutionising banking through Discovery Bank continued

Financial education

To help our clients manage their finances, we provide a range of tools and courses that drive financial education and empower them on their financial journey.

Worth Financial Education

We partnered with Worth, a leading provider of independent financial education who shares our values on financial wellbeing. Worth offers practical personal finance courses to help people take control of their money in 60 days or less. Discovery Bank clients can access these courses for a greatly reduced price if they sign up through the app and earn 10 000 Vitality Money points once the course is completed.

Discovery Bank ran a campaign in FY2024 to offer the Worth financial education course to clients for R5, and 25 000 clients enrolled as a result. Our actuarial team conducted an analysis on 4 300 clients who completed the course to determine its impact on clients' Vitality Money behaviours. This analysis illustrated that after completing the course, clients had:

7% HIGHER AVERAGE

Vitality Money insurance points

26% HIGHER AVERAGE

Vitality Money savings points

17% HIGHER AVERAGE

Vitality Money property points

46% HIGHER AVERAGE

Vitality Money retirement points

Vitality Money Financial Analyser

The Vitality Money Financial Analyser is an advanced budgeting and comprehensive financial analysis tool available to all Discovery Bank clients on the app. The tool uses advanced data analytics to give clients personalised information about their income and savings and spending habits, which allows them to better manage their money and get rewarded. Clients can earn up to 10 000 Vitality Money points for setting up and sticking to their budget every month.

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.



Encouraging healthy financial behaviour beyond our client ecosystem

Since January 2023, Discovery collaborated with the Financial Sector Conduct Authority to run five social media campaigns encouraging healthy financial behaviour among broader society. These campaigns included practical resources for anyone reached by the posts and related to:

- Creating bank fraud awareness
- Promoting financial literacy among women
- Promoting financial literacy among youth, including information related to credit scores and debt management
- Creating awareness of the potential financial pitfalls related to the festive season
- Promoting healthier conversations around money within relationships

OVER
3.6 MILLION PEOPLE

were reached by the financial education resources provided in the campaigns

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HOLISTIC HEALTH

Revolutionising banking through Discovery Bank continued

Financial inclusion

Discovery Bank is a global leader in digital service and branchless banking, leveraging our integrated web and app channels. We continue enhancing customer journeys and experiences so new banking clients enjoy an intuitive and simple onboarding process, which takes less than five minutes, before a virtual card is live and immediately available to use.

Our digital banking capabilities enable unlimited free virtual cards, and it was one of the first banks to optimise its payment rails, making interbank payments affordable. During the year, we integrated PayShap into our existing payments ecosystem to enable convenient, real-time payments to anyone, anywhere from R1 per transaction. The banking app offers share trading to the public following the successful pilot integration of Discovery Bank's app with EasyEquities' trading and settlement platform.

The Discovery Miles rewards programme, integrated into the banking app, incentivises responsible money management by rewarding clients with Discovery Miles for good banking practices. These rewards effectively extend household income, as Discovery Miles are more valuable than cash when used in the Vitality Mall or on prepaid products and services within the app, due to the discounts offered by over 40 online and in-store partners.

Clients also earn Discovery Miles through the Vitality HealthyFood benefit, which during the year was expanded to include online and in-store Checkers purchases, in addition to Woolworths purchases.

To reach and impact a wide range of our customers, clients can deposit money at all Pick n Pay outlets and Boxer stores. They can withdraw money at any Visa-linked ATM and from tills at all Pick n Pay, Checkers and Shoprite outlets, and selected SPAR stores.



SPENDTREND24 REPORT

Discovery Bank once again collaborated with Visa to compile SpendTrend24 – new, original research that analyses and compares consumer spending in South Africa's three largest cities with that in 11 other cities in emerging and developed markets around the world. The latest research combines Visa and Discovery's extensive datasets and world-class analytical capabilities to gain insights from over 13 billion transactions made on more than 60 million credit cards. It provides a unique lens through which to understand consumer priorities, payment trends and the impact of macroeconomic conditions on global spending habits.

Key trends identified:

- 1 Global consumer spending and saving habits are evolving, focusing on budgeting, value and trade-offs amid higher interest rates than before the pandemic
- 2 Despite a challenging macroeconomic environment, South Africa has proven to be highly resilient compared to global peers
- 3 Groceries, retail, travel and fuel comprise nearly two-thirds of South African spend
- 4 Variances exist in share of category spend across markets and segments
- 5 The benefits and increased security of digital payment options are driving rapid adoption globally, with consumers in global cities increasing their use of digital wallets and online purchases

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STRENGTHEN SOCIAL SYSTEMS

COLLECTIVE HEALTH

SUPPORTING THE SDGs



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



RELATED MATERIAL THEMES

- Operate within a volatile socio-economic environment
- Leverage and manage technology and innovation
- Empower our people
- Expand and strengthen our social impact

WHY DOES THIS MATTER?

Strengthening social systems is our Integrated Sustainability Framework's third differentiator. For **Discovery to fulfil its core purpose, systemic resilience within our operating networks is essential.**

Because our purpose and business model require deep engagement with our clients and broader society, we actively get involved in issues that affect the communities in which we operate, underscoring our commitment to being a force for good.

WHAT DO WE DO?

We enhance resilience in healthcare systems through strategic, targeted interventions. As South Africa's largest medical scheme administrator, we strengthen the system by managing costs, improving quality and investing in training and development in the broader healthcare system.

We improve our members' physical health, thereby reducing the burden on health systems. Through our investments in the healthcare value chain, we are helping to build an inclusive healthcare system. Our efforts focus on expanding access to quality healthcare, particularly in rural and underserved areas, while also enhancing public healthcare capacity through specialist training, development and the integration of technology and innovation. These initiatives enable us to provide more affordable healthcare solutions to a broader population. Our investments in road safety and enterprise supplier development extend value beyond our business, benefiting all South Africans.

HOW DO WE DO THIS?

- Building an **inclusive healthcare system** by expanding access to quality healthcare and building capacity in the public healthcare system [+ Page 50. >](#)
- Developing **suppliers in our ecosystem** [+ Page 57. >](#)
- Enhancing **public safety** [+ Page 58. >](#)
- Encouraging **employee volunteerism and skills transfer** [+ Page 60. >](#)
- Partnering to **build the nation** (case study) [+ Page 61. >](#)

ESG IMPACT TARGETS

Train and support 600 medical specialists and institutions by 2026

Repair 1 000 potholes per week in partnership with the Johannesburg Roads Agency

20% of employees to volunteer annually through Discovery ForGood

PROGRESS MADE IN FY2024

- Trained and supported 416 medical specialists and institutions
- 1 424 potholes repaired per week on average
- 20% of employees volunteered

KEY DEVELOPMENTS ON OUR JOURNEY TO STRENGTHEN SOCIAL SYSTEMS:

FILLED
>230 000
potholes since inception through Pothole Patrol
(FY2023: >190 000 since inception)

INVESTED
R28 MILLION
in expanding access to healthcare through the Discovery Fund
(FY2023: R33 million)

INVESTED
R13 MILLION
in building capacity during the year through the Discovery Foundation
(FY2023: R12.9 million)

- Invested R101 million in social initiatives during the year through CSI, community upliftment initiatives and skills development for the unemployed
- Participated in public-private collaboration in healthcare delivery
- Developed the **Luminaries initiative** to recognise South African healthcare workers who are leading healthcare innovation and excellence
- Continued contributing to strengthening South Africa's SME sector through our R20 million impact investment in the SA SME Fund

LOOKING AHEAD

- Expand Pothole Patrol and Safe Journey to School to other provinces to maximise our impact
- Roll out the Luminaries initiative
- Continue expanding our CSI mandate to incorporate more Force for Good initiatives and better integrate CSI into our strategy and business units. Our CSI function's expanded mandate includes a new stream focused on restoring the environment
- Ensure sustainable future price increases without shocks or benefit corrections
- Accelerate the scaling of value-based care arrangements to guarantee quality
- Impact 1 million lives in rural and underserved areas by 2026

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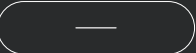
Make people healthier

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Good business enablers





BUILDING AN INCLUSIVE HEALTHCARE SYSTEM

Expanding access to quality healthcare

Discovery is dedicated to expanding access to healthcare by reducing costs and ensuring affordability without compromising quality. We extend our reach to rural and underserved areas, leveraging technology and innovation to provide equitable healthcare access and support overall public health.

INCREASING VALUE AND REDUCING COSTS

Value in medicine means achieving the best clinical outcomes and patient experience at the lowest cost (directly and indirectly). By investing in technology to optimise operational efficiency and service levels, we enhance business performance and member satisfaction while expanding access to quality healthcare by making it more affordable for broader society.

Most of the South African population is deprived of access to quality private healthcare and relies on an over-extended public healthcare system. Recognising the need to extend access to quality healthcare at affordable cost, Discovery Health continues to invest in building a product suite that caters for diverse healthcare needs across socio-economic circumstances. By strengthening and expanding access to quality private healthcare, Discovery Health reduces the burden on the public healthcare system.

Discovery Health's strategic objective is to become the lowest-cost healthcare administrator. Currently, DHMS members pay an average of 11.1% less than members of the next seven largest open schemes (FY2023: 12.2%). We are dedicated to addressing the context of the affordability of medical aid coverage in South Africa through our non-scheme product offering, which includes Flexicare and KeyCare.

Through Vitality Health International, we are leading innovation in African healthcare beyond the role of traditional insurer. Vitality Health International operates in countries with overburdened public healthcare systems that do not serve vulnerable people. Within this context, there is opportunity to reduce the burden by making quality, private healthcare accessible to every person, thus **helping to close the healthcare coverage gap in Africa.**

In January 2024, Vitality Health International announced additional benefits, improved access to accredited healthcare provider networks locally, regionally and globally as well as a new health insurance plan (the Start Plan entry-level healthcare product) broadening the reach of its comprehensive healthcare solutions.

Among Vitality Health International's new solutions is Vitality Standby-U cover, addressing the gap in the market for holistic return to wellness after the loss of a loved one – supporting bereaved people for three months in the form of a lump-sum payment and a data and voice bundle in partnership with MTN and Vodacom. Healthy Company, Discovery's digitally enabled employee assistance programme and wellness solution, provides emotional and physical health support.

Digitising access

Our **Join in Minutes** digital journey allows individuals seeking medical scheme cover to purchase it online and activate it for immediate cover within minutes. Years of investment in automated underwriting and new business systems enables this end-to-end digital activation journey. In addition, the journey has a recommender function to advise prospective clients on ideal plan choices.

During the year, we launched the new Discovery Health app to give members immediate virtual access to doctors for urgent care, physical therapy and mental health support.

+ Refer to page 21 for more information on the Discovery Health app. >

In the UK, digital healthcare journeys are at record high levels, providing members with faster and more seamless access to care. Members use Care Hub to request care or other functionalities such their condition history, plan details and excess. Care Hub also empowers members to find the right consultant for them by matching them with high-performing consultants (with Premier Consultant status) who demonstrate improved patient outcomes.

How Care Hub digitised access in FY2024:

- 137 707 virtual Vitality GP consultations (FY2023: 102 499) – a sixfold increase since FY2019
- 57% of Vitality claims start online or through Vitality GP (FY2023: 47%)
- From FY2020 to FY2024, **Talking Therapies claims increased by 132%** while **in-patient mental health claims decreased by 56%**.



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COLLECTIVE HEALTH

Building an inclusive healthcare system continued

Smart access to quality care

Our Dynamic Smart Hospital Network combines sophisticated analysis of the quality and efficiency of clinical care in the Smart Hospital Network with personalised insights from Smart members' health records as data-driven care algorithms.

Ask Discovery dynamically guides members to the most efficient hospital in our network, given their healthcare needs at the time. This personalised healthcare journey and pathway recommended by Ask Discovery enables members to avoid co-payments and deductibles on hospital admissions.

The efficiencies of the Dynamic Smart Hospital Network support the Essential Dynamic Smart plan. It is the most affordable plan in the Smart Series, priced at R1 565 per principal member. The plan provides DHMS with a compelling offering in a growing price segment of open medical schemes.

The **Discovery Fund** leverages the business's digitalisation capabilities to expand specialised healthcare services where it is most needed through its **digital health pilot programme**.

+ Refer to page 54 for more detail on Discovery Fund's digital health pilot programme. >

Value-based care

Value in healthcare means achieving the best clinical outcomes and patient experience at the lowest cost. To maximise patient value, we advocate for moving from a supply-driven healthcare system that is oriented to volumes and increases utilisation to a needs-driven system that is closely aligned with patients' healthcare needs.

We have developed several value-based care initiatives in collaboration with healthcare providers that enhance patient outcomes, reduce cost and make healthcare more accessible across various models. Highlights include:

Coronary artery disease care programme that leverages existing data to encourage the use of CT coronary angiograms as an alternative to invasive angiography as a screening mechanism for low to intermediate-risk patients.

Arthroplasty programme that covers elective unilateral hip and knee replacements, for patients that meet the clinical eligibility criteria, within the Discovery Arthroplasty Network. With an average of 7 000 procedures performed annually, the programme has reduced length of stay by 25% and readmission rates by 30%.

Day clinic strategy that ensures healthcare is delivered in the appropriate, lower-cost clinical settings for a defined list of low acuity procedures.



Value in healthcare means achieving the best clinical outcomes and patient experience at the lowest cost.

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Building an inclusive healthcare system continued

Our hospital value-based care contracting model creates a framework for contracting with hospital partners based on a range of cost-efficiency and quality metrics, including mortality rates, readmission rates and patient satisfaction scores.

HOW OUR VALUE-BASED CARE MODELS ARE TRANSFORMING HEALTHCARE

Renal dialysis



Designed to improve the quality of care provided to chronic dialysis members. Measures performance against a quality scorecard, which determines the healthcare provider's rates for the following benefit year.

80% of members on dialysis are under value-based care

Arthroplasty



We offer a bundled fee reimbursement model for knee replacement surgery, including doctor, prosthesis, theatre and physiotherapy.

95% of events undertaken annually are under value-based care

Coronary Artery Disease Care



We offer a flat episode fee for invasive angiograms and CT coronary angiograms.

40% of invasive angiogram events are under value-based care

Maternity



Our maternity governance programme monitors quality and efficiency of maternal care.

60% of admissions are under value-based care

Spinal



Our spinal governance programme reduces conversion rates to spinal surgery and leads to better passive range of motion and lower spinal surgery revision rates.

>85% of qualifying procedures in the network are under value-based care

Day clinics



We effect lower tariffs at day clinics and discounted rates from participating acute hospitals.

This leads to savings on tariffs and lower cost per event

Low-cost benefit options

Affordability constraints prevent many people from accessing private healthcare. Implementing a low-cost benefit option (LCBO) would ease this burden and grant access to tax credits under South Africa's tax regulations, and facilitate expanded and affordable preventative care and care coordination. This would benefit the nation's health and productivity while easing the burden on public healthcare systems, well-aligned with South Africa's objectives of universal healthcare.

[Refer to our 2024 IAR for more information on our NHI-related engagements.](#)

Discovery Health and DHMS have advocated for LCBOs since 2005, with several applications made to the Council for Medical Schemes (CMS) to register LCBOs. After engaging with stakeholders regarding the proposition of implementing an LCBO framework within the medical schemes environment, the CMS submitted its report to the Minister of Health for determination in November 2023.

[For more on our LCBO-related regulatory engagements during the year, refer to page 103.](#)





COLLECTIVE HEALTH

Building an inclusive healthcare system continued

SUPPORTING SERVICE DELIVERY IN RURAL AND UNDERSERVED COMMUNITIES

The healthcare needs of underserved communities in South Africa are vast and urgent. Rural provinces have significantly fewer health professionals, including medical specialists, nurses and community health workers. As a responsible corporate citizen, we play a facilitating role with non-profit organisations (NPOs) in our broader ecosystems and, through the Discovery Fund's work and the Discovery Foundation's rural and underserved areas award category, we bring essential healthcare services to rural and underserved communities.

Supporting service delivery in rural and underserved communities in FY2024 through the Discovery Fund

21 organisations supported

13 622 community members reached

6 668 children five years old and younger received health services

R28 MILLION in support of service delivery in rural and underserved communities

4 291 pregnant women received antenatal care

During the year, the Discovery Fund contributed R28 million (FY2023: R33 million) to various NPOs, including the Umthombo Youth Development Foundation and the Breast Health Foundation, that provide essential healthcare services in rural and underserved communities. These communities can benefit significantly from technological advancements that increase access to healthcare services, and through our work with Hlokomela we are leveraging our digital capabilities to help close the healthcare access gap.

Umthombo Youth Development Foundation: Training to secure healthcare professionals in rural areas

The Umthombo Youth Development Foundation addresses healthcare staff shortages at rural hospitals by identifying, training and supporting rural youth interested in becoming healthcare professionals. These graduates commit to serving their communities, enabling primary healthcare services in rural areas and creating economic opportunities for local youth.

To date, Umthombo has produced 593 health science graduates, of which 231 are doctors, with 50% of the doctors being young women. Over 80% of graduates are working in the public health sector, including hospitals in rural areas. Of the 193 students supported by the Discovery Fund in 2023, 93% progressed to the next phase of their training.



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COLLECTIVE HEALTH

Building an inclusive healthcare system continued

Hlokomela: Innovating to deliver quality healthcare in rural areas

We partnered with Hlokomela in FY2024 to launch a digital health pilot programme to introduce digital interventions in rural farmworker communities and make healthcare services more accessible. The programme leverages TytoCare smart digital devices as diagnostic tools to provide primary screening in lieu of a full-time on-site doctor.

The pilot was rolled out at Letsitele clinic in Limpopo, with a significant increase in the number of patients treated every month – from three in January 2024 to an average of 30 per month as at April 2024. While the pilot highlighted certain challenges, we aim to address these and are evaluating the feasibility of further rollout and long-term implementation in rural areas of South Africa.

We also partnered with Hlokomela to pilot a partial payment model at the clinic in FY2023. The model was fully integrated in FY2024, and seven farms in the surrounding communities subscribe to a monthly subscription for their workers to access the clinic's services. The subscription is also available for patients, who can opt for an annual subscription.



Breast Health Foundation: Expanding access to breast health services

Recognising that public-private partnerships provide a unique opportunity to drive access to affordable healthcare, we partner with the Breast Health Foundation to enhance training and advocacy in the public and private sectors. This partnership is making a significant impact in the detection, diagnosis and referral of breast cancer patients in South Africa.

Through this partnership, we invested R1.5 million in a women's health clinic at Tintswalo Hospital in Mpumalanga. The clinic offers proactive cervical screenings, reproductive and breast healthcare and other prevention services to women in the area, eliminating the need for them to sacrifice work and time to travel to hospitals in other areas.

The clinic experienced considerable success since opening in June 2023. By 30 April 2024, it recorded 12 793 visits, with an average of 1 300 visits every month. Looking ahead, the clinic is focusing on training healthcare workers and ensuring all staff can conduct breast health examinations.

Due to the clinic's success and its community impact, the Department of Health has asked the Breast Health Foundation to replicate the clinic at another Mpumalanga hospital.

POWERFUL PARTNERSHIPS TO EXPAND ACCESS TO MALARIA PREVENTION AND TREATMENT

During the year, we ran a campaign encouraging Vitality Active Rewards members to donate to the Goodbye Malaria Foundation, which provides malaria prevention in under-served communities.

Member donations totalled nearly R500 000, and the Discovery Fund and Nandos matched every rand donated.

Donations will be used to improve malaria treatment and prevention in South and Southern Africa, including spraying of homes to prevent transmission and providing rapid testing and comprehensive treatment.

NEARLY R1.5 MILLION raised towards Malaria prevention and treatment through a powerful partnership between Active Rewards members, Discovery Fund, Nandos and Goodbye Malaria

The campaign was bolstered by Vitality Health International's inaugural V-talk panel, which explored the state of malaria in Africa and highlighted how strategic partnerships can save lives by mobilising resources for prevention and treatment. We plan to continue this impactful campaign in FY2025.

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Building an inclusive healthcare system continued

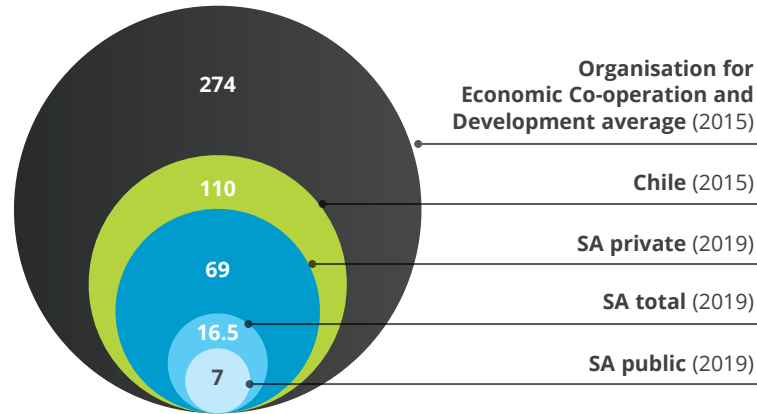
Building capacity in the healthcare system

We aim to strengthen South Africa's public health system by investing in training and service innovation. Through the Discovery Foundation and strategic partnerships, we address critical skills shortages at a tertiary level, support academic medicine through research and promote gender and racial equity in the healthcare workforce. In addition, the Discovery Fund supports this work by addressing human capital deficiencies in rural areas at a primary level.

ADDRESSING THE CRITICAL SHORTAGE OF MEDICAL GRADUATES AND SPECIALIST SKILLS

Through the Discovery Foundation, we aim to address critical skills shortages by disbursing grants to train specialists, develop academic medicine and promote specialised medical research, and increase the number of subspecialists in the country to adequately meet South Africa's healthcare needs. South Africa continues to face a significant gap in most surgical specialities, and the Foundation places particular focus on supporting the surgical discipline.

Research commissioned by the Discovery Foundation 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 – a significant difference from the Organization for Economic Co-operation and Development (OECD) average of 274 per 100 000. The figure alongside illustrates the number of full-time equivalent specialists per 100 000 people 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.



Discovery Foundation has invested over R319 million since its inception to support academic medicine through research, development and training. In FY2024, the Discovery Foundation disbursed over R13 million in research and training grants to some of South Africa's top doctors, researchers and future healthcare leaders (FY2023: R12 million). The grants will boost academic, specialist and rural medicine in critical areas, including surgery, anaesthesiology, radiology, obstetrics and gynaecology.

ENABLING MEDICAL STUDENTS

The Medical Student Loan Guarantee Fund, implemented in partnership with Standard Bank and the Universities of Pretoria and Witwatersrand, seeks to mitigate financial challenges faced by current and future medical students. The fund targets the missing middle, namely students who neither qualify for bursary funding nor have access to enough capital to be eligible for a student loan.

The Discovery Foundation has invested R20 million in the fund, which aims to support 800 students by 2030. Discovery provides surety for students who would otherwise not have access to loan funding to support their undergraduate medical training.

460 STUDENTS (FY2023: 459 students) have received support, and of these students, 320 (FY2023: 255) completed their studies

TO DATE 11 STUDENTS have exited the programme



ADDRESSING RACIAL BIAS IN THE SOUTH AFRICAN HEALTHCARE SYSTEM

During the year, the Foundation exceeded its target of supporting 75% black beneficiaries. Other highlights in this area to date include:

79% of medical specialist grants awarded to black doctors in the public sector

R9.76 MILLION awarded to BEE beneficiaries

PROMOTING GENDER TRANSFORMATION IN THE HEALTH WORKFORCE

Addressing the gender gap among specialists in the health system has been a key focus of the Discovery Foundation since inception. FY2024 highlights included:

72% of grants awarded to female beneficiaries

R7.60 MILLION awarded to female beneficiaries

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Strengthen social systems

Restore the environment

Good business enablers



COLLECTIVE HEALTH

Building an inclusive healthcare system continued

SUPPORTING HEALTHCARE PROFESSIONALS

Recognising excellence and innovation in the healthcare system

During the year, we developed the Luminaries initiative to recognise healthcare professionals contributing to a brighter future through innovation and clinical excellence in South African healthcare.

The initiative, set to roll out in FY2025, will identify approximately 100 so-called Luminaries through a rigorous selection process and showcase their innovation and excellence through social media and a recognition event.

Keeping our doctors healthy

The Discovery Doctor Resilience Suite offers a range of complimentary wellness resources for registered doctors in South Africa to support their wellness and resilience. The suite includes:

VITALITY ACTIVE REWARDS FOR DOCTORS

A customised incentive-based programme using the science of behaviour change to encourage doctors to improve their physical fitness and overall health

YOUNG DOCTOR MENTAL HEALTH HELPLINE

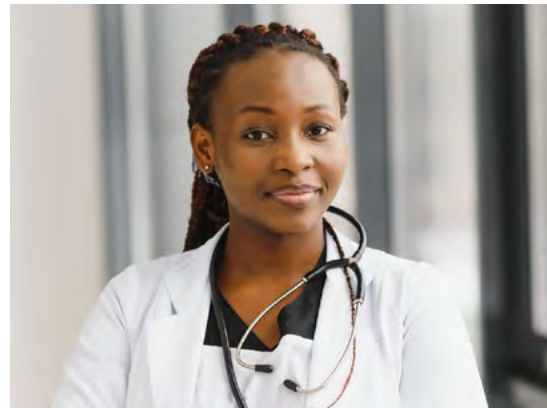
24/7 mental health support for doctors run by the South African Depression and Anxiety Group

HEALTHY COMPANY FOR DOCTORS

An extension of Discovery's employee assistance programme with a tailored emotional, physical and financial support offering for doctors

Vitality Active Rewards for Doctors has grown to include public and private sector doctors. Approximately 7 000 doctors have joined the programme, representing over half of all doctors in private practice.

We also offer doctors the opportunity to complete physical wellness assessments at several clinical conferences across the country. In FY2024, over 300 complimentary health assessments were completed at nine conferences.



Bridging finance for doctors

As part of our Doctor Resilience Suite, we partner with Merchant Capital to offer WELL - working capital finance for healthcare professionals and their practices. The application process is paperwork-free, with funding in 48 hours and a flexible pay-as-you-practice repayment solution. Since inception, nearly 2 650 (FY2023: 700) doctors have utilised the WELL offering.

Case study: Partnership with the South African Breastmilk Reserve

For over two decades, the South African Breastmilk Reserve (SABR) has been at the forefront of addressing the urgent needs of our country's most vulnerable infants - those born prematurely or with low birth weights, sometimes as little as 500g.

These tiny lives face heightened risks and health challenges, and the availability of safe, pasteurised human milk is crucial for their survival. Since its inception in 2003, SABR has donated breastmilk to 50 000 premature babies, showcasing the significant impact of their efforts.

The Discovery Fund has partnered with the SABR to support the organisation's initiatives aimed at enhancing maternal and child health, a key focus area for the Discovery Fund.

The Discovery Fund has supported SABR with generous funding, which has been instrumental in renovating milk banks in the public sector, uplifting existing infrastructure with state-of-the-art human milk banking facilities. In August 2024, SABR and its partner Skeg, launched a locally designed and assembled SoSafe breastmilk pasteuriser, which continues SABR's mission to provide affordable breastfeeding technologies.

This initiative was designed to bring holistic health programmes to mothers and their children under five years old.



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COLLECTIVE HEALTH

DEVELOPING SUPPLIERS IN OUR ECOSYSTEM

Promoting the growth of businesses is critical to ensuring the sustainability of our supply chain. We work to transform the economic landscape in South Africa by developing 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 the vast network of suppliers that support our business.

It is critical that there is a continued increased focus on sourcing and investing in current and potential suppliers. The Group’s Enterprise and Supplier Development (ESD) and Procurement teams streamlined our investment assessment process to ensure all potential investment opportunities are channelled through the appropriate internal process to assess for maximum investment and compliance potential.

New and creative ways for engaging entrepreneurs, innovators and new updates and information in the health, wellness and finance industries are under way to ensure cost-efficient, targeted access to a pool of credible potential ESD beneficiaries.

We participate in the **UNGC’s committee on best practices for engaging and supporting SMEs**. Through our participation, we are able to collaborate with industry peers to further our collective supply chain-related goals.

Our qualifying ESD beneficiaries are enterprises with over 51% black ownership and a turnover of less than R50 million – and we give preference to black women-owned and youth-owned enterprises. We provide financial support in the form of loans, grants and non-financial support such as business development support, training and mentorship opportunities.

The total value of ESD loans on our books exceeds

R145 million

(FY2023: R96 million)

We supported

41

entrepreneurs in FY2024

(FY2023: 46 entrepreneurs)

Our ESD beneficiaries in FY2024 included:

SupplyFlow

Grant:
R1.6 MILLION

Discovery’s procurement team partners with SupplyFlow to enhance its e-sourcing capabilities. We provided crucial funding, enabling SupplyFlow to enhance its e-sourcing tool. This collaboration will see Discovery implementing the tool, serving as a case study, and offering SupplyFlow a reference point for future corporate engagements and international market expansion. This partnership underscores Discovery’s commitment to fostering innovation and supporting market entrants, ensuring they have the tools needed to succeed and expand their reach.

Jabulani Safe Hub

Grant:
R6.3 MILLION

FY2024 highlights:

679
(FY2023: 343)
PERMANENT EMPLOYMENT opportunities created by partner organisations within the precinct

68
(FY2023: 78)
INTERNSHIPS and
44
(FY2023: 58)
LEARNERSHIPS facilitated

14
(FY2023: 18)
START-UP ENTERPRISES incubated

For four years, Discovery has supported Jabulani Safe Hub in Soweto in leading systemic community transformation. The hub is a physically and emotionally safe space for young people with daily access to holistic learning and personal development focused on health, safety, education and employability.

The Sole Sneaker

Grant:
R495 000

Discovery partners with The Sole Sneaker, a black woman-owned enterprise specialising in customised shoe care, at 1 Discovery Place. We provided a grant to assist the business in expanding its national footprint. The Sole Sneaker goes beyond shoe care services to focus on job creation and upskilling unemployed youth, contributing to broader socio-economic development.

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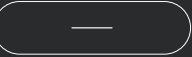
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COLLECTIVE HEALTH

SUPPORTING TRANSFORMATION IN OUR SUPPLY CHAIN AND BEYOND

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. The diversity of our supply chain and our people is critical to delivering on our strategy and is a fundamental requirement to solving complex problems. We see transformation as an ongoing journey, and it remains a critical and relentless focus for Discovery.

Further to Discovery's annual B-BBEE audit, we maintained **LEVEL 1 CONTRIBUTOR STATUS**, effective 3 October 2024 to 2 October 2025.

[View our B-BBEE certificate online.](#)

[Refer to page 77 for information on our employment equity initiatives.](#)

ENHANCING PUBLIC SAFETY

We forge strategic partnerships to enhance and protect lives by improving road safety, creating shared value for our clients, business and the nation.

Paving the way for safer roads

Pothole Patrol, a shared-value, data-driven initiative between Discovery Insure, Avis and the Johannesburg Road Agency, continues to identify and manage pothole repairs in Johannesburg. This initiative makes roads safer by reducing road safety incidents, positively impacting insured and non-insured road users and reducing pothole-related claims costs.

The initiative's initial target was to repair 1 000 potholes a week, but this rate has exceeded by more than 40% since inception. Since the launch of Pothole Patrol in 2021, there have been decreases in pothole claims compared to projected costs without intervention. Fixing potholes and improving road conditions has resulted in estimated savings of over R33 million for Discovery Insure and significant value shared with all drivers in Johannesburg as well as the broader insurance industry.

In FY2024, Pothole Patrol helped enable real-world skills development by launching the Discovery Pothole Patrol Academy. After a successful pilot in FY2023, the academy was formalised and accredited by the Insurance Sector Education and Training Authority to offer a 12-month practical skills training programme providing an NQF Level 3 qualification. In its first year, the academy will provide classroom and on-the-job training to 24 learners through an accredited learnership and skills development provider. Participants, aged 22 to 34 from previously disadvantaged communities, will obtain a National Certificate in Roadworks Construction upon completion.

SINCE ITS INCEPTION, POTHOLE PATROL HAS REPAIRED OVER

230 000
POTHOLES
in Johannesburg

THE POTHOLE PATROL APP HAS BEEN DOWNLOADED OVER

20 600 TIMES
with over 72 526 potholes reported through the app

Enhancing road safety through strategic partnerships

During the year, Discovery Insure partnered with the UN and JCDecaux to launch the UN Global Campaign for Road Safety to improve road safety and create inclusive, safe and sustainable roads. Utilising over 19 billion kilometres of driving data, Discovery Insure has identified cellphone distractions as the leading cause of road accidents in South Africa, even surpassing speeding. This campaign underscores Discovery Insure's commitment to leveraging data-driven insights to raise public awareness and drive behavioural change among motorists to reduce road fatalities.



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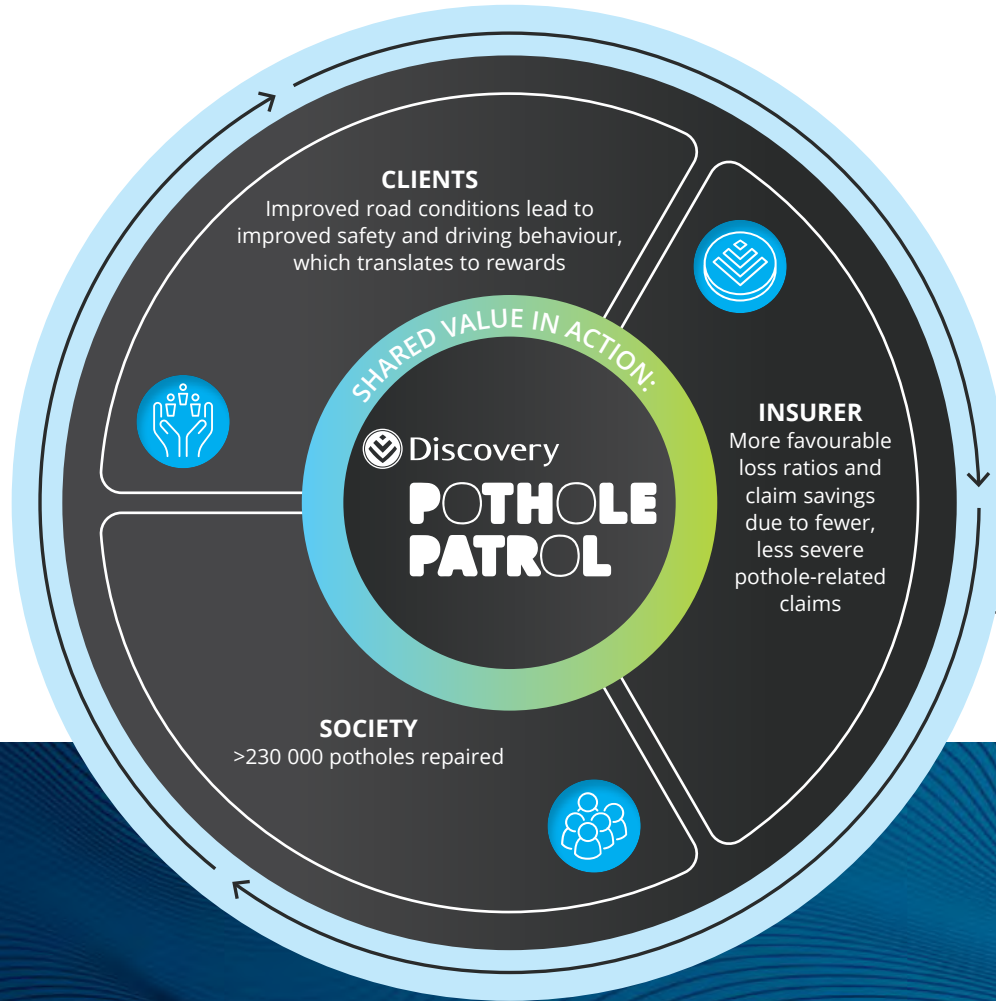
Good business enablers



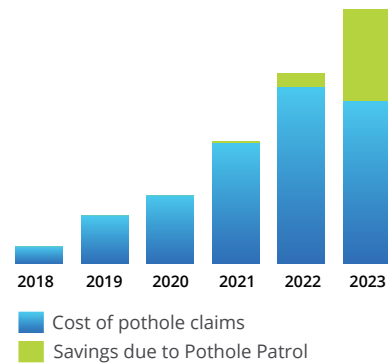


COLLECTIVE HEALTH

Enhancing public safety continued



Cost of pothole claims



Keeping learners safe

Safe Journey to School, a programme by Discovery Fund and Afrika Tikkun, focuses on keeping children safe on the road, particularly in underserved areas, by enrolling transporters on Vitality Drive to encourage good driving behaviour. The programme impacts thousands of transporters and children in the Western Cape and Gauteng. The Gauteng programme was launched in 2024 with the aim of replicating the successful model and impact of the Western Cape programme.

18 000
CHILDREN
safely transported to and from school

1 000
TRANSPORTERS
in the programme

0
FATALITIES
to date

Drivers in the initiative display good driving practices, achieving a 100% safe driving record in 2023 and no deaths since inception. Within 12 to 24 months of a driver joining the programme, we see 82% reduction in harsh acceleration, 63% reduction in harsh braking and 81% reduction in harsh cornering.



Fixing potholes and improving road conditions has resulted in estimated savings of over R33 million for Discovery Insure and significant value shared with all drivers in Johannesburg as well as the broader insurance industry.

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COLLECTIVE HEALTH

ENCOURAGING EMPLOYEE VOLUNTEERISM AND SKILLS TRANSFER

Our people are inspired and motivated by Discovery's purpose, acting as a force for good in their communities. Through our volunteerism programmes, we leverage our employees' skills and resources to build healthier communities and foster social impact.

OVERVIEW OF OUR EMPLOYEE VOLUNTEERISM IMPACT

1 983
EMPLOYEES VOLUNTEERED DURING THE YEAR
(FY2023: 1 646 employees)

13 460
HOURS IN VOLUNTEERING ACTIVITIES
(FY2023: 7 439 hours)

VOLUNTEER HOURS EQUALLED R2.1 MILLION
(FY2023: R1.6 million)

Discovery ForGood

Discovery ForGood is our employee volunteerism programme that enables our employees to help build healthier communities. We collaborate with communities to identify their needs and match them to the wide range of skills and resources provided by our volunteers.

Discovery ForGood aims to have 20% of Discovery's employees volunteer annually – a target we met during the year.



Discovery ForGood is a member of the **International Association for Volunteer Effort (IAVE)**, which aims to strengthen and grow volunteer leadership globally. IAVE promotes the value and impact of volunteering as a vital force for civil society. As part of our recognition programme, the two top-achieving champions from our Discovery ForGood initiative are given the opportunity to attend the IAVE's World Volunteer Conference, where volunteer leaders convene to share best practices, exchange ideas and collaborate on advancing the global volunteer movement.



EMPLOYEE VOLUNTEERISM IN THE UK

We launched an employee volunteerism initiative in the UK in November 2023. Highlights have included healthy food in schools, festive companionship for the elderly and biodiversity-focused volunteering.

As at April 2024, the initiative has led to:



A COMMUNITY CONTRIBUTION OF £35 343

We invest in national, local and community sports, aiming to inspire more people to take up physical activity and live healthier lives. Our Community Active Fund provides employees with grants to help their communities become more active.

We go beyond volunteering by participating in the 10 000 Interns Foundation's initiatives to mentor and develop under-represented talent at scale.

Mentorship With Purpose

Mentorship With Purpose is a mentorship programme designed to strengthen leadership capacity, small businesses and civil society by tapping into the specialist skills of our executives. We believe mentorship is an integral way to share skills, enable organisations to grow and succeed, and to stimulate economic growth.

During the year, three executives hosted three masterclasses as part of this programme. The masterclasses are designed to equip entrepreneurs with the necessary skills, knowledge and resources to navigate the challenging business landscape. The 97 entrepreneurs who attended the masterclasses were equipped in key areas including strategic marketing, procurement and legal matters for small businesses.

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COLLECTIVE HEALTH

PARTNERING TO BUILD THE NATION

We are proud to be part of a new era of business and government collaboration through BUSA’s CEO pledge, underpinning our belief in South Africa and our determination to assist in realising its potential.

Through this partnership, established in 2023, we are addressing the energy, transport and logistics, and crime and corruption crises to lift the country’s economic growth rate and improve the investment climate. By joining over 130 CEOs of the largest companies in this commitment to build the country, we are acknowledging its potential and supporting an inherent belief that, collectively, we can fix things.

1 Cumulative reduction hours realised year to date
2 As at 17 July 2024
3 As at March 2024

This model works: strong progress has been made in these areas since the CEO pledge’s inception



ENERGY

76% reduction in loadshedding¹ | **117 DAYS** without loadshedding²

>6 GW of new energy generation added | **2x** new generation investment pipeline

>8 GW of initiatives to expand energy sources, including 5.8 GW rooftop solar

NATIONAL TRANSMISSION COMPANY OF SOUTH AFRICA established and board in place

DEBT RELIEF package for Eskom, and **new CEO** appointed



TRANSPORT AND LOGISTICS

36% less waiting time to anchor vessels | **45%** fewer vessels anchored outside Durban³

>R700 MILLION investments in key corridors | **R47 BILLION** National Treasury guarantee for Transnet

NEW TRANSNET CEO, CFO AND COO appointed

RAIL PRIVATE SECTOR PARTICIPATION FRAMEWORK approved

BUSINESS EXPERTISE mobilised

FREIGHT LOGISTICS ROADMAP published



CRIME AND CORRUPTION

~50% reduction in security incidents on the coal line

R57 MILLION forensic analysis centre set up by Business with Hawks

CALL CENTRE PILOT agreed

Alignment on INTERVENTIONS AND PROJECTS

The next step will be to focus on problems regarding power transmission, reforming the electricity market, growing generation and addressing issues at municipal level. We have the plans in place – we now need to ensure they are implemented with urgency.



We welcome President Ramaphosa’s commitment to a new era of partnership at a critical inflection point for the country. In the first phase of our partnership, over 130 CEOs pledged support and business invested more than R260 million and mobilised over 350 experts across three focal areas. This has contributed to the excellent progress made, with reduced loadshedding being the most visible and pronounced achievement.

ADRIAN GORE, BUSA Vice President and Discovery Group Chief Executive





RESTORE THE ENVIRONMENT

PLANETARY HEALTH

SUPPORTING THE SDGs



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



RELATED MATERIAL THEMES

Expand and strengthen our social impact

Strengthen our environmental stewardship

Ensure good corporate governance and leadership

Leverage and manage technology and innovation

WHY DOES THIS MATTER?

We recognise that the physical environment directly and indirectly impacts people's health. To fulfil our purpose of making people healthier and enhancing and protecting their lives, we must consider the impact of the physical environment on their health and wellbeing. Furthermore, healthcare systems account for over 4% of global CO₂ emissions. By integrating climate-conscious practices, these systems not only reduce their impact on climate change but also promote a healthier environment, enhancing public wellbeing.

Restoring the environment, as the final pillar of our Integrated Sustainability Framework, aligns our purpose with our goal of maintaining a health-enabling environment.

WHAT DO WE DO?

We strive to make a positive environmental impact by leveraging our capabilities to reduce our environmental footprint, improve our understanding of environmental challenges and promote behaviour change in our employees and clients.

HOW DO WE DO THIS?

Refining and meeting our **environmental commitments**

+ Page 63. >

Innovating to share environmental value

+ Page 65. >

Defining our **climate change** position and goals

+ Page 66. >

Responsibly using **natural resources**

+ Page 67. >

TARGETS

Reduce **Scope 1 and 2 emissions** by **21%** in FY2024 against our 2019 baseline

Publish our **Net-Zero Transition Plan and targets** in Q4 2025

Achieve **carbon neutral** operations by 2027*

Achieve **net zero** by 2050 or earlier

Achieve **zero waste to landfill** in our South African operations

PROGRESS MADE IN FY2024

- Reduced Scope 1 and 2 emissions by 21.4% against our 2019 baseline (FY2023: 18.5%)
- Received zero waste-to-landfill accreditation at 1 Discovery Place
- 4.5% waste to landfill (FY2023: 5%)

* Refer to page 66 for more information on the Group's decision to defer our 2025 carbon neutral goal to 2027 for our South African and US operations.

KEY DEVELOPMENTS ON OUR JOURNEY TO RESTORE THE ENVIRONMENT:

36 244 MWh
TOTAL ENERGY CONSUMPTION
(FY2023: 37 107 MWh)¹

88 603 kl
WATER USED
(FY2023: 92 240 kl)²

51 291 kg
PAPER USED
(FY2023: 56 564 kg)²

- Furthered our Scope 3 analysis, including engaging with asset managers on the availability of investment-related emissions data, assessed healthcare emissions data and considered the measurement of emissions related to Vitality Global insurance partners and Vitality programme partners
- Made significant progress on our net-zero roadmap (including calculating reduction pathways)
- Secured renewable energy wheeling to 1 Discovery Place through Discovery Green
- Acquired wind and solar generation sites that will generate 1.3 GW through Discovery Green
- Developed an environmental module as annual training for employees
- Our rooftop solar installations continue to help us reduce our reliance on the grid and generators, contributing 4% of the Group's energy needs from renewable resources
- Maintained ISO 14001:2015 certification at 1 Discovery Place
- Transitioned close to 100% renewable electricity in our Vitality-occupied offices in the UK
- Replaced 100% of Vitality UK nurses' cars with hybrid electric vehicles
- Vitality UK published its inaugural TCFD Report
- Continued minimising paper usage by reducing the number of printers on each floor of our South African operations

¹ Discovery Group ² South Africa only

LOOKING AHEAD

- Discovery Green to provide 1 Discovery Place with 100% renewable energy by 2027
- Discovery Green aims to conclude projects that will deliver over 1.3T Wh of renewable energy onto the national grid every year once operational
- Install solar at other offices where possible following the success of 1 Discovery Place and our Gqeberha office
- Continue assessing and quantifying the Group's Scope 3 emissions and investigate reduction and engagement strategies
- Publish our Net-Zero Transition Plan in Q4 2025
- Work to better understand supply chain-related risks and impacts, and engage with suppliers on challenges and mitigation
- Verifying our annual GHG reduction targets against science-based methodology through a commitment to a net zero framework
- Roll out and implement the ISO 14001 (environmental management) standard at our Cape Town offices in FY2025 and the ISO 50001 (energy management) standard at our Gqeberha office, as well as recertifying 1 Discovery Place under ISO 14001
- Receive zero waste to landfill accreditation at our Cape Town, Gqeberha and KwaZulu-Natal offices
- Vitality UK to focus on adviser engagement through a series of environmental sustainability thought leadership engagements

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PLANETARY HEALTH

ENVIRONMENTAL COMMITMENTS

Driven by the Group's core purpose and our value of being a force for good, we are committed to restoring the planet within our influence and impact. To achieve this, we conduct business ethically, transparently and in compliance with environmental laws, the Paris Agreement and the SDGs.

We recognise that environmental risks and opportunities impact the key strategic competencies that create and deliver value to our business model. We therefore commit to:

- Comply with all relevant regulatory requirements and other compliance obligations
- Continually monitor and reduce our direct environmental impact by improving our energy use efficiencies (including our fleet), water usage and waste management
- Engage with our supply chain to monitor and reduce the indirect associated impacts
- Understand and respond to environmental risks and opportunities and how they impact our stakeholders and the society in which we operate
- Embed environmental factors into our culture and business decisions
- Incorporate material environmental factors into our investment and ownership decisions
- Increase and enhance employee awareness and understanding on environmental matters and their role in building a healthier, greener world

Our **Group Environmental Statement** was reviewed and approved by the Group Executive Committee and Social and Ethics Committee during FY2024.

The statement outlines our environmental objectives and commitments, including our commitment to consulting with stakeholders on environmental issues and how we approach corrective actions to stimulate continual improvement.

[Refer to the Group Environmental Statement for more information.](#)

Our **Group Chief Risk Officer** holds the overall responsibility and accountability for the development and implementation of climate and environmental strategies. Our Executive Climate Sponsor's key responsibilities include:

- Ensuring that our climate change goals are put into action, monitored, measured, reported and shared with stakeholders
- An environmental management system is in place to ensure continuous improvement, monitoring of progress and improved efficiency across our building and sites.

The **environmental management system** at 1 Discovery Place (which represents over 80% of our operations) is ISO 14001 certified and undergoes annual independent internal audits outsourced to an external service provider. This also includes auditing our environmental management system, such as document management, corrective action, risks and opportunities, internal audits, scope and policy. Yearly surveillance audits take place to maintain these certifications. Legal audits are conducted twice per year in order to review our adherence to environmental laws and regulations. Management reviews are performed annually with an external consultant and Discovery's top management. The review assesses the suitability, adequacy and effectiveness of the ISO 14001 management system, which includes coverage of Discovery's environmental management system.

Corrective actions are implemented when issues are identified or non-conformances occur in a specific area. These actions aim to drive improvement and ensure efficient operations. Regular checks through internal audits play an important role in identifying areas that may otherwise go unnoticed.

The process involves:

- Identifying non-conformities and taking action to address them and to avoid any recurrence
- Root cause analysis, continual improvements and enhancing our environmental performance within our facilities, including energy, water and gas usage

Influencing our supply chain

Our sustainability scorecard requires that we procure goods and services from environmentally responsible suppliers that are aligned to the protection of the environment. We also have service level agreements in place with our on-site lifestyle services partners to ensure alignment with our environmental commitments.

Our Procurement Policy reflects our commitment as a UNGC signatory to partner with suppliers who align with the UNGC's Ten Principles. The policy includes sustainable procurement processes to ensure our procurement evaluations prioritise an optimal combination of quality, price and sustainability. Our evaluation criteria include ISO 14001 or equivalent compliance certification and effective monitoring and managing of direct environmental impact.

In South Africa, our appointed asset manager, Ninety One, reviewed its investment teams' existing processes for assessing and managing nature-related risks and opportunities, and analysed data for its overall exposure to nature-related risks. It is developing a strategy for assessing and managing nature and biodiversity risks, dependencies and impacts.

In the UK, healthcare emissions make up a large proportion of our Scope 3 emissions. Our supplier engagement framework and materiality analysis prioritise partners and suppliers that are crucial to reducing our Scope 3 emissions, including hospital providers. Our collaborative approach aims to understand and mitigate the emissions linked to our demand. This strategy is designed to reduce the carbon footprint of both our business and our suppliers, thereby integrating our Shared-value model into our supply chain. We engage with our industry body, the Association of British Insurers, and the industry body of our healthcare providers, the Independent Healthcare Provider Network, towards improving best practice for decarbonisation in the private healthcare industry.

We updated our UK Supplier Code of Conduct and streamlined the ESG questions in our supplier risk questionnaire during the year to strengthen our ESG expectations of suppliers. This included increasing the focus on suppliers' net zero commitments and GHG emissions reporting, as well as how employee health and wellbeing are monitored.

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Environmental commitments continued

Engaging to restore the environment

EMPLOYEE ENGAGEMENT

We are increasing our environmental employee engagement, awareness and training to drive behaviour change from within the business.

During the year, we:

- Developed an environmental training course which is an annual employee training module on the group environmental policy, Discovery Green, climate change strategy, our environmental-related programmes and initiatives, targets and goals. This maiden training course will be rolled out in FY2025 and aims to raise environmental awareness and support of our goal by educating and informing our employees about our environmental activities and initiatives
- Rolled out carbon emissions-related e-learning to certain employees, in collaboration with an external service provider
- Continued using a Green Screen – a visual communication channel – at 1 Discovery Place to create awareness and educate our employees, service providers, visitors and clients on our environmental sustainability commitment and initiatives
- Led an employee campaign in the UK on reducing plastic consumption, as well as offering volunteering opportunities focused on biodiversity

Refer to our 2024 Climate Report for more detail on our climate-related employee engagement during the year.

Environment induction training

Environmental programmes and procedures are included as part of our broader sustainability awareness training which is covered during the induction process for contractors who work on-site at 1 Discovery Place.

ADVISER ENGAGEMENT

During the year, we conducted sustainability-related research with our UK adviser community to inform a sustainability thought leadership programme that will support advisers on their sustainability journey and help them meet the rising expectations of businesses. The project aims to highlight the link between health and sustainability and will include talks at distribution events, training webinars and in-person workshops.

NATIONAL ENGAGEMENT

Discovery participates in the Advisory Council on Environment and Society, a quarterly forum run by the National Business Initiative, of which we are a member. The council'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.

We also engage in the National Business Initiative's Science Based Targets Network Initiative, which focuses on developing a corporate engagement strategy for South African companies.

Green Cities initiative – restoring the spaces around us

During the year, we revised our CSI team's mandate to include environmental sustainability in its workstream. Under the updated mandate, proposals are under discussion to roll out a Green Cities initiative to clean up and beautify parts of Alexandra township and centre islands in Sandton. If approved, the initiative will create a model for corporate support in restoring urban environments in South Africa.

Sustainable insurance and responsible investment commitments

We are a signatory to the UNEP FI Principles for Sustainable Insurance as part of our ongoing commitment to environmental sustainability and leadership. We are working towards turning the four principles for sustainable insurance into practice and playing our part in strengthening the insurance industry's contribution to sustainable development as risk managers, insurers and investors.

We continue to be a signatory to the United Nations Principles for Responsible Investment. Through our asset managers, we engage in active ownership through proxy voting and management engagement. We incorporate ESG factors into our investment practices through our Group Responsible Investment Policy.

+ Read more about our approach to responsible investment from page 89. >

Operating in green buildings

1 Discovery Place has a six Green Star rating from the Green Building Council of South Africa, signifying world leadership in green building standards. Our Cape Town office has a five Green Star rating, and our KwaZulu-Natal office is moving into a Green Star-rated building in the near future. Our goal is to certify our remaining South African buildings by 2026.



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INNOVATING TO SHARE ENVIRONMENTAL VALUE

Advancing sustainable energy through Discovery Green

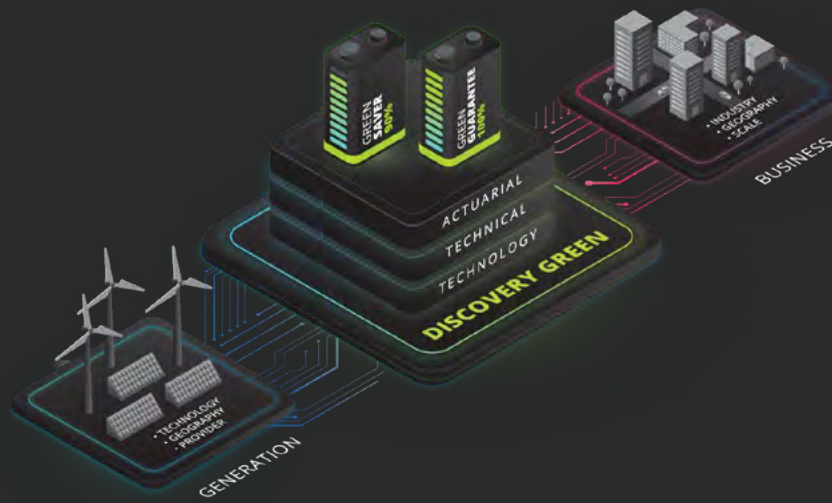
Launched in September 2023, Discovery Green revolutionises renewable energy access for businesses. It extends our Vitality Shared-value model by making renewable energy accessible, aiding decarbonisation efforts and offering cost stability. Over time, it aims to combat South Africa's electricity shortfall.

Discovery Green was designed to incentivise sustainable behaviour and provide renewable energy solutions to businesses by 2026. It addresses critical challenges in South Africa's electricity supply, which relies heavily on fossil fuels, by facilitating electricity wheeling. With new power wheeling frameworks expected from Eskom, Discovery Green will enable access to renewable energy nationwide.

Leveraging Discovery's actuarial and technology expertise, the platform connects renewable energy plants to businesses through two tailored products:

Green Guarantee: enables businesses to achieve 100% renewable energy use, significantly reducing carbon emissions

Green Saver: maximises savings by optimising renewable energy generation and consumption



During the year, Discovery Green:

- Procured wind and solar generation of 1.3 GW – the largest procurement of renewable energy in the private sector to date
- Was incorporated as a subsidiary of the Group with appropriate governance structures
- Applied for an electricity trader's licence from the National Energy Regulator of South Africa
- Commissioned an independent report on the platform's viability and risks
- Published a white paper assessing the impact of different renewable energy procurement models on short- and long-term financial savings

1 Discovery Place accounts for around 62% of the Group's overall emissions, and Discovery Green is projected to supply the premises with 100% renewable energy by 2027.

How Discovery Green will work

The platform places the administrative management with our expert team, backed by Discovery's 31 years of experience in bringing innovations and actuarial expertise to market for positive change.

- An **actuarial and data science approach** helps businesses identify the best renewable energy solutions. By aligning energy consumption with renewable energy purchases, businesses can achieve maximum cost savings, more predictable electricity costs, and better overall benefits to meet their goals
- A **technical pillar** provides businesses with top-tier engineering, legal, and financial expertise, facilitating thorough due diligence and seamless grid connection
- The latest technology underpins these pillars, enabling advanced systems that ensure robust operations, efficient contracting, and precise energy use and cost savings
- This combination and platform enable Discovery Green to provide businesses with expanded energy options, increased financial savings, and significant emission reductions



Partnering to provide solar energy solutions

In partnership with Rubicon, a leader in power solutions, Discovery Bank Energy Solutions is advancing sustainable energy access across South Africa by providing solar energy solutions for homes. This initiative not only enhances energy security but also promotes environmental sustainability.

The model simplifies access to solar energy with competitive financing options and straightforward terms, including solar-as-a-service and rent-to-own arrangements. An online calculator offers custom quotes, ensuring solutions are tailored to specific household needs.

By combining Rubicon's technological expertise with Discovery Bank's shared-value financing, this partnership delivers market-leading solar solutions that help reduce carbon emissions and mitigate the impacts of loadshedding.

[Read more about Discovery Green on its website.](#)

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Make people healthier

Enhance and protect lives

Strengthen social systems

Restore the environment

Good business enablers

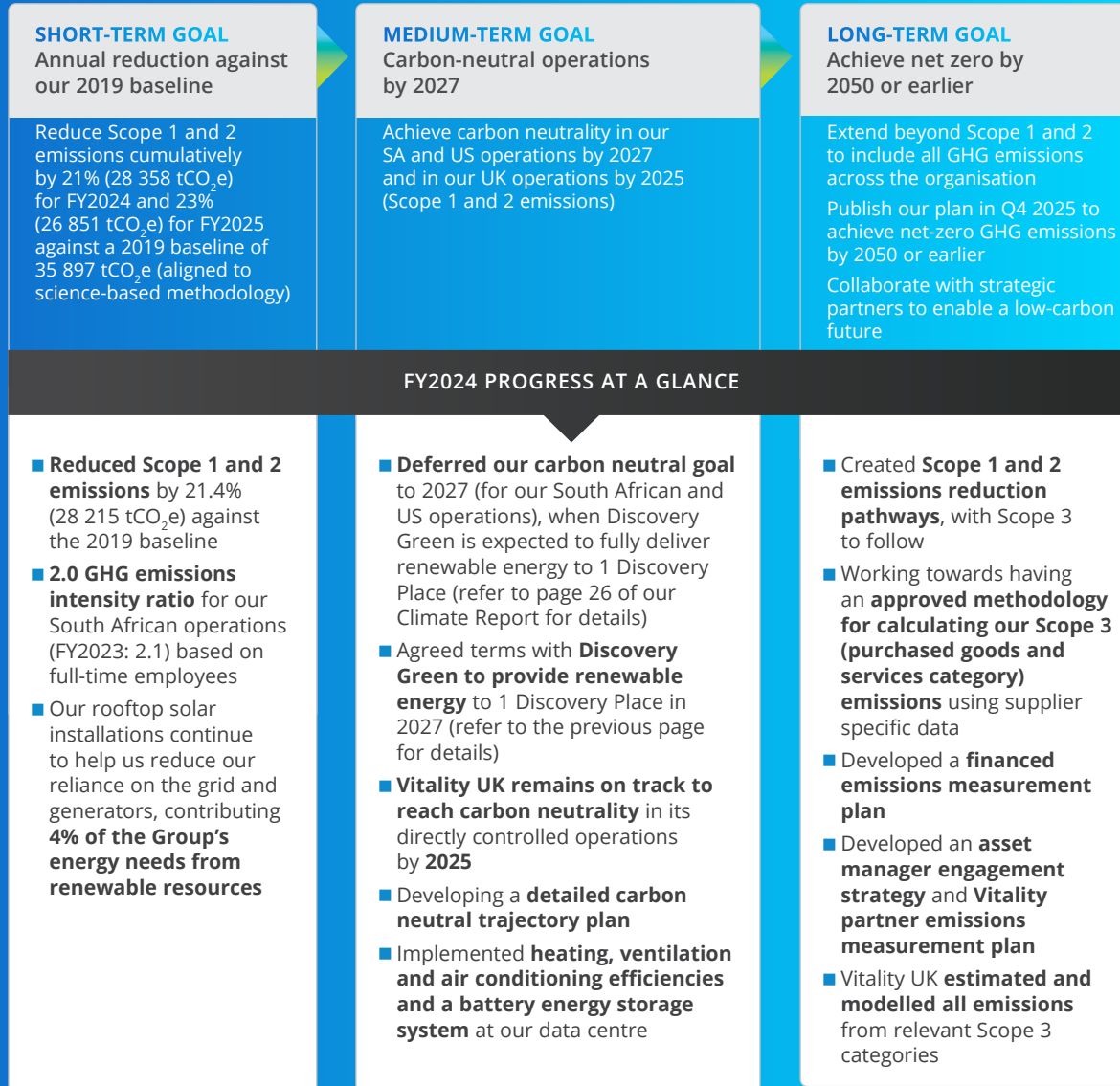




PLANETARY HEALTH

DISCOVERY'S CLIMATE CHANGE POSITION AND GOALS

Our three climate-related goals form the foundation of our response to climate change. With advisory partners, we established a short-term, annual goal using a matrix of science-based targets from 2023 to 2030, reducing emissions in line with the Paris Agreement. In parallel, we have set a medium-term goal to achieve carbon neutrality by 2027 and a long-term goal to reach net zero by 2050 or earlier. The emission reductions driven by our short-term goal are crucial to achieving both our medium-term and long-term goals. We will continue to assess, report on and update our goals continuously to ensure we adhere to the latest science-based recommendations for business and industry transformation.



Climate reporting disclosures

Our **Climate Report** provides comprehensive information on our climate-related goals and progress and details our alignment with the TCFD recommendations, covering governance, risk management, strategy, operational performance, metrics and targets.

[Refer to our 2024 Climate Report for more detail.](#)

Furthermore, we provide annual public disclosures on climate change to the **CDP**, which manages the global environmental disclosure system that helps entities measure and manage their risks and opportunities related to climate change, water security and deforestation. We maintained our B rating for the 2023 reporting cycle (2022: B), which indicates management of climate-related issues. We are committed to improving our CDP rating by identifying areas needing attention as we enhance our environmental stewardship.

- Value chain engagement: B (2022: C)
- Scope 1 and 2 emissions: A (2022: A)
- Risk disclosure: B (2022: C)
- Emissions reduction initiatives and low carbon products: C (2022: C)
- Business strategy, financial planning and scenario analysis: B- (2022: B)

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PLANETARY HEALTH

RESPONSIBLY USING NATURAL RESOURCES

In addition to managing our carbon emissions through our three climate-related goals, Discovery also manages water, waste and other natural resources, recognising that all natural resources are inextricably linked to climate change.

Managing water

Water is a critical resource, and considering that 40% of South Africa's purified water supply is now lost to leaks, we aim to improve efficiencies in all our operations by managing and closely monitoring our water usage. Local municipalities predominantly supply our South African offices' water, which is supplemented with grey water. We direct overflow from rainfall to the municipal stormwater system.

WE PREDOMINANTLY USE:



Potable water: withdrawn from holding tanks to all taps or drinking outlets and used in 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 from a combination of sources, including underground water, wastewater from showers and rainfall discharged from roofs into the stormwater pipes, and directed to the water closets, urinals and garden irrigation

We track and report fresh water, potable water and grey water usage, and we investigate and close out any water wastage not due to overflow from rainfall. We record any significant water impacts as incidents, report on them and take corrective action, as required by ISO 14000.

OUR TOTAL WATER CONSUMPTION DECREASED BY 4% TO

88 603 kl

in FY2024 (FY2023: 92 240 kl)

RECYCLED GREY WATER MADE UP

28%

of our total water usage in FY2024

To date, there has been a 35% decrease in 1 Discovery Place's municipal water consumption since 2019 (and a year-on-year reduction against the 2019 baseline).

The technical services team continuously assesses opportunities to reduce water consumption through various initiatives, including:

- **Recycling water** used for washing, only topping up with potable water when required, and using the recycled water in our car wash
- Using **water reducers and sensors** on taps
- Maintaining **platforms to report and correct** water wastage timeously
- Maximising **output from our grey water plant** at 1 Discovery Place through ongoing monitoring and regular maintenance

Managing waste

We continue to work towards achieving zero waste to landfill at all our offices, and in 2024, 1 Discovery Place and our Cape Town office received net zero waste to landfill accreditation from the Green Building Council of South Africa. We plan to apply for accreditation at our KwaZulu-Natal and Gqeberha offices next year.

DURING THE YEAR, WE RECYCLED

92%

OF THE GROUP'S WASTE, WITH 4.5% GOING TO LANDFILL

Reducing landfill waste to zero:



Reduces pollution and demand for raw materials



Conserves natural resources



Protects ecosystems and wildlife

We continued to launch and implement several initiatives during the year to help meet our goal, including:

- Ensuring that our lifestyle services partners comply with our sustainability initiatives at 1 Discovery Place, including water recycling and waste management
- Communicating our progress against our waste management goals and highlighting our activities as part of our employee awareness campaign
- Continuing to explore suitable solutions following the annual internal environmental audit as part of our environment management process

Our overall waste management approach includes partnering with suppliers to dispose of e-waste in an environmentally correct manner in accordance with regulations, as well as hazardous waste that consists of fluorescent tubes, globes, incinerated waste and medical waste. Our incinerated waste makes up 3.5% of total waste (FY2023: 3%).

Conserving nature and biodiversity

We recognise biodiversity loss as a global risk and integrate it into our ESG strategy. We are exploring ways to enhance our biodiversity conservation impact. Recognising the urgent need (exacerbated by climate change) to protect nature, we are assessing our exposure to nature-related risks and opportunities, including forestry and water. We plan to have Board-level oversight of these issues within the next two years. Following this assessment, we consider how to reduce our exposure and capitalise on opportunities through our risk assessment processes guided by our Enterprise Risk Management Framework. We will explore target setting once guidance is available.

In line with our responsible investment approach, we are working to better understand the nature-related risks and opportunities that impact our business through our investments. During the year, we engaged with Ninety One – a global asset management firm that manages most assets directly under our management – in this regard.

We have engaged with our asset manager in the UK and received information on the biodiversity impact of our corporate bond portfolio. Biodiversity and nature-related data is still maturing, and we will continue to engage with our asset manager to evaluate our impact.

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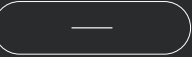
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Restore the environment

Good business enablers





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04

GOOD BUSINESS ENABLERS





Our *purpose and values*



How is it that we manage to succeed in uniquely difficult and challenging times? In my view, the answer lies within our purpose and values. They demand of us a sense of agency rather than passivity. We take control of our destiny, interpret change and seek advantage rather than run from perceived threats. We coalesce innovation and prudence, allowing us to find opportunities in challenge, while identifying and managing risk. Agency is about impacting those we serve.

ADRIAN GORE

OUR PURPOSE

When Discovery was established over three decades ago as a small, specialist health insurer, we made a clear and profound promise: to make people healthier. Through constant innovation, we have evolved into an integrated financial services organisation, expanding our original promise to also enhance and protect lives. This promise now defines our core purpose – **make people healthier and enhance and protect their lives** – which guides our ambition, strategy and business methodology.

Our purpose comes to life through our Shared-value model, which delivers better health and value for clients, superior actuarial dynamics for the insurer and a healthier society. To make people healthier and enhance and protect their lives, we leverage our capabilities to understand and mitigate what compromises their health, wealth and safety, and our shared context.

OUR VALUES

Discovery's values are fundamental to the authenticity of our business. They are rooted in our core purpose and, together, underpin every decision we make. They are also crucial enablers of our Integrated Sustainability Framework by ensuring that, at all times, value creation is balanced with value preservation.



Force for good

Force for good

Our ninth value – being a force for good – guides us to make positive impacts on all stakeholders and the environment. It also empowers our people to make informed, ethical decisions that benefit society and sustain our organisational culture.

We want to be a powerful force for good by:

- Building brilliant businesses that disrupt industries
- Strengthening our foundation with our pioneering Shared-value model
- Enhancing our social, environmental and financial impact through innovative products and programmes and aligning our business and sustainability strategies

For the Group's strategic performance against our good business enablers, refer to our 2024 IAR.

We reinforce the Group's values through our ethics management strategy. Refer to page 86 for more information on ethics.

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CASE STUDY: DRIVING CLEAR IMPACT GLOBALLY THROUGH OUR PARTNERS

Our core purpose and values are embedded in our Vitality Shared-value model. To scale our impact, we have extended this behaviour change model globally to our primary and partner markets, where we encourage healthy habits through partnerships and joint ventures with some of the largest global insurers while supporting their business objectives and enhancing our collective impact.

Our collaborations with key global partners, like AIA in Southeast Asia, Manulife and John Hancock in Northern America, Sumitomo in Japan and Tawuniya in the Middle East and North Africa, are pivotal in driving significant behavioural change worldwide. The global impact of Vitality is illustrated through the following achievements:



VITALITY IMPACT

AIA	AIA's comprehensive health and wellness solutions have led to measurable improvements in members' health metrics since joining the Vitality programme:	26% of at-risk members moved to a HEALTHY BMI RANGE	43% experienced REDUCTIONS IN CHOLESTEROL	51% saw improved BLOOD PRESSURE LEVELS	73% achieved LOWER GLUCOSE LEVELS	An average decrease in Vitality Age by 0.10 YEARS	
MANULIFE VITALITY	The behavioural insurance model fuels Manulife's competitive edge, and Vitality is available on all its retail insurance products. Over 2.1 million Manulife clients have access to its behavioural insurance platforms, which result in:	50% LOWER LAPSE RATES	HIGH SATISFACTION SCORES FROM PRODUCERS AND DISTRIBUTORS	IMPROVED MORTALITY RATES in the long term due to positive selection, healthier persistency and behavioural change			
JOHN HANCOCK VITALITY THROUGH MANULIFE	John Hancock Vitality members experience significant year-on-year health improvements:	43% reported REDUCTIONS IN BMI	44% of members with high blood pressure brought their levels WITHIN THE NORMAL RANGE	32% reduced their HIGH CHOLESTEROL LEVELS	40% saw improvements in their GLUCOSE READINGS		
SUMITOMO LIFE VITALITY	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:	84% of members feel their QUALITY OF LIFE IMPROVED	50% lowered their BLOOD PRESSURE	42% lowered their FASTING BLOOD SUGAR LEVEL	49% lowered their LDL CHOLESTEROL	Members' mortality rate was 47% LESS THAN NON-MEMBERS	Members' hospitalisation rate was 16% LOWER THAN NON-MEMBERS
TAWUNIYA	Tawuniya, the first insurer to introduce the Vitality programme in the Middle East and North Africa, has seen significant impact:	Overall, members reaching the higher tiers of the programme recorded an 18% DECREASE IN CLAIMS PER CLIENT over the past three years, compared to policyholders who are not Vitality members		Received the "BEST HEALTH INITIATIVE" from Saudi Arabia's Council of Health Insurance in recognition of the Vitality wellness programme			

By embedding our purpose and values in the Vitality model, we ensure our global partners fully embody this important foundation – thereby making people healthier and enhancing and protecting their lives beyond Discovery's immediate client base.

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RELATED MATERIAL THEMES



Ensure good corporate governance and leadership



Empower our people



Expand and strengthen our social impact

Our employees – the people who enable us to deliver on our Integrated Sustainability Framework, create value for our stakeholders and be a force for good – are the life force of our Shared-value model. We continually improve our people strategies to ensure our employees’ wellbeing and a future-fit organisation.

Our people approach is guided by these priorities:

01
ATTRACT,
RECRUIT, RETAIN
AND DEVELOP
THE BEST TALENT

02
CULTIVATE
AND SUSTAIN
AN INCLUSIVE
CULTURE

03
AMPLIFY
EMPLOYEE
WELLBEING

This approach is underpinned by a key focus on leadership development, aimed at enabling our leaders to lead in today’s context through innovations ensuring our employees have an excellent experience.



OUR FY2024 HIGHLIGHTS

Retained **Top Employer certification** by the Top Employers Institute for the 5th consecutive year

Won the South African Graduate Employers Association **Employer of Choice Award** in the insurance (for the ninth consecutive year) and health categories

Celebrated **20 years of Discovery learnerships**, proven to be critical contributors to our talent pipeline

Vitality US received International WELL Building Institute **gold WELL certification** for maximising employee health and wellbeing in new offices

Vitality US was named one of **Chicago Tribune’s Top Workplaces**

Vitality UK was among the top 10 **Sunday Times Awards Best Places to Work in 2024**

Vitality UK received **Living Wage Employer** accreditation from the Living Wage Foundation

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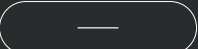
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OVERVIEW OF OUR WORKFORCE

Discovery is a global organisation with over **14 300** permanent and non-permanent employees globally and a footprint in **41** markets. We believe our people's diverse backgrounds, skills and experiences enhance our ability to deliver innovative products.

GLOBAL WORKFORCE OF >13 800 permanent employees (FY2023: >13 700)

Over **80%** of our total workforce are based in South Africa where we were founded and continue to have a dominant presence across various sectors.

11 048*
PERMANENT EMPLOYEES ACROSS OUR SOUTH AFRICAN BUSINESSES
(FY2023: 10 928 employees)

Our success and learnings in South Africa enabled us to launch Vitality UK where our workforce continues to grow.

2 550
PERMANENT EMPLOYEES IN THE UK
(FY2023: 2 531 employees)

Through Vitality Global, we expand our Shared-value model outside South Africa and the UK.

252
PERMANENT EMPLOYEES IN THE US
(FY2023: 249 employees)

MEN
41%
(FY2023: 42%)

WOMEN
59%
(FY2023: 58% employees)

12%
EMPLOYEE TURNOVER FOR FY2024
(FY2023: 14%)

* Includes expatriates

Refer to our ESG Databook for more information on our workforce. >

01

ATTRACT, RECRUIT, RETAIN AND DEVELOP THE BEST TALENT

KEY METRICS (South Africa)

RETENTION RATE
88%
(FY2023: 86%)

EMPLOYEE EXPERIENCE SURVEY SCORE
80%
(FY2023: 80%)

Attracting, recruiting, retaining and developing diverse talent with critical and scarce skills – particularly in data sciences, analytics and IT disciplines – are critical levers for our continued success, growth and disruption in the current business context. In the highly competitive world of work, Discovery needs to employ people who enable us to deliver on our purpose. Our human resources teams continually work to:

Implement the Human Deal, our personalised employee value proposition

Amplify our brand through our employee value proposition and our unique selling proposition

Develop and implement critical talent acquisition and management strategies

THE PURPOSE-LED DISCOVERY EMPLOYEE JOURNEY

Recruitment

Our purpose-focused recruitment process ensures we bring exceptional people into the business who are aligned with our purpose and values. In the UK, our modern employment contract approach ensures contracts are engaging and in line with our brand voice and tone.

We structure our assessments to find the "Discovery Person".

Onboarding

Our enhanced onboarding journey emphasises Discovery's purpose and ensures an exceptional overall new-joiner experience.

Ongoing measurement and improvement

Our holistic Human Deal approach at Discovery is to solicit employee feedback to ensure continuous improvement of the overall employee experience.

+ Refer to page 73 for detail on retaining, attracting and promoting the best people, in line with our transformation ambition, through learning and development offerings that create advancement opportunities. >



Attract, recruit, retain and develop the best talent continued

THE HUMAN DEAL AT DISCOVERY AIMS TO:

IMPROVE OUR PEOPLE'S LIVED EXPERIENCES

RETAIN KEY TALENT

INCREASE THE NUMBER OF QUALITY CANDIDATES IN CRITICAL SKILL SEGMENTS

BY FOCUSING ON:

Culture
Community
Wellbeing



Learning and development
Growth
Business sustainability



Force for good
Inspirational leadership
Customer prestige



PEOPLE

WORK

OPPORTUNITY

REWARDS

ORGANISATION

Meaningful work facilities
Location and time flexibility
Travel and global exposure



Benefits
Total rewards
Recognition



IN ALIGNMENT WITH DISCOVERY'S CORE PURPOSE

Offering a Human Deal at Discovery

The Human Deal at Discovery cultivates and communicates our human-centric approach to captivate the hearts and minds of employees and potential candidates. We continuously strengthen this approach to establish Discovery as a global employer of choice attracting, recruiting and retaining critical and scarce talent.

ENGAGING FOR AN EXCEPTIONAL EMPLOYEE EXPERIENCE

Our business units drive employee engagement to ensure an exceptional employee experience, and leadership teams in each area are accountable for impactful actions. Each business unit develops an employee engagement plan, which is executed under the guidance of their executive teams. The engagement plans include regular group meetings, roadshows, focus groups, problem-solving sessions, internal communication, and team events.

Our evolving hybrid working model measures and encourages engagement and collaboration via our SAP Jam platform, which also fosters wellbeing. To date, we have recorded 516 345 views of the My Employee Journey page.

An update on our hybrid working model

Our hybrid working model supports our people's diverse needs across the Group with a flexible approach that aligns with the new ways of working. Most of our employees align to a hybrid working model depending on their roles.

Vitality UK and Vitality Global employees – apart from permanent home workers, most employees spend at least two days per week in the office.

For detail on employee engagement during the year, refer to our 2024 IAR.

MEASURING THE EMPLOYEE EXPERIENCE

Our Group-wide annual Employee Experience Survey, based on advanced employee experience research, is an important barometer of employee sentiment, including perceptions of inclusivity. The anonymous survey enables us to identify and respond to opportunities and challenges to create an exceptional employee experience and drive sustainable performance. The results and action plans are shared at all levels, including at Management Committee and Executive Committee meetings.

This year's participation in our Employee Experience Survey was the highest to date, with responses from 9 638 (89%) of employees (FY2023: 9 221 (89%)). The table alongside outlines our performance in the categories we consider core to our business compared to the South African norm and the global high-performance norm.

Our Employee Experience Survey includes a diversity and inclusion index that tracks specific diversity and inclusion questions over time. Our employment equity score contributes **15%** towards our management incentive system.

CATEGORIES	DISCOVERY EMPLOYEE EXPERIENCE SURVEY RATINGS	SOUTH AFRICAN NORM	GLOBAL HIGH-PERFORMANCE NORM
COMPANY PURPOSE	92% (FY2023: 92%)	93%	92%
ENGAGEMENT	89% (FY2023: 91%)	82%	86%
DIVERSITY AND INCLUSION	85% (FY2023: 84%)	82%	90%
JOB SATISFACTION	83% (FY2023: 88%)	82%	87%
INNOVATION	82% (FY2023: 92%)	81%	86%
WELLBEING	70% (FY2023: 71%)	64%	N/A

Our employee advocacy programme enabled 100 employees (FY2023: 91 employees) to share their lived experience at Discovery and thus scale our impact as part of the solution to social and environment challenges within our markets.

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Attract, recruit, retain and develop the best talent continued

Connecting and developing great minds

EMPLOYEE TRAINING AND DEVELOPMENT AT A GLANCE

R782 million
spent on learning and development
(FY2023: R1.3 billion)

R620 million
total B-BBEE training spend
(FY2023: R941 million)

AMOUNTING TO 79.3%
of total training spend
(FY2023: 75.2%)

1 696 947
total training hours
(FY2023: 1 049 009 hours)

147.3
average employee training hours
(FY2023: 94.3 hours)

19.64
training days
(FY2023: 12.58 days)

115.1
average training hours per female employee
(FY2023: 91 hours)

196.2
average training hours per male employee
(FY2023: 99.5 hours)

Connecting Discovery's great minds through our internal structures and fostering intellectual leadership help sustain our business and ensure we remain future-fit given the evolving world of work, fierce competition for talent, increasing employee expectations and critical skills shortages.

We build trust through flexible work models and collaboration, led by forward-looking leaders, which also equip our people with future-ready skills and capabilities. Our talent management approach identifies critical roles and scarce skills needed by the industry and our business units. We address these requirements by nurturing successors and high-potential talent internally and implementing strategies to build the broader talent pipeline. We incorporate these strategies into skills development plans for our business units, individuals and workplaces. Employee bursaries and feedback support this approach.

Training (including certifications) is made available to all our employees, including permanent and non-permanent employees (i.e. fixed term contractors, learners and interns). Support for the furtherance or completion of degreed programmes is available to permanent employees.

Leadership development training courses are provided to senior management, middle management, junior management and non-management employees.



The Top Employer Institute's criteria includes performance-specific topics such as performance management frameworks, targeted communication about performance management, guidelines for objective setting, a culture of ongoing evaluation and feedback-driven adjustments of performance management process. Our recognition and certification as a top employer by the Top Employer Institute indicate that Discovery's internal performance management process is aligned to global best practices and sector leading programmes.

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Attract, recruit, retain and develop the best talent continued

HOW WE CONNECT AND DEVELOP GREAT MINDS

SUPPORTING INTERNAL TALENT MOBILITY

18% (FY2023: 14%) of open positions filled by INTERNAL CANDIDATES

576 EMPLOYEES (FY2023: 839 employees) RECEIVED BURSARIES WORTH R16 million (FY2023: R16 million)

5.5% OF EMPLOYEES promoted internally (FY2023: 5.5%)

Leveraging people analytics to create a workforce of the future

Supporting career development by empowering employees to manage their skills development

SAP SuccessFactors human capital technology platform, SmartPeople, uses predictive analytics to enable key talent processes including recruitment and retention

Our people analytics dashboard, integrated with SuccessFactors, provides data analytics and insights informing critical decision-making on recruitment, assessments (behaviour-based for contact centre employees), performance management, learning and skills development

Individual development plans inform training and development initiatives for life-long learning and adaptation to the changing world

Our self-directed approach includes informal and formal discussions on performance against objectives and wellbeing with leaders and various stakeholders via SmartPeople

Each business unit identifies its development and progression needs, and we leverage the available talent bench for promotions or leadership roles

TRAINING AND DEVELOPING OUR PEOPLE

EMPLOYEES VIEWED 52 808 LinkedIn Learning, Udey and Degreed programmes (FY2023: 45 174 programmes)

19 745 HOURS OF LEARNING on LinkedIn Learning and Udey platforms (FY2023: 18 359 hours)

4 499 EMPLOYEES COMPLETED professional programmes (FY2023: 7 845 employees)

2 101 EMPLOYEES COMPLETED leadership development programmes (FY2023: 1 652 employees)

17 EMPLOYEES PARTICIPATED in our executive leadership programme (FY2023: 26 employees)

Providing learning solutions to develop leaders and promote self-led learning

We encourage leadership development through management and leadership development programmes in collaboration with Henley Business School and the University of Cape Town Graduate School of Business

We give employees access to formal and informal business skills learning through online learning platforms

We offer professional programmes to employees through the People Academy and Group Information Services Academy

Our leadership coaching programme improves line managers' skills and performance

We launched a Generative AI Academy during the year to develop future-fit and differentiating capabilities in our people

BUILDING A PIPELINE THROUGH LEARNERSHIPS AND INTERNSHIPS

194 UNEMPLOYED LEARNERSHIPS (FY2023: 174 learnerships)

54 EMPLOYED LEARNERSHIPS (FY2023: 41 learnerships)

81.1% OF LEARNERS absorbed into Discovery post-learnership ended 31 December 2023 (FY2023: 89%)

86% OF INTERNS absorbed into Discovery post-internship ended 31 January 2024 (FY2023: 100%)

248 EMPLOYEES participated in learnerships (FY2023: 226 employees)

Providing workplace experience opportunities to matriculants and graduates

We partner with programmes funded by the Insurance Sector Education and Training Authority and Banking Sector Education and Training Authority to provide workplace experience opportunities to matriculants and graduates to address scarce skills in the insurance sector

Learnerships are structured as 12-month training programmes, through for which learners receive a nationally recognised accredited qualification

Internships are structured as 12-month programmes, offered to unemployed graduates to give them workplace experience relating to their qualification

We incorporate employee secondments for certain positions as a tool to develop new pools of talent

DEVELOPING THE SKILLS OUR INDUSTRY NEEDS

SUPPORTED 40 future actuarial professionals since inception

WORK EXPERIENCE for 49 IT students (FY2023: 50 students)

EMPLOYMENT OFFERS to 27 IT candidates (FY2023: 27 candidates)

Developing top talent and addressing scarce and critical skills in our industry

Our Adrian Gore Fellowship Award and Adrian Gore Mentorship Programme support aspiring African and Coloured actuarial professionals within Discovery in partnership with ASABA and SAADP

GradHack provides immersive work experience and employment for IT students at South African universities

Bursaries for black actuarial students in partnership with SAADP

Refer to page 77 for detail on related transformation guidelines and focus areas.



02

CULTIVATE AND SUSTAIN AN INCLUSIVE CULTURE

KEY METRICS (SOUTH AFRICA)

GENDER DIVERSITY AT SENIOR MANAGEMENT LEVEL

44%*

(FY2023: 44%)

RACIAL DIVERSITY AT SENIOR MANAGEMENT LEVEL

39%

(FY2023: 37%)

* Senior management includes deputy and general managers

Our Employment Equity Plan and values-led diversity, equity, inclusion and belonging programmes are designed to create an authentic culture for our talent to thrive and be inspired to bring their best selves to work.

Discovery supports the principles of employment equity and promotes equal opportunity for, and fair treatment of, all employees and applicants. We define equal opportunity as providing an equal chance to learn about, apply and compete fairly for employment opportunities and to function successfully and advance as an employee.

Various enabling strategies and initiatives support our commitment to creating an inclusive workplace, including:

- Our People with Disabilities Management Strategy
- Our Employee Resource Group Framework for emerging groups crafting and enhancing business strategies to ensure a sense of belonging
- An online and in-person diversity and inclusion introduction programme to share Discovery's transformation vision and mandate and embed transformation into business processes
- An initiative integrating inclusive language into our diversity, equity and inclusivity programmes
- In South Africa, talent management strategies with defined and measurable targets ensuring a sustainable internal leadership pipeline, reducing critical gaps in partnership with educational institutions and supporting organisations securing employment opportunities for unemployed historically disadvantaged youth
- In the UK, we consult our LGBTQ+, Let's Talk Race, neurodiversity and women's forums (chaired by Group Executive Committee members) on our diversity and inclusion strategy, plans and initiatives
- In the US, we conduct Understanding Transgender and Gender Non-Binary Identities and Allyship training and honour Pride Month and Men's Health Month in June
- Elevating awareness of unconscious bias and educating managers about inclusion and exclusion behaviours in a hybrid world of work



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Cultivate and sustain an inclusive culture continued

Our FY2024 diversity, equity and inclusion performance at a glance

ADVANCING OUR TRANSFORMATION OBJECTIVES

Supporting ethnic and racial diversity

SOUTH AFRICA

- Representation of black people increased from 78% to 79% and to 39% from 37% at senior management levels
- Recruitment of black leaders at team leader level and above increased to 83% from 79% with African senior management (deputy general manager and general manager) appointments at 42% (FY2023: 18%)
- New employees comprised 93% black candidates in FY2024 (FY2023: 89%)

VITALITY UK

- 1 868 employees enrolled in race fluency training since inception in 2020
- An average of 935 visits per month to our diversity and inclusion hub
- 6.5% mean ethnicity pay gap in 2023 (2022: 4.5%)
- 13 interns (FY2023: nine interns) welcomed as part of the UK's 10 000 interns initiative (internships for disabled and black students and graduates)

VITALITY US

Secured pay equity certification from the state of Illinois

Supporting gender diversity

FEMALE REPRESENTATION ACROSS GROUP CATEGORIES

ACROSS THE GROUP	59%	(FY2023: 58%) (FY2022: 58%)
AT BOARD LEVEL	46%	(FY2023: 38%) (FY2022: 28%)
IN SENIOR POSITIONS*	44%	(FY2023: 44%) (FY2022: 43%)

VITALITY UK

19.6% mean gender pay gap in 2023 (2022: 20.9%). Committed and on track to achieve gender parity at senior management levels by 2025.

Supporting people with disabilities

Discovery employs 91 people with disabilities, representing 0.8% of our total workforce (FY2023: 82 employees)

Disabled people welcomed through the UK's 10 000 interns initiative

Preventing discrimination

Addressed and successfully resolved 22 incidents reported via our Ethics Defender portal (FY2023: 10 incidents) and referred three incidents for investigation

Launched our Discovery Pride Employee Resource Group

Advancing our transformation objectives

Discovery intentionally advances our transformation objectives by supporting ethnic, racial and gender diversity and people with disabilities.

As a signatory to the UNGC Women Empowerment Principles and Target Gender Equality programme, we facilitate ongoing diversity, equity, inclusion and belonging coaching programmes for employees. In this way, we aim to advance our gender diversity agenda and offer leadership development to our black high-potential employees.

OUR EMPLOYMENT EQUITY STRATEGY

We are incrementally progressing towards a workforce that reflects South Africa's national economically active population (NEAP) at every level. We review performance against targets twice a year and base our measures on our Employment Equity Plan.

DISCOVERY GROUP'S CURRENT EMPLOYMENT EQUITY SCORE AGAINST OUR FY2024 TARGET IS 99% (FY2023: 98%)

In April 2023, the South African President signed the Employment Equity Amendment Act into law. The Act requires employers to meet draft sectoral targets published in February 2024, with changes affecting the financial and insurance sectors. Through our 2028 Employment Equity Strategy, currently under development, we are considering how we can most meaningfully and authentically respond to employment equity considerations in a sustainable way.

Refer to our ESG Databook for data on diversity profile per employee category, our employment equity targets and our three-year performance against our plan.

Our transformation ambition targets emerged from robust discussions about advancing black representation at top and senior management levels with specific targets for female representation at general manager level. We encourage transformational leadership behaviour by including transformation as a key performance indicator (KPI) in our management incentive scheme, and we measure our executives' perceptions of inclusivity through Employee Experience Surveys.

Refer to page 73 for detail on measurement of our workforce's perception of inclusivity through the annual Employee Experience Survey.

For detail on our Remuneration Committee's commitment to ensuring Discovery's remuneration is market-related, fair and free of prejudice, see our 2024 Remuneration Report.

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* Includes Deputy General Manager and General Manager level



Cultivate and sustain an inclusive culture continued

Supporting ethnic and racial diversity

SOUTH AFRICA

In South Africa, job creation is the greatest lever in B-BBEE. For meaningful transformation, we fill the majority of vacancies with black candidates, which contributes to our efforts to better reflect South Africa's NEAP.

Our senior leadership teams' short-term performance incentives include responsibility for the employment equity composition of their business units against Employment Equity Plan targets. The Group has achieved a 96% average performance score each quarter since the plan's inception.

Our talent management process identifies high-potential black talent, considers the development needs of these individuals and supports their progression towards leadership levels and other senior opportunities.

+ Refer to page 77 for detail on learning and development offerings that advance ethnic and racial diversity.

Sourcing senior black talent

Our Recruitment Policy outlines our approach to sourcing local senior black talent for leadership and executive opportunities. Discovery's internal talent acquisition specialists leverage our human resources technology platforms for senior role recruitment, supported by the Head of Transformation and Head of Talent. Additionally, we assign certain senior role sourcing to B-BBEE-compliant recruitment agencies on our preferred supplier lists.



VITALITY UK

Vitality UK is committed to increasing the number of black, Asian and minority ethnic employees in senior leadership roles.

Our ethnicity pay gap is explained by the under-representation of black, Asian and ethnic minority employees in senior leadership roles. We are confident employees receive equivalent pay for equivalent work regardless of their ethnicity.

UK initiatives to promote ethnic diversity include:

Publishing our commitment to diversity and inclusion on our careers site

We are a signatory to the Race at Work Charter

Applying an ethnicity lens to succession planning

Ensuring that most participants in our executive mentoring programme are from an ethnic minority background or female

Observing Black History month in various ways

For more detail on Vitality UK's commitment to diversity, equity and inclusion, refer to our 2023 gender and ethnicity pay gap report.



VITALITY US

Our Vitality US diversity and inclusion working group, comprising a diverse group of employees, has multiyear priorities to ensure long-term and meaningful progress.

We have several initiatives in place to advance diversity and inclusion for our US workforce, which include:

Our Inclusivity, Diversity, Equity, Accountability and Liberating the best in our people (IDEAL) Committee, which supports our value of liberating the best in people

Including demographics in talent mapping to increase diverse high-performing employees' visibility

Partnering with the Professional Diversity Network and related Discovery programmes in South Africa

Inclusive job posting templates

Programmes and processes highlighting diverse talent and development opportunities driving diversity at senior levels

Our mentorship programme nurturing diverse talent and perspectives

Our Diversity, Equity and Inclusion Ambassador Programme welcoming new hires as a primary resource for diversity-related questions

Our baseline understanding of Vitality's diversity, equity and inclusion informing employee education

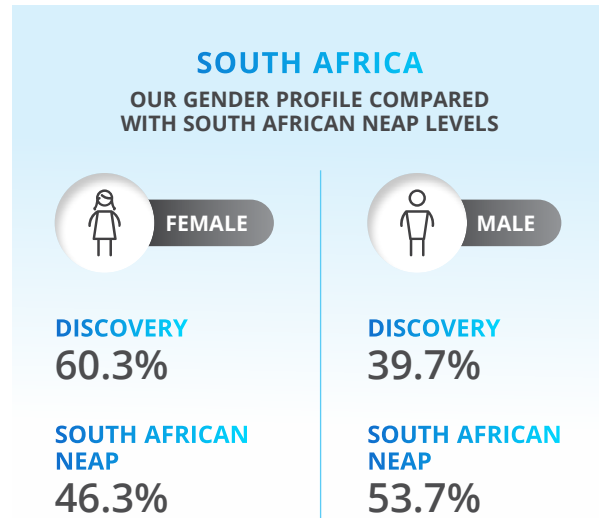




Cultivate and sustain an inclusive culture continued

Supporting gender diversity

As UNGC signatories, we are committed to gender balance and equality, including engagement initiatives addressing the gender pay gap and equitable representation of women at executive and management levels, among others.



Although our gender profile compared with South Africa's NEAP levels is positive, we acknowledge the need for more equitable gender balance in our senior leadership positions across business units. Currently, women comprise 44% of senior management (FY2023: 46%). We continue to focus on enhancing our female representation at senior levels, building pathways for women to move into senior leadership roles and nurturing the pipeline at lower levels while effectively addressing organisational and transitional barriers.

Our **Discovery Women Move initiative** – an employee resource group of women serving each other – fosters growth, inclusion and belonging through networking, role modelling, sponsorship and mentorship.

Our South African Executive Committee supports gender equity and equality with commitments to the following bold ambitions:

Accountability on the world stage through our participation in and accountability to the **UNGC Target Gender Equality programme**

Growing gender representation at **general manager** level to **40% women** by 2026

Growing gender representation within **business units** and **South African executive committees** to at least **40% women** by 2026

To achieve these ambitions, we strengthen our human resources processes through:

Ongoing pay parity reviews at the intersection of gender, race and transparency

Building clear structures for support, sponsorship, mentoring and coaching of women leaders

Creating an environment that liberates the best in women with zero tolerance of discrimination

ADDRESSING THE GENDER PAY GAP

Our succession planning processes emphasise greater female representation at senior levels. To this end, we conduct annual income gap analyses based on gender and race. We address gaps with interim salary increases unless attributed to lack of qualifications and experience, performance and market-related benchmarks.

IN FY2024, DISCOVERY MAINTAINED A GENDER PAY GAP OF ~0% for similar roles



VITALITY UK

Vitality UK's gender pay gap in 2023 was 19.6% (2022: 20.9%). The methodology used for gender pay gap calculations is mandated by the UK government, and differs from the formula used by Discovery. We ensure equivalent pay for equivalent work, and our gender pay gap is explained by the under-representation of female employees in senior leadership roles. We are committed to increasing the number of women in these roles as positions become available and will be able to draw on a strong pipeline of female talent below executive levels.

We are empowering female advancement through:

- Signing the Women in Finance Charter and committing to gender parity at senior levels by 2025 by setting a target of 60% external female appointments to higher-paying roles
- Enhancing and equalising parental leave entitlements, and joining the Association of British Insurers' transparent parental leave and pay initiative
- Changing recruitment and selection practices to source more talented women, using gender-neutral language, promoting flexible working options, and implementing a hybrid working policy requiring office attendance two days a week to support working parents
- Rolling out annual executive mentoring programmes for high-potential employees, focusing on women and ethnic minorities
- Applying a gender lens to succession planning to develop a female talent pipeline
- Consulting the Women's Forum on gender-related issues
- Evolving the diversity and inclusion hub on our internal communications platform
- Offering child-minding (up until January 2024), fertility, menopause and parent support services and a parent buddy scheme
- Launching round 2 of our leadership development programme for women in partnership with *everywoman*

For detail on remuneration, refer to our 2024 Remuneration Report.

For more detail on Vitality UK's commitment to gender diversity, equity and inclusion, refer to our 2023 gender and ethnicity pay gap report.

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Cultivate and sustain an inclusive culture continued

Supporting people with disabilities

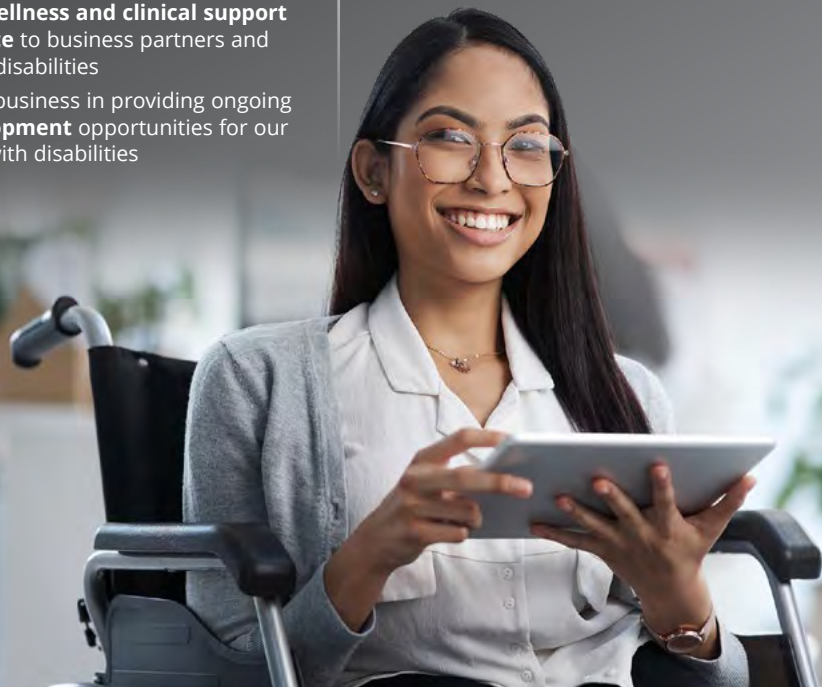
Discovery promotes employment equity in recruitment and establishes strategic relationships with organisations focused on recruiting and retaining employees with disabilities, providing meaningful employment opportunities.

Our People with Disabilities Management Strategy and Framework guides how we support current and future employees with disabilities. The strategy is supported by the following pillars:

- **Attracting, recruiting and retaining** people with disabilities in meaningful roles across Discovery
- **Supporting business partners** in recruiting and supporting employees with disabilities using adequate tools and knowledge
- **Providing wellness and clinical support and guidance** to business partners and people with disabilities
- Guiding the business in providing ongoing **skills development** opportunities for our employees with disabilities

We continue to focus on improving our 0.8% (FY2023: 0.8%) representation of people with disabilities in South Africa to be above the local financial services industry average of 0.8% (FY2023: 1.3%).

We are in the process of securing a preferred supplier list of recruitment agencies specialising in recruiting people with disabilities. Furthermore, we are in the process of developing an in-depth disability confidence online course for all employees, set to go live in FY2025.



PREVENTING DISCRIMINATION

In creating a safe workplace, we are committed to maintaining a fair, dignified, inclusive and equitable environment – free of unfair discrimination and harassment, including gender-based intimidation. Recognising that discrimination is a human rights violation as well as a barrier to equity and equality in the workplace, **Discovery's zero-tolerance approach to discrimination** considers instances of unfair discrimination, harassment and abuse of power as unacceptable, serious misconduct.

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

We ensure our employees know their rights enshrined in the **Employee Policy Handbook** and clearly communicate and manage our grievance procedures through channels such as our confidential **ethics hotline and EthicsDefender app**. Our mandatory **Understanding Harassment course** is also available to employees online and via mobile devices to ensure Discovery complies with the relevant code of good practice.

We treat individual grievance cases with utmost care and deliver regular progress reports until issues are resolved.

During the year, we launched our **Pride Employee Resource Group**, which supports and advocates for the rights and wellbeing of our LGBTQIA+ employees and educates others on these matters. Its mission is to create a supportive and inclusive work environment for individuals who identify as lesbian, gay, bisexual, transgender, and other diverse sexual orientations and gender identities.

OUR GUIDING POLICIES

Several Discovery policies prohibit unfair discrimination, harassment (including sexual harassment), gender-based violence and workplace bullying. Our regularly updated policy and complaints procedure – comprising Discovery's documented approach and breach register – guide our prevention and elimination of discrimination and all forms of harassment in the workplace. Training on discrimination and harassment was completed by 8 586 team leaders, managers and staff during 2024.

Our **Human Rights Statement** expresses our commitment to ensuring employees are equitably remunerated and that we fully comply with applicable laws regulating minimum wages, maximum working hours and healthy and safe workplaces. Although Discovery employees do not belong to trade unions, and are not covered by collective bargaining agreements, our Human Rights Statement upholds their rights to freedom of association and collective bargaining.

Our Grievance Policy supports our zero-tolerance approach by encouraging employees to report incidents of discrimination. We address incidents promptly through formal and informal engagements.

Refer to our ESG Databook for additional disclosures on discrimination.

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03

AMPLIFY EMPLOYEE WELLBEING

KEY METRICS (SOUTH AFRICA)

ALL EMPLOYEES HAVE ACTIVE VITALITY MEMBERSHIP

9 569 employees REGISTERED WITH HEALTHY COMPANY
(FY2023: 9 625 employees)

Enhancing employee wellbeing through data-driven insights nurtures leadership qualities and promotes holistic mental, physical and financial health. When our people are happy in their personal and professional lives, we are better able to create shared value for our clients. As a responsible employer, Discovery's role is to educate, enable and empower employees to be role models and aspirant leaders within a sustainable environment.

For more detail on our occupational health and safety systems, refer to our ESG Databook.

As part of its FY2025 audit plan, Discovery Group Internal Audit is scheduled to perform a Group facilities audit to assess processes in place to manage the health and safety system at our operations.

Our employee wellbeing offering extends to family members such as our employees' children, who can attend the Fun Factory child-minding facilities that is subsidised by 50%.

OUR EMPLOYEE WELLBEING STRATEGY IS BASED ON THREE PRINCIPLES:

Personalisation

Our self-driven, holistic and targeted wellbeing programme aims to help employees be their best.

Storytelling

We model compelling storytelling and our shared-value rewards system to inspire behavioural change.

Data

Our wellbeing approach is data-driven and high-impact with efficient preventive, episodic and ongoing screening measures.

These three principles are underpinned by our employee wellbeing pillars:

PHYSICAL WELLBEING	MENTAL WELLBEING	FINANCIAL WELLBEING	SOCIAL WELLBEING
OUR FY2024 INITIATIVES			
<p>Our experts shared insights on healthy and sustainable weight loss with Vitality's support as well as three most common chronic conditions (diabetes, hypertension and hyperlipidaemia)</p> <p>In Women's Month, experts shared insights on women's health topics (menopause and breast cancer)</p> <p>In Men's Health Month, we encouraged male employees to test for the most common cancers and other health challenges. We encouraged employees to complete an annual Vitality Health Check and consult our Healthy Company coaches for confidential assistance</p> <p>Our employees' ergonomic assessment gathered insight on workplace posture over 12 months</p> <p>We delivered a health and wellbeing trends webinar in the US, covering personalised healthcare, chronic condition management and effective strategies for cancer screenings</p>	<p>During Mental Wellbeing Month, we started drafting our Mental Wellbeing Policy (which is still underway) and interactive mental wellbeing leadership toolkits, enabling our leaders and employees to understand mental health in the current work context and effectively lead their teams</p> <p>Strengthening our employee support, leaders could engage with mental wellbeing experts in café-style conversations throughout the year and on #mindmatters day for insights on managing common mental wellbeing scenarios</p> <p>We launched puppy therapy days for employees at our head office, in partnership with a shelter for mistreated animals</p> <p>Webinars during Women's Month and Men's Health Month included mental wellbeing</p> <p>Vitality Global celebrated Mental Health Awareness Month with a raffle and stress relief prize for choosing mental wellness goals</p>	<p>Our financial wellbeing webinars covered budgeting 101, cash crunch and retirement funding</p> <p>In the UK, we:</p> <ul style="list-style-type: none"> Partnered with Salary Finance to offer employees pay advances, debt consolidation and finance management services Shared financial tips and resources during Pensions Week and UK Savings Week Delivered workshops on financial health Are an accredited Real Living Wage employer ensuring all employees are paid at least the real Living Wage (higher than the statutory minimum wage) 	<p>We encouraged employees to #DiscoverYourVoice during the global 16 Days of Activism against Gender-Based Violence campaign with resources on our SAP Jam platform</p> <p>Our Employee Resource Group Framework guides and supports awareness and information sharing based on specific identities (including race, gender and sexuality) or common ideas, interests or backgrounds for positive change in the business (through the Women's Forum, Race Forum and LGBTQ+ Forum in the UK and Discovery Women Move Connect in South Africa bringing our female non-executive directors together in roundtable conversations)</p> <p>In the UK, initiatives to ensure our employees feel connected in a hybrid working world include lunch-time leadership runs and walks, car pools, "getting to know you" sessions for new joiners with executives and CEO floor walks</p> <p>Vitality UK enhanced its leave policy, offering primary and co-parents equal parental leave and two additional days to employees who boost their Vitality status with healthy choices</p> <p>Wellbeing workshops in the UK included sessions on neurodiversity and managing stress and anxiety</p> <p>In the US, we honoured Pride month by sharing actions to show support and acceptance to LGBTQ+ individuals</p>

Read more about our mental wellbeing approach on page 83.

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Amplify employee wellbeing continued



Healthy Company

We believe employee wellbeing is the bedrock of better business. Healthy Company, Discovery's digitally enabled employee assistance programme, is an important part of our value proposition. It proactively supports employees' wellbeing through various levels of intervention, ranging from prevention and education to episodic or ongoing management across physical, emotional and financial wellbeing as well as legal support.

Our employees, their immediate families and dependants have access to:

- Benefits and support through the Discovery app, website, telephone or face-to-face consultations
- Wellness centres (with resident medical professionals) for flu vaccinations and recovery support as well as disease, incapacity and disability management among other services
- Emotional and financial wellbeing assessments and support (including expert debt counselling and management)
- 24-hour emergency legal support including professional documents for specific circumstances

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ON-SITE CLINICS

All four of Discovery's offices in South Africa have on-site employee clinics with doctors. At these clinics, primary healthcare administered by general practitioners is free of charge. Employees pay for allied healthcare services on a fee-for-service basis at DHMS rates minus 10%. At 1 Discovery Place, employees have access to dentists and specialists such as physiotherapists, chiropractors and optometrists.

Basic healthcare services include vaccinations to strengthen immunity and protect our people from infection. We provide flu vaccines for our employees across all our campuses in April every year.

WELLNESS DAYS

Our annual Discovery wellness days offer free Vitality Health Checks for all employees. These checks include essential health screenings and preventive blood pressure, glucose and cholesterol tests, as well as weight and BMI assessments and a non-smoker's declaration.

[Refer to our ESG Databook for detailed disclosure of employee benefits, including our leave policies.](#)

FITNESS DAYS AND ASSESSMENTS

We launched Vitality Fitness – a first-of-its-kind exercise platform on the Discovery app – at an employee event in July 2024. Permanent Discovery employees with Vitality Premium or Vitality Active membership can book up to 48 free exercise classes a year at any Vitality Fitness facility through the app. The launch event included the Discovery People Fitness Challenge, spot prizes for active participation and workouts with Vitality Fitness instructors.

In the UK, we partnered with Hero Fitness to develop a digital fitness assessment that uses AI to estimate fitness levels. We encouraged employees of all fitness levels and abilities to download the app and test the assessment.



Amplify employee wellbeing continued

Our approach to employee mental wellbeing

Our mental wellbeing strategy, launched in FY2023, builds on our employee wellbeing strategy, acknowledging that mental wellbeing is a crucial part of overall wellbeing.

Our business leaders are responsible for:

Creating an enabling environment for our people to comfortably discuss their mental wellbeing without judgement

Proactively supporting teams in managing their mental wellbeing

Preventing and actively addressing the stigma associated with mental health conditions

OUR MENTAL WELLBEING STRATEGY: A CRUCIAL COMPONENT OF OUR HOLISTIC EMPLOYEE WELLBEING STRATEGY

Objectives

Individual level: All employees feel safe to seek support when necessary.

Team level: Our leaders and team members feel equipped to support each other.

Organisation level: We empower employees and leaders to be role models within an enabling environment to achieve sustainable and holistic mental wellbeing.

Principles

SHARED RESPONSIBILITY

PSYCHOLOGICALLY SAFE TEAMS

DATA-DRIVEN INSIGHTS

REGULATOR MONITORING

LEVERAGE DISCOVERY'S CAPABILITY AND DATA

Rooted in

Data

- A high-impact, data-driven approach for efficacy in preventive, episodic and ongoing screening measures
- Predictive analytics to identify potentially high-risk teams
- Regular trend reporting

Awareness

- Meaningful and easy-to-consume support programmes
- Leaders equipped to effectively support their teams
- Webinars and masterclasses
- Weekly newsletter content

Support

- Creating awareness of available support channels:
- Healthy Company
 - Employee clinical services
 - On-site clinics and counsellors
 - Early intervention by Group Risk
 - Mental health first aiders

Tools

- Easy-to-understand content:
- Infographics
 - Leadership toolkits
 - Access to a catalogue of services for team-specific interventions





Amplify employee wellbeing continued



Monitoring employee wellbeing

We monitor employee wellbeing through our Vitality Health Checks on wellness days, our ongoing Vitality Mental Wellbeing Programme and an Employee Wellness Survey included in our annual Employee Experience Survey, which helps assess areas of our wellbeing programmes in need of improvement.



VITALITY UK

Performance indicators included in corporate scorecard

HAPPY EMPLOYEES (EMPLOYEE NET PROMOTER SCORES)



TARGET:
>30

FY2024 PERFORMANCE:

+34
in October 2023 and
+33
in April 2024

INCLUSIVE WORKPLACE



ONGOING TARGET:
60%
female appointments
to £60 000+ roles

JANUARY TO
JUNE 2024
PERFORMANCE:
50%

Key initiatives during the year

Launching our myCareer internal talent marketplace platform and an induction programme for new managers

Responding to the cost-of-living challenge by topping up salaries of lower-earning employees and becoming an accredited real Living Wage employer

Establishing additional employee resource groups for neurodivergent employees

Enhancing our employee benefits with neurodiversity and gender incongruence cover

Moving to a new, upgraded Bournemouth office

VITALITY US

Key initiatives during the year

Crafting a healthy work environment by integrating WELL principles of natural lighting, superior air quality and nutritious food options at our offices

Offering relocating employees comprehensive support through our comprehensive relocation package to ensure a smooth transition

Fostering growth through mentorship programmes that include members of our executive team

Offering free healthy lunches twice per week at our Chicago office

Incentivising employees to maintain healthy lifestyles through our annual workout reward programme

Hosting quarterly block parties to foster connection and teamwork

[+ Read more about the Group's work towards an inclusive workplace on page 76.](#)

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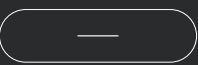
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RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Operate within a volatile socio-economic environment



Ensure long-term financial sustainability



Leverage and manage technology and innovation

The Discovery brand is recognised for its intellectual leadership, innovation and purpose-led Shared-value model. Our strategy drives scaled impact through our business and positions Discovery as best of breed.

We build our brand on a solid foundation of:

01 UPHOLDING OUR ETHICS

02 PREVENTING HARM

03 CULTIVATING TRUST

OUR FY2024 HIGHLIGHTS

Enhanced the **Ethics Ambassador Programme**

Updated our **Whistleblowing Policy**

Key contributor to the World Economic Forum and Transparency International white paper on **Business Integrity: Toolkit for SMEs**

Maintained **ISO 27001:2022** (information security management standard) certification in applicable business areas

Developed a **Responsible AI Policy**

Developed **training on our ethical decision-making framework** for employees and the Board

Vitality UK implemented the requirements for **Consumer Duty**

Vitality UK's twice-yearly brand tracker indicated a **4% increase in prompted brand awareness** compared to the prior year

Developed a **central conflict of interest management platform** for Group-wide use

01 UPHOLDING OUR ETHICS

KEY METRICS

1 **DISCRIMINATION INCIDENT, 100% RESOLVED**

0 **CORRUPTION AND BRIBERY INCIDENTS**

37 **WHISTLEBLOWING INCIDENTS RECEIVED, WITH 89% RESOLVED**

9 923 **ETHICS-RELATED TRAINING AND COURSES COMPLETED BY EMPLOYEES**

The Discovery core purpose and values set standards for appropriate conduct in the organisation. These are supported by individual ethics policies that interpret and describe the standards for appropriate conduct at an operational level.

Our approach to ethics must take into account the different ethical standards and cultural norms in the markets in which Discovery operates. Ethics standards are developed at Group level that apply to all wholly owned subsidiaries across the business – including Vitality UK and Vitality Global. Subsidiaries further refine these standards to account for local business and cultural norms. Each jurisdiction has dedicated ethics resources with overall implementation of the Ethics Management Framework overseen by the Group Ethics Office.

Ethics is upheld and governed by implementing a comprehensive Ethics Management Framework that builds trust with stakeholders and promotes the Group's long-term success and sustainability.

Discovery provides several mechanisms for individuals to seek advice on implementing our policies and practices for responsible business conduct, as well as mechanisms for raising concerns about our business conduct.

MECHANISMS FOR SEEKING ADVICE

Discovery has an ethics hotline where employees can seek advice on ethics-related matters. This helpline is managed by dedicated and qualified Ethics Officers who provide guidance and support. Additionally, employees are required to confirm their understanding of the Group's ethical standards annually, ensuring a values-based culture is maintained throughout the organisation. The ethics helpline is part of our Ethics Management Framework, which includes regular training and awareness campaigns designed to embed ethical practices across the Group.

MECHANISMS FOR RAISING CONCERNS

Discovery has established several channels through which individuals can raise concerns about responsible business conduct. These include an anonymous whistleblowing hotline that is available to employees and external stakeholders, such as suppliers, partners and other third-party providers. The hotline is independently managed, ensuring that concerns can be reported securely and anonymously. Additionally, Discovery's Ethics Office plays a central role in managing and overseeing these mechanisms, ensuring that any unethical behaviour is reported and addressed promptly.

+ Refer to the **Monitoring policy compliance** section on page 100 for more information on how our policies are integrated into our organisational strategies, operational policies and procedures to promote an ethical culture. >

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Upholding our ethics continued

Responsibility for ethics

The Board is responsible for governing ethics and setting the ethical direction for the Group. It establishes proactive management processes and structures, ensures organisational ethics risks are mitigated and integrates and prioritises an ethical organisational culture.

The Social and Ethics Committee assists the Board to mandate and oversee the Group Ethics Office, which manages and implements the Ethics Management Framework throughout the Group.

GROUP ETHICS OFFICE

The Group Ethics Office supports the Board, executives, management and employees to cultivate and strengthen the ethical culture across the business. It implements the Ethics Management Framework, which includes a comprehensive governance framework and management process to drive our ethics strategy across the Group.

Ethics management strategy focus areas:

Leaders setting the example

Reinforcing the Company values

Promoting "ethics talk" (conversation and engagements about ethics among employees)

Ongoing communication, training and awareness

Periodically, an internal audit is performed on the Group Ethics function, the Ethics Charter and Ethics Management Framework to align with best practice and help identify potential ethics risks. The most recent audit was conducted in August 2022.

The Group Ethics Office is actively involved in addressing developing ethical issues and promoting ethical business practices, including through the following:

- Developing an ethical decision-making framework with an international advisory firm to guide complex and strategic decisions. The framework was used to develop a training programme for senior leaders
- As part of the World Economic Forum's business integrity working group, contributing to the development of a joint World Economic Forum and Transparency International white paper titled Business Integrity: Toolkit for SMEs. The toolkit provides resources and strategies to cultivate a culture of integrity within SMEs and covers the mitigation of risks associated with corruption, frameworks for managing conflicts of interest and complaints and risk assessments. Adoption of these tools enables SMEs to safeguard their reputation, boost competitiveness and enhance their resilience

The Group Ethics Office partners with Stellenbosch University's Institute for Future Research to identify potential future ethics risks and opportunities that could impact the Group. The project aims to assist management in developing innovative, long-range decision-making competencies for competitively mitigating risk and sensing opportunities.

The Group Ethics Office's focus areas during FY2024 included:

- Reviewing policies to strengthen ethical standards by ensuring these remain relevant and effective
- Creating a central conflict of interest management platform for Group-wide use
- Enhancing the Ethics Ambassador Programme
- Developing training and awareness programmes

ETHICS AMBASSADOR PROGRAMME

The Ethics Ambassador Programme helps the Group Ethics Office expand its reach, improve its understanding of the state of ethics across the Group and further entrench Discovery's ethical culture. 212 Ethics Ambassadors, representing all Discovery's wholly owned subsidiaries (excluding Vitality UK) informally promote our ethical culture and help create and maintain awareness of ethics in their areas of influence. They also assist in identifying and addressing the potential ethical consequences of business decisions.

Ethics Ambassadors meet regularly with their peers and at Group level to share best practice, experiences and challenges.

In FY2024, we rolled out an awareness campaign to raise awareness about the Ethics Ambassadors programme. The Discovery Ethics Ambassadors Innovation Challenge invited ambassadors to create innovative approaches to strengthen Discovery's ethical culture, with the winning ideas incorporated into the Group's ethics initiatives for the year ahead.

Cultivating an ethical culture

Discovery cultivates a culture of transparency and accountability to prevent unethical behaviour and address such behaviour when it does occur. The Group Ethics Office reminds employees of their responsibility to report ethical concerns or infractions as well as information or concerns relating to criminal or other irregular conduct in the workplace. Our Safe Reporting Framework establishes safe, confidential and effective mechanisms for this disclosure.

Our Whistleblowing Policy prohibits retaliation against employees who report criminal and unethical behaviour in good faith. It details the channels available for employees to safely report criminal or unethical behaviour. These include anonymous and accredited channels such as independent whistleblowing hotlines and the real-time EthicsDefender or FraudCracker apps, which are available to employees, suppliers, business partners and other stakeholders. We constantly monitor and assess these channels to identify possible improvements.

Regular awareness campaigns highlight the Whistleblowing Policy and safe reporting mechanisms while reiterating employees' responsibility to report fraudulent or unethical behaviour.

We updated our Whistleblowing Policy during FY2024 to align with the Protected Disclosures Act and ensure application at Group level.

[Our Whistleblowing Policy is available on our website.](#)

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Upholding our ethics continued

ETHICS TRAINING AND AWARENESS

Ethics training is fundamental to integrating and driving ethical behaviour and awareness and embedding an ethical culture. Ethics training is provided to all employees, including permanent, non-permanent employees (i.e. fixed term contractors, learners and interns) and independent contractors. Our comprehensive training and awareness programme aims to provide our people with a shared ethics vocabulary and explain their role in respecting and upholding the Group's ethical standards.

Employees receive ethics training during induction and complete online ethics awareness training on a regular basis. Specific modules focus on ethics training for employees in leadership roles to help them improve their ethical decision-making capacity and understand how their behavioural make-up may make them unconsciously susceptible to unethical behaviour, influence and decision-making.

In the UK, ethics training is included within our mandatory regulatory training modules on conduct standards, whistleblowing and conflicts of interest.

A dedicated ethics page on our employee engagement platform, SAP Jam, includes the latest information on the services provided by the Group Ethics Office. The annual anonymous **Employee Experience Survey** includes a dedicated ethics category which, in FY2024, achieved a score of 80 (FY2023: 78). Feedback from

the survey is shared with the Executive Committee of each business and the Chief People Officer, supported by the Group Ethics Office, who is responsible for follow-up actions.

Ethics-related topics are covered in other group-wide training programmes. The Ethics Office monitor these existing courses across the group, which include topics such as Harassment, Unconscious Bias, Inclusive Language, and Data Privacy. Ethics training needs are regularly reviewed.

9 923
Ethics-related training and courses completed by employees in FY2024

For more details on how we govern ethics, refer to our 2024 Governance Report.

Ethics-related policies are included in an online policy attestation process that is being rolled out across the Group to ensure recipients have read and understood these policies.

RESPONDING TO ETHICAL INCIDENTS

We are committed to maintaining transparent and effective grievance mechanisms that allow stakeholders to raise concerns and seek remedies for potential or actual negative impacts resulting from Discovery's activities. These mechanisms are designed to be accessible to all stakeholders, including employees, clients and community members.

Approach to identifying and addressing grievances

Grievance mechanisms

Discovery's grievance mechanisms include both state-based and non-state-based processes, administered either directly by the business or in collaboration with other entities. These mechanisms provide stakeholders with a platform to report grievances, particularly those related to human rights, business practices and ethical breaches.

Operational-level grievance mechanisms are managed by Discovery's Ethics Office, with oversight from the Social and Ethics Committee. These mechanisms allow for grievances to be identified and addressed early, preventing escalation and ensuring timely remediation. The processes are aligned with the effectiveness criteria set out in the UN Guiding Principles on Business and Human Rights, ensuring they are legitimate, accessible and rights-compatible.

Processes for remediation

When a grievance is lodged, Discovery commits to investigating and addressing the issue through legitimate and transparent processes. The Risk and Compliance Committee regularly reviews these processes to ensure their alignment with best practices. The Group's remediation approach includes engagement with affected stakeholders and implementing corrective actions where necessary.

Tracking the effectiveness of grievance mechanisms

We track the effectiveness of our grievance mechanisms through regular reviews and stakeholder feedback. The Group monitors the number and types of grievances filed and the percentage of grievances addressed and resolved.

FY2024 incidents

The Group Ethics Office received 150 substantiated reports of incidents and requests for guidance and advice related to ethics from employees during the year (FY2023: 118). Reports are referred to the relevant business units or external specialists for investigation to ensure a fair investigation process.

Most of the incidents reported during FY2024 related to human resources referrals as well as allegations of conflicts of interest, unethical behaviour, unfair business practices and fraud. Following thorough investigation, we provided feedback and advice, resolved conflict through management interventions and managed consequences through human resources or industrial relations. Email remains the preferred channel to report incidents.

Reports recorded in FY2024

Email
73
complaints and advice
(FY2023: 56)

Ethics hotline
12
complaints and advice
(FY2023: 13)

EthicsDefender online tool
23
complaints and advice
(FY2023: 21)

Walk-ins
3
complaints and advice
(FY2023: 4)

Telephonically
31
complaints and advice
(FY2023: 23)

Referred by forensics
2
complaints and advice
(FY2023: 1)

Ethics Ambassadors
2
complaints and advice
(FY2023: not recorded)

Microsoft Teams chat
2
complaints and advice
(FY2023: not recorded)

Our **whistleblowing hotline** contact details, including SMS, toll-free phone number and email address, are publicly available on our website and accessible to all our stakeholders.

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02 PREVENTING HARM

Human rights

Discovery's Human Rights Statement reflects our commitment and processes relating to human rights and ESG requirements.

As an organisation that continuously seeks to uphold good corporate citizenship, we acknowledge our responsibilities enshrined in national laws and regulations and universal human rights standards. Our commitment is informed by the:

UN Guiding Principles on Business and Human Rights

International Bill of Human Rights (including the Universal Declaration of Human Rights)

International Labour Organization's Declaration on Fundamental Principles and Rights at Work

OECD Guidelines for Multinational Enterprises

UNGC Ten Principles

In our annual UNGC Communication on Progress, we communicate our ongoing commitment to and progress on implementing the UNGC Principles. We monitor any changes in disclosure requirements and adapt our Communication on Progress accordingly.

We are committed to respecting the rights of people involved in and impacted by our business, including our employees, business partners, supply chain, clients, shareholders and society. We strive to meet and surpass, where possible, the progressive realisation of the laws that govern human rights in the markets where we operate, and to comply with laws

regulating minimum wage, maximum working hours, the rights of our employees to freedom of association and join labour unions, and healthy and safe working environments.

We strongly oppose forced labour, child labour, human trafficking or any form of slavery in any part of our organisation and supply chain, as well as all forms of bullying, harassment or unlawful discrimination on any grounds, including age, race, ethnic or national origin, religion or belief, caste, colour, mental or physical health conditions (including HIV/Aids status), disability, pregnancy, gender or gender expression, gender identity, sexual orientation, marital status or other domestic circumstances.

Human rights violations or concerns can be reported through the independent ethics hotline and EthicsDefender app, which are independently managed by a third party. We have processes in place to act immediately in instances where violations may occur, and we will continue to educate and create awareness among our stakeholders and encourage them to report any suspected human rights violations or concerns through our various reporting mechanisms.

We seek to enter relationships with organisations that demonstrate similar commitments to ours. We monitor how our business partners share their commitment to the statement. Discovery's Procurement Policy aims to ensure we procure goods and services from socially responsible suppliers who subscribe to values aligned with upholding human rights, anti-corruption measures, labour standards and sustainability. In addition, our sustainability procurement evaluation criteria include compliance with regulatory requirements related to human rights.

 Refer to our website for our Human Rights Statement. 

 Refer to Vitality UK's website for its Modern Slavery Statement. 



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Responsible investment

The Group has R195.7 billion (FY2023: R185.7 billion) assets under management. Most of these investments are held on behalf of clients who have purchased linked policies such as retirement and living annuities through Discovery Invest. The Group's own investments are held in government and corporate debt instruments, collective investment schemes, pooled funds and bank deposits. Discovery also holds investments to meet future policyholders' claims and solvency requirements, and to provide a buffer for unexpected events.

Discovery recognises its duty to invest these funds responsibly by requiring that material ESG issues are recognised, evaluated and incorporated into investment analysis and decision-making processes, including through active ownership policies and practices. Our Asset and Liability Management team is responsible for the analysis of responsible investment, ESG issues and integration and the monitoring thereof. Training on ESG is made available to this team and other employees across the business through a third-party provider platform.

Our Group-wide Responsible Investment Policy sets out Discovery's principles for responsible investment and applies to all internally and externally managed funds and asset classes. In line with the policy, we apply ESG criteria across 100% of our assets under management where Discovery has discretion over how the assets are managed (under Discovery's direct and internal management or that of our appointed asset managers).

Our assets under management* consist of:

47%
listed equity

20%
cash and money market securities

33%
fixed income

10%
managed internally

90%
managed externally by asset managers

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

Our Responsible Investment Policy principles

External asset managers and internal Discovery employees responsible for investing assets must incorporate ESG into their investment process (applies to assets where Discovery has discretion over how these are managed).

External asset managers must be active custodians of the assets they manage, which includes voting on proxies and engaging with the management of investee companies on material ESG matters.

We are committed to public disclosure about our Responsible Investment Policy and its implementation.

Each Discovery business attests to its adherence with the Responsible Investment Policy through a formal attestation process. Any breaches or non-compliance must be disclosed timeously and addressed by our Board subcommittees.

[Visit our website for our Responsible Investment Policy.](#)

Our Responsible Investment Policy outlines Discovery's **proxy voting and management engagement guidelines.**

ALIGNMENT WITH PRINCIPLES AND FRAMEWORKS

Discovery is a signatory to the UNGC and subscribes to the SDGs, which call for strategies and operations to align with universal principles that advance societal goals. We are also a signatory to the United Nations Principles for Responsible Investment (PRI) and the 2022 Global Investor Statement to Governments on the Climate Crisis, which urges governments to act and ensure Nationally Determined Contributions align with the goals of the Paris Agreement.

As a PRI signatory, we submitted our 2023 annual report on our responsible investment activities, which we were assessed against.

[For more detail, refer to our PRI Transparency Report available online.](#)

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RESPONSIBLY SELECTING AND MONITORING EXTERNAL ASSET MANAGERS

We are guided by the PRI in selecting and appointing external asset managers to manage the assets under our control. We consider the extent to which responsible investment is embedded in their investment and ownership practices and confirm that their responsible investment policies align with Discovery's stated policies and objectives.

Discovery functions as a multimanager or administrator of policyholder funds and therefore relies on appointed asset managers for active investment decisions. This limits our direct involvement in proxy voting and engagement with investee companies, making it challenging to demonstrate direct implementation of responsible investment policies.

Discovery requires that our asset management partners consider ESG impacts associated with their portfolio companies to deliver on their mandate. We monitor and engage with asset managers to ensure any proxy voting or ESG engagements are conducted in line with Discovery's policy.

Most of the Group's assets under management in South Africa are managed by Ninety One. We continue to monitor their capabilities regarding ESG stewardship and the application of ESG principles in active ownership through questionnaires and regular informal and formal meetings and believe that they are leaders in the fields of responsible investing and reporting. We perform the same assessments for our existing minority asset managers and incorporate ESG in the selection of new asset managers.

Some of our bond holdings are managed by Aluwani Capital Partners, which applies ESG principles. However, some of these holdings must be held in government bonds to match specific liabilities and we therefore have limited discretion over the application of ESG principles.

Offshore funds are advised by BlackRock, which has a leading ESG programme. BlackRock has been a signatory to the PRI since 2008 and scored either four or five stars across most modules of the PRI assessment report in 2023. 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 and a member of the Sustainable Markets Initiative.

Although we do not actively engage with underlying portfolio companies, we play an active oversight role over all assets entrusted to us, thereby ensuring alignment with our values and Responsible Investment Policy.

DISCOVERY'S RESPONSIBLE INVESTMENT THROUGH NINETY ONE

Ninety One has been a PRI signatory since 2008, scoring either four or five stars across all modules of the PRI assessment report in 2023. It aligns with investment codes of good practice in South Africa and the UK and is a founding supporter of the Impact Investing Institute in the UK. It is also a signatory to the Institutional Investors Group on Climate Change.

We believe Ninety One demonstrates a best in class approach to responsible investing and aligns with our Responsible Investment Policy, supporting Discovery in achieving our sustainability goals and the desired investment outcomes for our clients. Ninety One has developed sustainability assessment frameworks relating to nature and biodiversity, the just transition as well as diversity, equity and inclusion to support ESG integration.

Ninety One was named Best ESG Investment Fund: Global Equities at the ESG Investing Awards 2024

Ninety One approaches responsible investment through its five stewardship principles, which commit it to:

- Supporting a long-term investment perspective by integrating, engaging, escalating and monitoring material ESG issues
- Exercising its ownership rights responsibly, including engagement and voting rights
- Addressing internal governance of effective stewardship, including conflicts of interest and potential obstacles
- Disclosing how it discharges its stewardship duties through publicly available policies and reporting
- Being willing to, where appropriate, act alongside other investors

For detail on how Ninety One integrates these stewardship principles into its investment processes, as well as its policies on engagement and voting, refer to its Stewardship Policy and Proxy Voting Guidelines.

For detail on Ninety One's responsible investment objectives and targets, refer to its 2024 Sustainability and Stewardship Report.

Engaging through Ninety One

Active ownership, such as engagement and proxy voting, is a core component of Ninety One's investment processes to enhance the value of clients' assets and meet their expectations. Its engagements fall under three categories: strategic, general and advocacy. On behalf of Discovery, Ninety One participated in 459 engagements with investee companies related to ESG in FY2024:



Through these engagements, Ninety One has kept management of investee companies accountable with meaningful movement towards better remuneration and governance policies, decarbonisation and improved health and safety at the workplace.

For its year ended 31 March 2024, Ninety One voted in 95% of meetings with a total of 1 068 distinct company meetings available to vote.

Discovery receives quarterly reports from Ninety One on how it implements responsible investment and stewardship practices across our portfolios. Additional ad hoc meetings address:

- How ESG considerations are integrated into their investment decision-making processes
- Developments in their approach to responsible investment and stewardship across asset classes
- Their approach to and specific activities related to collaboration and escalation

Refer to Ninety One's 2024 Sustainability and Stewardship Report for detail on its responsible investment approach, including its engagement topics and advocacy activities.

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INCORPORATING ESG FACTORS INTO THE INVESTMENT PROCESS

The Board is responsible for directing how Discovery approaches and conducts responsible investing, particularly when external asset managers are appointed. The Social and Ethics Committee is mandated to oversee our approach to responsible investment. Our Group Chief Actuary oversees the implementation of responsible investment and provides updates to the Social and Ethics Committee, which include our alignment with the PRI. The Capital, Currency and Investment Committee oversees the implementation of our Responsible Investment Policy, which includes oversight of our asset managers. Any direct political engagement is presented to our Group Executive Committee for approval prior to engagement.

Our Responsible Investment Policy includes ESG guidelines and covers internal and external investment management across all asset classes. We conduct stewardship activities for our listed equity and fixed income assets under management through our external asset managers.

All the Group's own investments are held in government and corporate debt instruments, pooled funds and bank deposits and none are held in directly held listed equity investments. Our investment policy and processes focus on the credit ratings of financial institutions when investing in cash and money market securities, as well as ESG ratings agencies and indices, which are monitored by the Capital, Currency and Investment Committee.

Primary ESG data sources for ESG application procedures for asset management and own investments

Asset management	Procedures
MSCI ESG (including for our own investments)	Ratings, controversy flags, business-involvement screens: Used to support ESG research and investment-risk monitoring
RepRisk	Data and news: Used to support ESG research and investment-risk monitoring
ISS ProxyExchange	Vote execution service and research: Considered in the voting decision
CPD	Carbon-related data: Used to assess and understand exposure to climate change-related risks
Bloomberg	Various datasets: Used to support ESG research

In our responsible investment processes, we:

- Monitor and assess due diligence questionnaires completed by external asset managers and internal investment managers to ensure they consider ESG factors in their investment decisions and show active ownership, recommending remedial action where necessary
- Ensure external asset managers and internal Discovery employees responsible for allocating investments consider ESG factors when identifying risks and opportunities associated with their investments
- Review and monitor investments to assess whether investment strategies, including sustainability considerations, are aligned with objectives

Refer to Ninety One's 2024 Sustainability and Stewardship Report for details on its ESG integration philosophy across asset classes.

During the year, Discovery Life and Invest enhanced their due diligence questionnaires, allowing Discovery to deepen its understanding of how ESG practices are integrated into investment decisions, internally and by asset managers. Investment mandates with our asset managers were also updated to include ESG clauses. The questionnaires also focused on understanding the level of our financed emissions to establish a baseline for our net-zero journey.

We support and participate in forums and initiatives that promote responsible investing and address relevant emerging ESG issues. During FY2024, these included the PRI information platforms for Africa, including a workshop for asset owners on strengthening stewardship alignment with asset managers, an asset owner roundtable on net zero, and co-design workshops on progression pathways for responsible investors.

Our R20 million socially responsible contribution to the SA SME Fund forms Discovery's impact investment. As a founding supporter of the Impact Investing Institute, Ninety One is committed to promoting awareness and interest in impact investing. It provides research and tools to support investors and advocates for policies and regulations that facilitate impactful investments. Its Just Transition Framework enables more comprehensive assessments of the social aspects of companies' transition plans.

For detail on Ninety One's application procedures for ESG guidelines, refer to its 2024 Sustainability and Stewardship Report.

EXCLUSIONS

We recognise that some clients have strong positions on investing in specific sectors or companies based on social or environmental issues. Similarly, some investments may not align with Discovery's criteria and ethical standards.

As guided by our Responsible Investment Policy, we maintain a list of excluded sectors, industries and counterparties, which is reviewed and updated as needed, subject to approval by the Social and Ethics Committee. We also adhere to the precepts of the Institute of Asset Management, including its exclusion policy for manufacturers of controversial weapons.

Excluded sectors, industries and counterparties

From all investment portfolios:

- Companies directly involved in the manufacture and production of controversial weapons that include cluster munitions, antipersonnel landmines, and biological and chemical weapons
- Companies in direct contravention of the UNGC principles on human rights, labour, anti-corruption and environmental responsibility
- Counterparties identified through the Discovery Risk Management and Compliance Programme, including:
 - Potential and existing clients in terms of the sanctions screening process who have been sanctioned by the United Nations Security Council and, in certain instances, other sanctions

From all direct investments within our shareholder portfolios:

- Companies not aligned with our values as a health and wellness company, including:
 - Companies that manufacture tobacco products
 - Companies where 25% or more of revenue is generated through distribution and retail of tobacco products

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03 CULTIVATING TRUST

KEY METRICS

9.04
CLIENT PERCEPTION
SCORE

22
SUBSTANTIATED COMPLAINTS OF
BREACHES OF CLIENT PRIVACY

Consumer trust is a valuable intangible asset that strengthens the Discovery and Vitality brands, supports client acquisition and retention and drives increased market share. Building and maintaining trust requires that we 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.

CLIENT SATISFACTION METRICS	2024 target	Year 2024	Year 2023
Discovery Health			
Member-based rating	8.79	8.60	8.87
Discovery Invest			
Service levels	8.60	8.77	8.73
Discovery Insure			
Member-based rating	9.00	8.85	8.78
Vitality South Africa			
Member-based rating	8.81	9.29	8.99
Discovery Bank			
Client-based rating	9.42	9.76	9.66
Discovery Life			
Member-based rating	8.60	8.90	8.90

Product governance CONSUMER PROTECTION AND RESPONSIBILITY

Discovery is committed to entrenching a culture that prioritises the fair treatment of clients. Discovery's Treating Customers Fairly (TCF) Framework sets six market conduct principles that aim to drive delivery of the clear and measurable fairness outcomes set out in the Financial Sector Conduct Authority's TCF approach.

Our TCF Framework is guided by six principles:

Clients are confident they are dealing with a company where their fair treatment is central to its culture

Products and services marketed and sold are designed to meet the needs of identified client groups and are targeted accordingly

Clients are given clear information and are kept appropriately informed before, during and after the time of contracting

When clients receive advice, the advice is suitable and takes account of their circumstances

Clients are provided with products that perform as the company has led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect

Clients do not face unreasonable post-sale barriers to change products, switch providers, submit a claim or make a complaint

These six TCF principles apply to all Discovery products and services, although the extent of implementation differs depending on regulatory oversight and specific business operations. Employees receive training on these principles at induction and in ongoing training across the Group.

The TCF Committee is a subcommittee of the Group Risk and Compliance Committee (GRCC) and assists the GRCC in ensuring the fair treatment of clients is embedded in Discovery's strategy, culture, day-to-day operations, products and controls across the Group.

The TCF Subcommittee's terms of reference, as well as the TCF Framework, was reviewed and updated in FY2024.

We developed Customer Conduct Frameworks from the TCF principles for each applicable business unit to define the requirements for key processes during the product lifecycle. The implementation of these Customer Conduct Frameworks is overseen by Customer Conduct Forums in each business unit that report to the TCF Subcommittee and assist it in its duties.

TCF product development assessments for each applicable product or benefit enhancement are presented at least quarterly to the Customer Conduct Forums for review and approval. These assessments consider the product design, suitability, target market and operational processes to ensure the fair treatment of clients is considered for each process.

The Group Complaints Policy aims to ensure that complaints receive due care and management oversight to enable efficient and effective resolution in a fair and timely manner.

Discovery Group Internal Audit performs claims audits, which include assessing the claims management process, as part of its periodic audit cycle.

Vitality UK is regulated by the Financial Conduct Authority (FCA) who regulate through a series of principles, rules and guidance, which include requirements for fair treatment of customers. Vitality UK has well-established processes, procedures, governance frameworks and management information in place to comply with these requirements and demonstrate adherence.

From 31 July 2023, financial services companies in the UK were required to comply with the FCA's higher standards of consumer protection, known as Consumer Duty, which enhanced TCF. Vitality UK successfully met the initial deadline for implementing Consumer Duty and a project is underway to ensure it complies with subsequent deadlines.

We consider ESG-related risks and opportunities when developing new products or enhancements to existing products and conduct impact and risk assessments to identify the potential social impacts of our products and services.

+ For more information on our product innovation, please refer to pages 37 to 48. >

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TRANSPARENT INFORMATION

Discovery communicates with our clients annually and more frequently as required with ad hoc communications to ensure they are aware of pertinent information relevant to their policies and products.

Communication methods include digital platforms (our mobile app and website), emails, SMS messages, letters and our salesforce. Marketing content is also delivered through television, radio and digital channels, including social media and print advertising.

We aim to communicate in a way that is comprehensive and transparent, using clear and uncomplicated language wherever possible.

Responsibility for communications is spread throughout the organisation depending on its nature. However, specific approvals are required by key managers across the marketing, technical marketing, communications and systems teams, as well as other areas where necessary.

Communications generally fall into two categories:

Marketing communication:

focused on product positioning and tends to be at a high level

Contractual communication:

focused on comprehensive disclosures on product workings

Marketing communication is approved by relevant business area managers and Group Compliance. Products are also reviewed and approved by Group Compliance and our Customer Conduct Forums, who consider relevant regulatory requirements and marketing elements related to products and report to the TCF Subcommittee.

Our marketing approach is governed by regulations aimed at protecting the interests of consumers. These include:

Policyholder Protection Rules

TCF legislation

Protection of Personal Information Act, No 4 of 2013 (POPI Act)

Financial Advisory and Intermediary Services Act, No 37 of 2022 (FAIS Act) General Code of Conduct Rules

FCA Consumer Duty

We also consider specific sector-based codes and directives, such as guidelines issued by the Council for Medical Schemes in healthcare insurance. We assess all client communication against the legislative requirements as applicable.

Plan guides, policy documentation and terms and conditions are available to members and clients through our digital platform, and large-print or braille copies of documentation are provided on request.

In the UK, Vitality aims to supply clients and members with comprehensive, regular and transparent communications, annually and where necessary, through an omni-channel approach in language that is as simple as possible. The relevant Product Governance Committee provides approval before each product launch to ensure Vitality continues to abide by regulatory rules. In addition, the Compliance team has processes in place to review and approve communications by the relevant stakeholders, and communications are signed off by the financial promotions marketing team to ensure our messages are clear, fair and not misleading.

FAIR ADVICE

As agents of the Group, it is essential that Discovery's representatives comply with all applicable legislative requirements and our core values, adhere to the highest standards of care and ensure our clients are treated fairly. Representatives, such as financial advisers, must also be fit and proper and give sound advice when providing financial services on behalf of the Group.

Discovery has policies and procedures in place to ensure representatives comply with the FAIS Act, adhere to our Code of Conduct and provide suitable advice to our clients. Representatives complete annual fit-and-proper declarations to confirm they continue to operate with honesty and integrity and their compliance is recorded in a competency register.

Representatives are required to complete annual product training, class-of-business training and obtain annual continuous professional development credits to ensure they are appropriately skilled and have the requisite knowledge of existing legislation and product information. Discovery's compliance and training departments provide additional training opportunities for representatives throughout the year.

A debarment policy and standard operating procedure are in place where a representative no longer complies with fit-and-proper requirements or has contravened or failed to comply with any provision of the FAIS Act in any material way.

Due diligence and compliance officers ensure the compliance documents and financial services provided to our clients adhere to regulatory requirements. Our Group Compliance function acts as an independent second-line function that provides oversight, including through planned and ad hoc monitoring reviews, guidance notes and regulatory change programmes.

Our Conflict of Interest Policy provides guidance to representatives and key individuals to manage conflicts of interest appropriately and ensure clients receive unbiased, objective, suitable and fair financial services.

In the UK, in addition to initial due diligence, Vitality has broker-risk processes in place, which include the appropriate identification and treatment of consumers who exhibit vulnerability.

In financial year 2024, 11 972 employees, including sales and distribution staff, completed annual training on the advice-related requirements of the FAIS Act, TCF principles, financial planning and product training which covered responsible sales practices, responsible product offering and marketing.

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Data security and client privacy

Discovery is unique in terms of the types and volumes of data we collect and analyse. This data is a key enabler for our Shared-value model that provides us with a deep understanding of the nature of risk and enables us to track and incentivise healthy behaviours. Leveraging these assets allows us to provide our clients with access to a range of pathways and incentives to lessen their personal risk, improve their behaviour and become healthier.

The data we collect and process is sensitive in nature, and Discovery is committed to protecting our clients' privacy and personal information. Our Group Privacy Policy sets out the principles and approach that apply to the collection, processing, retention, destruction and sharing of personal data and information by Discovery to ensure that data is protected.

Our Group Privacy Policy is based on global principles that supplement various privacy legislation, including:

- The POPI Act in South Africa
- The EU General Data Protection Regulation 2016/679
- The UK Data Protection Act of 2018
- The Data Protection (Bailiwick of Guernsey) Law of 2017
- Other jurisdictional and international instruments, primarily the OECD's Core Privacy Principles

Discovery's comprehensive Information Governance Framework and suite of Data Governance and Data Management policies apply to all business lines and subsidiaries and cover all aspects of collecting, using and retaining data. The Data Information Governance Forum oversees implementation of the framework. In addition, our Group Compliance function monitors implementation of our data-privacy programmes through a multidisciplinary approach aligned with local and international principles and best practice.

Discovery's central Information Governance and Security function and Vitality Group are certified in ISO 27001:2022, the global standard on information security management. VitalityHealth within Vitality UK is certified to ISO 27001:2013, and is in the process of transitioning to the 2022 version. Yearly surveillance audits take place to maintain these certifications. Vitality Global completed SOC 2 attestations in FY2022 and FY2023, which measure policies, procedures and controls to protect data across five principles (security, availability, processing integrity, confidentiality and privacy).

Information security and privacy is conducted as a central Group function to leverage the full capability and resources available across the business, and effectively and efficiently manage information security. We have a fiduciary duty to protect the data we collect and have implemented robust processes to control access to systems and databases as well as appropriate measures to support data integrity, privacy and security. We apply strict data sharing and identity protection policies in our interactions with service providers and only share data when necessary and with client consent, in line with our Group Privacy Statement.

Our information governance and security team develops and maintains a trusted and secure platform for engagement with clients, supported by technological solutions, mature processes and skilled employees. Information security activities and responsibilities include physical security and environmental controls, firewalls and internet gateways, organisational security including policies and standards, end-user computing, governance, data leakage prevention, information security and privacy awareness training, incident management and business continuity, secure systems development and cloud security.

Various business areas oversee these aspects, including businesses through the Group Chief Information Security Officer, the Group Chief Privacy Officer, Business Information Security Officers 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.

DATA PROTECTION AND PRIVACY Privacy policies, statements and publicly available information

Our Group Privacy Statement is available on Discovery's website and outlines:

- Our commitment to protecting our clients' personal data
- How client data is processed, stored and transferred
- Access to information manuals for each of our businesses
- Forms and documents related to access to information and the protection of personal information
- Contact details for complaints and queries, including the contact information for Discovery's Group Chief Privacy Officer and Deputy Information Officers

Discovery does not rent, sell or provide personal information with any third party for financial gain. The processing of personal information is only undertaken within the realm of data protection laws and as set out in our publicly disclosed policies and manuals.

Refer to our **Group Privacy Statement** for more information

Our data protection policies are applicable to all business lines and subsidiaries. Relevant Group policies include:

- Privacy Policy
- Data Governance and Management Policy
- Data Loss Prevention Policy
- Information Security Policy
- Application Security Policy
- Acceptable Usage Policy
- Responsible AI Policy

Our Third Party Risk Management Framework, which was developed during the year, aligns with our Privacy Policy.

In FY2024, we developed a Group Responsible AI Policy to ensure that data and information are protected and processed lawfully, ethically and responsibly when processed using AI. We also introduced a Discovery Group Omnibus Data Transfer Agreement to safeguard and facilitate personal information sharing within the Group in compliance with the law.

A data loss prevention modernisation project is currently underway that will improve data security measures dynamically applied during user activity. We are also rolling out a programme to enhance identity credentials and access management to strengthen security controls across the access lifecycle throughout the Group.

We completed a POPI Act compliance risk management plan monitoring review in FY2023 to determine the completeness and appropriateness of our controls and action plans, and communicated the outcomes to all businesses.

In addition, our Board members have previously received training on the requirements of the POPI Act. We conducted a follow-up POPI Act compliance risk management plan monitoring review in FY2024 to establish whether the previous review's findings had been adequately addressed. Privacy impact assessments form part of our product development lifecycle to ensure privacy and information security requirements are included.

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We are rolling out a privacy information management platform to our UK and US businesses to further our commitment to meet and operationalise our legislative requirements globally. In instances where Discovery does not meet specific standards set in terms of international best practice, mitigating control plans have been implemented to manage known risks.

Discovery Group Internal Audit performed a data privacy audit in FY2024 as part of its annual audit plan. Annual privacy risk assessments/ audits are performed on our technologies and practices affecting user data either through our Group Internal Audit, Group Compliance or Group Risk functions for combined assurance purposes.

Our Retention policy determines a 7-year retention period after the last interaction with a data subject, however, there may be other lawful of legitimate interest requirements that would determine the period for retention and hence be applied accordingly.

We do not use data for further processing/ secondary purposes, unless it aligns with the requirements for further processing as per applicable legislation and/ regulations and would therefore may require additional consent from the data subject. This is subject to internal monitoring and there were no cases noted during FY2024.

There were no fines/penalties paid in relation to privacy breaches or other cybersecurity incidents during FY2024.

INCIDENTS

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 regulatory bodies.

CYBER RISKS

Cyber risks and the risk of data loss remain key concerns. While we have made significant progress in managing these risks, given their constantly evolving nature, they remain above appetite. Heightened monitoring and remediation plans are in place.

We enhanced security, privacy and data loss perimeters to mitigate the increased cyber-security risks associated with remote working. Employees receive security and privacy training during the induction process, complete annual refresher sessions and receive mandatory cyber-security education and awareness information. Quarterly campaigns for employees and contractors with access to information assets raise awareness of cyber risks and controls.

Cyber-threat activity is characterised by increased phishing and scam campaigns, exploit toolkits that attack vulnerabilities in systems to distribute malware and credential-stuffing attacks. In response, we have implemented multifactor authentication mechanisms across our client channels to mitigate credential-stuffing attacks, and enhanced security capabilities to deter ever-present phishing threats. Our teams remain alert to and continuously monitor potential threats.

For detail on the impact of cyber risks, see our 2024 IAR.

IT GOVERNANCE

Our Group IT Governance Framework and associated terms of reference articulate our approach to IT governance to ensure effective integration of Discovery's core purpose and ambition and mitigate reputational, operational, liquidity, contagion and regulatory risks across the Group.

Our GRCC, supported by our Group Chief Information Officer (CIO), Group Chief Information Security Officer (CISO) and the Board IT Committees for our South Africa and UK composites and Discovery Bank, oversee IT governance. The Group Chief Risk Officer monitors, assesses and reports on data risks while the Group CISO is responsible for governance, information privacy, security services, cyber security and cyber and privacy risk and compliance.

The IT Subcommittee meets at least four times a year and assists the GRCC to:

- Aggregate, review and interrogate IT governance and risks in the Group
- Ensure adherence to Group IT policies and regulatory requirements
- Review and approve IT policies and standards
- Monitor that all IT, security and privacy risks are being addressed and mitigated
- Provide a consolidated IT risk report, along with recommendations, to the Board

The IT Subcommittee is chaired by an independent, non-executive expert, who is not a member of Discovery's Board, and includes the Group CIO, Group CISO and Group Chief Compliance Officer, among other Board members. Its membership comprises at least two Independent Non-executive Directors.

A Technology Working Group, chaired by an independent non-executive expert, considers and advises the Board on areas relating to technology innovation and investment.

The Group CISO regularly reports independently to the Board regarding initiatives that drive our strategic shift towards an identity and data-centric cyber-security model. The Board and Executive Committee oversee our compliance with regards to regulatory requirements.

The Group CIO Forum's mandate aligns with 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, which both drive the security maturity programmes we implement. This enhances our systems, processes and overall security posture. Our dynamic technology environment supports the unique requirements of each business unit, and every CIO is part of the Group CIO Forum to ensure alignment with Group initiatives and data and cyber-security standards.

We have business continuity and contingency plans in place, which mitigate any operational disruptions associated with physical climate risks for events such as potential climate catastrophes as well as incident response procedures, and for which independent audits are conducted at least once every two years.

Policies

Security and privacy policies are held at Group level. These provide a comprehensive governance environment across acceptable use, application security, incident response, data governance and data management, passwords, identity, credential and access management, among others.

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AUDITING AND TRAINING

Regular internal and external audits provide assurance on security and privacy policies, systems and processes. Developers, long-term contractors and employees receive compulsory cyber-security awareness training, and information security awareness and privacy training are also conducted. Training is tailored for financial advisers and business consultants, who also complete modules on data and compliance. Privacy and security training is provided to new employees. In FY2024, we rolled out IT ethics training, and data ethics is discussed in Ethics Ambassador meetings.

We periodically test the ability of our infrastructure and technology to withstand external attacks with simulated targeted attacks and run continuous vulnerability scans across our business. Critical vulnerabilities identified are reported to the relevant CIOs and Information Security Officers for remediation in line with our Vulnerability Management Standard. Each year, we appoint a different third party to conduct a penetration test on our primary customer-facing applications.

OUR CONTROL ENVIRONMENT

Logical and physical access management is controlled by an end-to-end lifecycle process integrated with Discovery's human resources systems and processes. We have appropriate structures, forums, programmes, directives and controls in place to ensure information security and data governance. Internal and external reviews are conducted periodically to measure the adequacy of the implemented controls on infrastructure and platforms that process confidential data.

Organisational security includes the following measures:

Mandatory employee security awareness training conducted through videos and assessments

A dedicated information security team reports to the Group CISO

Employees are required to sign a confidentiality agreement

Background checks are 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

All changes are managed through a change-control process, reviewed weekly and formally approved by management

Strict change-management protocols and processes govern changes to the environment that processes personal confidential data. Any changes to Discovery's infrastructure and platforms that process client data are communicated to the extent that the change introduces a new risk.

Discovery's compliance framework includes incident management capabilities, and defined processes and technology ensure compliance measures are checked and validated. Members of our Executive Committee, as well as the GRCC Chairperson, are aware of their responsibilities in relation to incident response processes. All employees directly responsible for incident response have received the appropriate training.

Future focus areas

Future focus areas will build upon the foundations laid in the previous years, with continued emphasis on technological innovation, data security and customer privacy, including:

Enhancing client engagement platforms: Developing and maintaining secure platforms for client interaction, ensuring advanced and trusted technological solutions overseen by the Information Governance and Security team

Advancing strategic technology programmes: Expanding the Service Technology Enhancement Programme to improve system availability and resilience against business interruptions, such as power outages and cyber threats

Investing in emerging technologies: Continuing investment in data science and engineering to support innovative features for programmes like Personal Health Pathways, keeping Discovery at the forefront of personalised health solutions

Cyber-security and privacy: Strengthening and maturing cyber-security measures to protect against emerging threats and ensuring compliance with data privacy regulations to safeguard customer information

AI enablement: Responsibly scaling AI enablement across the Group through increasing access to secure tools, ensuring enhanced skills development for general and specialised skills

These focus areas will be crucial for Discovery to navigate the evolving landscape of technology and security, ensuring we continue to deliver value to our stakeholders while upholding our commitment to sustainability and ethical business practices.

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RELATED MATERIAL THEMES

- Advance our disruptive Shared-value model
- Operate within a volatile socio-economic environment
- Ensure long-term financial sustainability
- Leverage and manage technology and innovation

Our capabilities are among Discovery’s strategic imperatives and critical pillars of our strategy and Shared-value model. We leverage our data and technological capabilities to create integrated experiences for our clients across all business units and to drive our global expansion.

We build our capabilities by:

01
MANAGING RISK

02
INNOVATING TO DRIVE IMPACT

03
LEVERAGING OUR TECH PLATFORM

OUR FY2024 HIGHLIGHTS

Discovery claimed two Qorus Innovation in Insurance Awards:

- **Global Innovator** recognising overall world leaders in insurance innovation
- **Connected Ecosystems and Marketplaces** for the Discovery Health app and Health Ecosystem

Discovery Bank won the cross-industry Best Consumer Solution Award at the MTN Business 2023 App of the Year Awards – based on public votes for everyday use and customer experience of the banking app

Discovery Bank ranked among the top three in the Treating Customers Fairly

conversation category of DataEQ’s 2023 South African Banking Sentiment Index

Discovery Bank was voted number one in the banking service for both retail and private banking in the 2024 Ask Afrika Orange Index® survey

Discovery Bank secured top spot in the Ask Africa Banking Brand Index for the third consecutive year

Vitality UK won three Corporate Adviser Awards for best healthcare provider, health and wellbeing innovator and five-star service

KEY METRICS

>R58.3 MILLION
ESG RESEARCH SPEND
(FY2023: >R70 million)

>R683 MILLION
FRAUD RECOVERY
(FY2023: R232 million)

13 187
PEOPLE TRAINED TO PREVENT FINANCIAL CRIME
(FY2023: 15 087 people)
(including anti-money laundering, anti-bribery and anti-corruption)

Risk management supports our sustainability goals and ESG performance. We have comprehensive mechanisms to identify, manage, report and aggregate risks. Our risk management approach is top-down (considered in executive decisions) and bottom-up (embedded in our daily processes and projects).

Our Enterprise Risk Management (ERM) Framework, which was updated in FY2024, defines our risk management principles and guides related processes. In Discovery’s risk universe, ESG-related risks are included in the risk taxonomy and we include the potential short, medium and long-term impacts in our risk management processes.

As risk management is a dynamic process, we continuously refine our risk management approach in line with our ERM Framework.

Discovery Group Internal Audit performs annual audits of the risk management and compliance function through its audit plan to test the design adequacy and effectiveness of controls identified as part of the risk assessment of the function.

For details on our ERM Framework and our Group risks and opportunities, refer to our 2024 IAR.

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Our Group and ESG-related risks

- 1 Global geopolitical instability
- 2 Global rising cost-of-living crisis
- 3 Impact of NHI
- 4 Cyber crime and cyber security
- 5 Information risk
- 6 Complex and changing regulatory landscape
- 7 Organisational resilience
- 8 Human capital capabilities
- 9 Climate change
- 10 Conduct risk

Refer to our 2024 Climate Report for detail on climate-related risk. >

Emerging risks and research

We track and respond to ESG-related risks, including emerging risks, in the ordinary course of our business. These risks, including those linked to health issues and trends, such as the impacts of an ageing population, metabolic disease, mental health and medical inflation as well as deteriorating public infrastructure form part of our Group-wide risk taxonomy. This integration ensures ESG risks are managed with the same rigour and strategic oversight as all other risks.

For nearly two decades, incentivising healthy behaviour has been the cornerstone of our business through our Vitality lifestyle-based health insurance proposition. By encouraging healthy living (including mental and financial wellbeing and safe driving), Vitality not only contributes to individual wellness but also alleviates pressure on private healthcare systems by fostering a healthier society. Vitality's effectiveness is enhanced by its vast dataset on health and related behaviours, enabling Discovery to assess and respond to health trends, such as increasing diabetes, chronic kidney disease and increasing life expectancy, in different markets.

OPPORTUNITIES ARISING FROM ESG-RELATED RISKS

Some emerging ESG-related risk themes present opportunities linked to existing or potential products that benefit members, support our market relevance and serve society. For example, Discovery:

- Offers Personal Health Pathways to optimise member engagement and drive personalised Next-best Actions to improve healthy habits and outcomes, ultimately also addressing risks associated with an ageing population
- Actively engages with stakeholders in the healthcare ecosystem to assess and support safe, effective and affordable treatment using advanced technology
- Enables South African businesses to access affordable renewable energy, generated by independent power producers, through Discovery Green
- Proactively repairs potholes in Johannesburg in partnership with Avis to reduce the severity and prevalence of road accidents and related loss ratios and claims for the benefit of all insurers and their clients
- Mitigates fire risk in Johannesburg in partnership with a third-party fire and medical response company, benefiting both Discovery clients and broader society by responding to veldfires and motor vehicle accidents
- Harnesses data and technology to embed prevention and address pervasive healthcare concerns through Vitality UK's Care Hub, with 57% of Vitality claims starting online or through Vitality GP

+ Refer to page 31 for more information on Personal Health Pathways. >

The insurance sector plays an important role in fostering a resilient and inclusive society. To ensure people maintain optimal health and wellness, Discovery leverages our technological capabilities to develop innovative solutions that address emerging issues such as obesity and mental wellbeing, as well as risks related to the impacts of environmental changes and lifestyle trends.

Our research into risk solutions reveals that healthy lifestyle choices significantly reduce mortality and morbidity. We find that members' wellness is integrally connected to their Vitality engagements. Responding to emerging trends by enhancing our Vitality offering and other products, therefore, delivers shared value to Discovery, our members and society.

The Group tracks risks as part of its business-as-usual processes. By responding to trends revealed in our data analyses, these risks move from macro level to defined risks with clear opportunities for mitigation through product development or enhancement, enabling Discovery to be a force for good.

RESEARCH INTO ESG-RELATED RISKS AND SOLUTIONS

Discovery's valuable evidence-based research includes behavioural science, preventative medicine, nutrition and workplace health. Since 2005, we have published more than 50 papers in academic journals in partnership with leading researchers, universities and other institutions and on our website, thereby also making our thought leadership accessible to the wider public. We also conduct internal research published in our own white papers, which we present to our broker partners. Our ongoing internal research supports evidence-based decision-making.

RESEARCH SPEND IN SOUTH AFRICA IN FY2024: R58.3 MILLION

(FY2023: R68.5 million, including R35 million of seed capital to fund research spend for Discovery Green)

RESEARCH CONDUCTED BY OUR UK SUSTAINABILITY TEAM THROUGH CONSULTANCY FEES IN FY2024: ~£25 224

(FY2023: ~£75 900)

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Research conducted in FY2024:

DISCOVERY HEALTH

- Analysed 15 years of DHMS data on **chronic kidney disease**, which affects around 10% of the global population and over 8 000 DHMS members, for insights on disease stages, admission rates, healthcare costs, morbidity and mortality rates
- Investigated health metrics of almost 100 DHMS centenarian members to understand the global increase in the number and proportion of people aged 80 and older requiring **healthcare at sustainable costs**
- Investigated solid organ transplants funded by DHMS from 2008 to 2022 to understand the **dynamics of organ transplants** in South Africa
- Examined changes in admission rates for five high-volume, common surgeries and diagnostic procedures from 2022 to 2023 to understand **factors influencing utilisation changes** for each procedure
- Conducted an eight-year review of satisfaction survey responses from patients discharged from hospital and readmitted (unplanned) within 30 days to address perceived **hospital care gaps**
- Analysed data on DHMS member **hospital admissions for pneumonia** from 2020 to 2022 to understand the difference between treatment for COVID-19-related pneumonia and non-COVID-19-related pneumonia
- Collaborated with the Rare Diseases Access Initiative researching **equitable, affordable and sustainable access** to appropriate diagnosis, treatment and healthcare services for rare disease patients in South Africa
- Continued to contribute positively to research and thought leadership on **vaccine efficacy** (in collaboration with the South African Medical Research Council) and the effects of long-COVID-19 as an active participant in the COVID-19 task team of the Actuarial Society of South Africa
- The South African Medical Journal published our **intelligence paper on death trends** of large private medical scheme members in South Africa between 2010 and 2022

DISCOVERY VITALITY

- Published a study emphasising the critical role of essential screenings to identify **cardiometabolic disease risks** due to waist-adjusted BMI as well as blood pressure, glucose, cholesterol and smoking status
- Published a paper in the clinical journal of the American College of Sports Medicine titled **Exercise is the Most Important Medicine for COVID-19**. The paper emphasises the crucial role of regular physical activity in enhancing the immune system and reducing the severity of COVID-19 outcomes
- Published a white paper titled **Navigating Cardiorespiratory Fitness for Optimal Health (VO₂Max)** which focuses on the importance of cardiorespiratory fitness (CRF) as a key indicator of overall health and longevity. The paper discusses Vitality's strategy to integrate VO₂Max into their health programmes, encouraging members to improve their CRF through regular physical activity
- Published the **ObeCity Index 2023** that details the obesity epidemic in South Africa, the health risks associated with obesity, the environmental factors and the Vitality approach to promote healthier lifestyles through personalised support and interventions through the **Vitality HealthyWeight programme**
- Conducted the **Decoding the Shopping Basket study**, providing insights into the health impact of food purchasing habits

DISCOVERY FOUNDATION

- Funded research by **previously disadvantaged medical specialists** towards specialised healthcare services in underserved areas of South Africa

VITALITY UK

- Revealed UK adults' life insurance policy purchasing behaviour, dementia care needs, views on later-life care and critical illness awareness through **VitalityLife research**
- Published the **2023 Britain's Healthiest Workplace** survey, including the impact of poor health on the UK economy and the association between relationship breakdown and physical ailments
- Collaborated with the London School of Economics in research, published as **The Habit Index**, which mapped the behaviours of more than 1 million Vitality members, revealing that healthy habits (including consistent exercise) could reduce National Health Service hospital costs by £15 billion annually

DISCOVERY INSURE

- Revealed findings of its **study on road safety** in South Africa at the launch of the United Nations-JCDecaux campaign raising public awareness of life-saving initiatives
- Analysed the driving trends of **Vitality Drive** programme members to reveal statistics on working-from-home arrangements and the impact on traffic since COVID-19 lockdowns
- Published the **Drive Trends Report**, illustrating the connection between fuel increases and driving behaviour

DISCOVERY INVEST

- Analysed retirement spending patterns to understand the income needs of retirees in the different phases of retirement and developed a fixed annuity longevity product with capital back on death and age-based income escalations that align to this spending pattern, as well as providing additional income via 13th cheques for up to 10 years

DISCOVERY BANK

- Collaborated with Visa in compiling **SpendTrend24** – original research analysing and comparing consumer spending in South Africa's three largest cities with that of 11 other cities in emerging and developed markets around the world – to understand consumer priorities, payment trends and the impact of macroeconomic conditions on spending habits worldwide. These papers have been quoted 624 times on social media platforms
- Partnered with Databricks to combine data and actuarial science with behavioural economics, AI and machine learning in creating products and **hyper-personalised experiences** that reward healthy banking and lower financial risk

Refer to our website for additional insights and white papers. ➔

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Monitoring policy compliance

We review Group policies every two years or when legislation or operations change materially. Breaches or non-compliance must be communicated to the policy owner as soon as reasonably practicable. We include all non-compliance in regular risk and compliance reporting processes and these instances must be reported to the Board or relevant committee.

Harnessing data, machine learning and AI for disruptive innovation in banking

In partnership with Databricks, Discovery Bank is revolutionising banking in South Africa through our Shared-value model, which incentivises clients to adopt positive financial habits, benefiting clients, the bank and society. By leveraging the Databricks Data Intelligence Platform, Discovery Bank integrates data processing, advanced machine learning models and generative AI capabilities.

This partnership has empowered Discovery Bank to deliver hyper-personalised client experiences, guide clients towards healthier financial habits and significantly improve risk management and fraud detection, showcasing the transformative power of data and AI in modern banking.

Refer to this white paper for more details on how our partnership is creating a new paradigm for disruptive innovation in banking.

Managing financial crime risk

Our risk-based internal procedures, systems, controls and policies – including our Group-wide Anti-Bribery and Corruption Policy, Group-wide Sanction Policy, Whistleblowing Policy, Financial Crime Risk Management Policy and Risk Management and Compliance Programme (RMCP) – maintain high standards of awareness and guidance for the prevention of financial crime such as money laundering, terrorist and proliferation financing, bribery, corruption, fraud, theft and market abuse. Our RMCP includes comprehensive governance and oversight by senior management, regular risk assessments and robust customer due diligence procedures. We maintain detailed record-keeping, ensure timely cash and suspicious activity and transaction reporting and provide ongoing employee training. The RMCP also covers internal controls, third-party risk management and continuous monitoring to ensure compliance with the relevant anti-financial crime regulatory requirements.

Subject to alignment with Group-wide policies and Board approval, Discovery entities may elect to have their own policies on anti-bribery, corruption and sanctions. The Group has zero tolerance of corruption, including bribery, compels all permanent and temporary employees and contractors, as well

as business units and functions to adhere to policy requirements.

Our Political Party Funding Policy is informed by two principles: a positive contribution to society with the aim of deepening democracy and transparency. The policy also details the considerations put into place for making contributions to political parties. We do not seek to influence the political process by improper means.

Wherever Discovery operates, we comply with all relevant laws and regulations prohibiting money laundering, terrorist financing and proliferation financing (MLTFPF) and may, based on our risk tolerance, adopt more exacting standards.

All employees of our South African entities must comply with the RMCP, which sets out the high-level risk-based principles, requirements, controls, procedures, systems and standards for managing financial crime risks, including MLTFPF and sanctions breaches. We monitor all operations in compliance with the regulatory framework. Non-compliance is reported regularly to the Risk and Compliance Committee and relevant executive committees.

In addition, our employees worldwide must be aware that the Prevention and Combatting of Corrupt Activities Act, No 12 of 2004, the UK Bribery Act of 2010 and the US Foreign Corrupt Practices Act

of 1977 prohibit and criminalise bribery and corruption with extraterritorial application. Employees must also attend information sessions on MLTFPF and sanctions and complete related mandatory training.

Beyond compliance, Discovery aims to mitigate and reduce the potential risk of clients using our products, services and delivery channels to launder the proceeds of illegal activity, fund terrorist activity and proliferation financing or perform transactions that breach sanctions.

Sanctions breach has significant consequences from regulatory and reputational perspectives. As a responsible corporate citizen, Discovery is committed to complying with global sanctions as this is crucial to upholding our reputation and trust among clients, partners and stakeholders. Accordingly, we comply with country-specific legislation while maintaining sanctions imposed by the:

- United Nations Security Council
- US Office of Foreign Assets Control
- HM Treasury, UK

There were no incidents related to conflicts of interest, money laundering, tax evasion, or sanctions violations during FY2024.

WE MITIGATE FINANCIAL CRIME RISK BY:

+ Refer to page 85 for information on whistleblowing incidents.

Implementing robust policies and processes

Our RMCP and related policies and procedures in relation to MLTFPF, anti-bribery and corruption, sanctions, whistleblowing and regulatory reporting support zero tolerance of financial crime and empower employees to raise concerns. Employees are required to be familiar with relevant policies and programmes that set out their obligations in this regard.

Core employees are required to complete anti-money laundering training

(initially at induction and annually thereafter)

0 CORRUPTION INCIDENTS CONFIRMED

(FY2023: 0) zero employees dismissed or disciplined in South Africa in relation thereto

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Providing awareness training sessions

We raise employee awareness of corruption, financial crime (including MLTFPP) and sanctions regulation through training according to employees' engagement levels in client onboarding and transactions. Training is compulsory for all employees and we provide refresher training annually as well as ongoing awareness sessions.

In FY2024, 13 187 individuals (FY2023: 15 087) were trained to prevent financial crime, including MLTFPP.

Conducting due diligence

Our risk-based approach to client, enhanced and ongoing due diligence involves several key steps to ensure comprehensive risk management and regulatory compliance:

Identification and verification: We rigorously identify and verify clients' identities, including related parties, to ensure their legitimacy and compliance with regulatory requirements. This involves collecting and validating essential information such as names, addresses and identification documents.

Screening against databases: We utilise the World-Check database to screen clients against global sanctions and lists of politically exposed and prominent influential persons. This database helps us identify individuals and entities potentially involved in illicit activities or subject to sanctions, ensuring that we do not engage with these parties.

Enhanced due diligence: For clients rated as high-risk, we conduct enhanced due diligence, which involves a thorough examination of their background, business activities, financial transactions and sources of funds and wealth.

Ongoing monitoring: We continuously monitor our clients' information and transactions to identify any changes in risk profile. This ongoing process ensures we promptly detect and respond to any suspicious activities or deviations from expected behaviour, maintaining a proactive stance against financial crime.

By implementing these measures, we strengthen our ability to prevent and mitigate financial crime, ensuring Discovery adheres to the highest standards of integrity and regulatory compliance.

Encouraging reporting

We encourage internal and external stakeholders – including employees, clients and partners – to report fraud, bribery, corruption, money laundering and unethical behaviour via our whistleblowing hotline, which respects the right to anonymity.

Beyond the whistleblowing hotline, other Discovery platforms – facilitated and monitored by Group Forensics, the Group Ethics Office and the Financial Crime Compliance team – enable reporting of criminal or unethical behaviour to the relevant Board committee, Human Resource function, financial sector regulators, law enforcement agencies or recognised professional bodies.

We regularly review our Whistleblowing Policy and Financial Crime Risk Management Policy to ensure they meet current standards and global best practice. Our monitoring processes and procedures are designed to ensure compliance with these policies across all business areas.

Employees are guided by a standard operating process to report suspicious transactions or activities to the Money Laundering Compliance Officer and Financial Intelligence Centre. The process is outlined on the Group intranet's central policy portal with comprehensive detail on the RMCP.

Anti-competitive practices

Open competition principles guide Discovery's business practices. We prohibit anti-competitive behaviour, which is firmly supported by our compliance strategy and frameworks.

Our Board and Executive Committee attend externally facilitated anti-competitive behaviour training as and when necessary.

Discovery's Share Trading and Price-sensitive Information Policy clearly defines insider dealing rules and securities trading regulation. We also communicate reminders on prohibition of trading in securities during defined or cautionary closed periods.

Our Conflict of Interest Policy provides guidelines on dealing with unavoidable conflicts ethically and responsibly to mitigate potential risks. It includes guidelines for employees on accepting gifts, favours or entertainment. Our online conflict of interest and gifts/entertainment declaration and attestation process enable employees and contractors to fulfil the compulsory requirement to attest to awareness of the Conflict of Interest Policy, read it and comply with its requirements. Questions about potential or perceived conflicts of interest, when answered in the affirmative, lead to a register of necessary declarations.

Employees receive ongoing Group-wide awareness emails and newsletters about the online platform as well as compulsory training on all aspects of anti-competitive practices.

[Our Conflict of Interest Policy is available online.](#)

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TRAINING ON IMPLEMENTING POLICY COMMITMENTS

Training is a critical component of Discovery's strategy to ensure all employees, business partners and stakeholders understand and implement our policy commitments.

We track participation in training.

Our Company Secretarial function manages a policy portal for employees. The portal prompts business units to review policies timeously ahead of review and approval by appropriate committees or the Board. In support of the Company Secretarial function, Group Compliance provides recommendations that help maintain the relevance and quality of policies by ensuring they align with regulatory requirements and the intended policy objectives.

Relevant employees in Group subsidiaries must attest that they are familiar with and understand Group-wide frameworks, policies, strategies, charters, plans, processes and procedures that require a uniform and shared approach. In FY2024, we rolled out a policy attestation process to ensure the relevant employees attested to reading and understanding all Group policies and documents that were updated in line with the Group Governance Framework. Our OneTrust portal distributes and records these attestations.




Addressing fraud, waste and abuse in the medical scheme environment

Discovery Health invests substantial resources in fairly and responsibly addressing fraud, waste and abuse in the medical scheme environment for the benefit of members and the integrity of the healthcare system. Managing this risk effectively is crucial, especially considering escalating medical inflation and increasing healthcare costs.

Our Group Forensic team of over 100 specialist analysts and investigators use forensic software to detect unusual claim patterns. Discovery Health prioritises every incident reported by members, other practitioners and third-party whistleblowers.

Discovery increases recoveries with objective, impartial and fact-based fraud investigation processes, which comply with legislation and are tested or approved through external legal reviews, senior counsel opinions and court judgments.

**R683
MILLION**
recovered and saved
in FY2024
(FY2023: R532 million)

 **Any person who would like to report suspected fraud, waste and abuse can call 0800 00 45 11 (toll-free) or email discovery@tip-offs.com.**

Discovery encourages fraud reporting and offers a 10% incentive of monies recovered for whistleblowing via the [43477](tel:43477) SMS or toll-free [0800 004 500](tel:0800004500) lines or forensics@discovery.co.za email.

In the US, whistleblowers can email Whistleblowing_VGI@Vitalitygroup.com.

In the UK, whistleblowers can call our anonymous toll-free hotline at 0800 333 362 or email whistleblowing@vitality.co.uk.

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Managing regulatory risks

We are committed to proactively managing our material and emerging regulatory risks. Key developments during the year included:

National Health Insurance

The South African President signed the NHI Bill into law on 15 May 2024 despite concerns expressed by public and private South African healthcare providers and other organisations. Discovery unequivocally supports universal health coverage and believes a workable NHI is central to achieving this. We maintain our position that the current form of this legislation is not workable without private-sector collaboration, including medical schemes, and broader funding sources

Key considerations include:

- 1 **The significant funding gap** without a clear plan or Money Bill (the shortfall could be more than R200 billion per annum)
 - 2 **Complex implementation** requiring substantial re-engineering across public and private healthcare systems
 - 3 **Section 33 restriction** on the role of medical schemes once the NHI is fully implemented
- + Refer to our 2024 IAR for more on South Africa's NHI and our related stakeholder engagements. >

Two-pot retirement system

From 1 September 2024, when the new two-pot retirement system takes effect, contributions will be split into two components or "pots": savings (one third accessible any time once every tax year) and retirement (two thirds accessible only at retirement). The vested component (retirement fund savings before 1 September 2024) will remain unaffected.

To ensure timely implementation, retirement funds were required to submit rule amendments by 31 July 2024, a critical deadline set by the Financial Sector Conduct Authority (FSCA). Discovery is operationally and legally ready to meet these requirements and was the first in the industry to receive FSCA approval of its rule amendments on 5 August 2024. Discovery supports the rationale behind the two-pot system, which is to balance long-term security and assistance during real financial emergencies, and will continue to be the only fund that incentivises preservation through our unique boost rewards.

Our Discover Two-Pot portal shares information with clients, including access to a Two-Pot 101 Guide, live sessions with experts on LinkedIn and an industry-first calculator assessing the impact of withdrawal.

Refer to the Discovery Two-Pot portal for more information. >

Health Professions Council of South Africa

In November 2023, the Health Professions Council of South Africa updated the ethical rules of conduct for practitioners registered under the Health Professions Act, No 56 of 1974. These amendments allow for multidisciplinary teams and employment to enhance collaboration among healthcare practitioners in South Africa. Specifically, the amendments allow for fee sharing and the implementation of multidisciplinary practices, improving healthcare delivery by facilitating more integrated and cooperative healthcare services across various disciplines. The updated rules reduce barriers to innovative payment models, which in the past have been hindered by restrictions on multidisciplinary practices and fee sharing, and will effectively promote a greater focus on quality of care. These developments will impact medical schemes' actuarial considerations, including data, systems and providers.

Discovery is aligned with and recognises the underlying opportunities in the rule changes' aim for win-win outcomes between funders, patients and healthcare practitioners and providers.

REGULATORY ENGAGEMENTS

We work to engage constructively with regulators in collaboration with other stakeholders. Our notable regulatory engagements during the year included:

- **Universal health coverage** discussions with government, BUSA and other stakeholders on an integrated approach to funding the Presidential Health Compact, which is now inked to the NHI
- **Low-cost Benefit Option (LCBO)** advocacy as part of the LCBO Advisory Committee of the Council for Medical Schemes (CMS), supported by the Health Funders Association with a view to DHMS participating in broadening access to primary care cover for low-income earners while continuing to provide similar insurance cover in partnership with Auto and General. After engaging with stakeholders regarding the proposition of implementing an LCBO framework within the medical schemes environment since 2020, the CMS submitted its report to the Minister of Health for determination in November 2023
- **FSCA** executive and operational meetings are held regularly, and we participate in various forums and discussions related to market conduct and consumer duty, and attend to applications, notifications, exemptions, complaints responses, statutory returns and information requests
- **Prudential Authority** meetings regularly include Discovery executives and our Group Compliance function who participate in forums and discussions related to insurance group structure, supervision and governance, and attend to applications, notifications, key person changes, information requests and statutory returns
- **Consumer Duty**-related engagements with the FCA to ensure Vitality UK met the implementation deadline by 31 July 2023

+ Refer to page 52 for detail on our LCBO approach. >





Managing risk continued

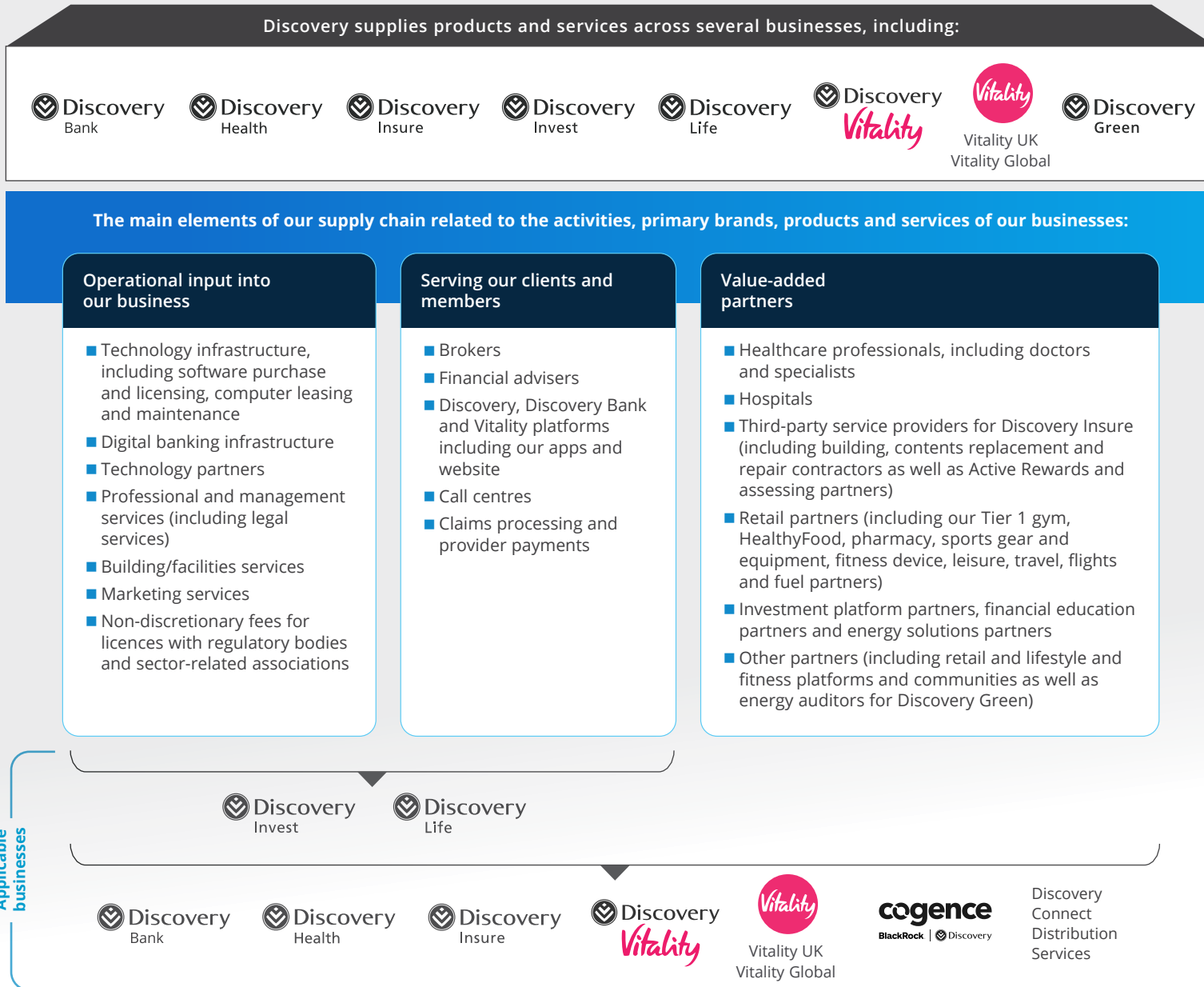
Managing supply chain risks

Discovery's Procurement Policy, informed by good governance and ethical decision-making principles, ensures we source and acquire goods and services of requisite quality, at the right price, from suitably qualified suppliers who subscribe to our core values upholding environmental, economic and social sustainability, including respect for human rights and labour standards enforcing international action against forced labour and child exploitation. Accordingly, our suppliers must support our anti-corruption, data security and privacy measures and related grievance reporting mechanisms. Our Anti-bribery and Corruption Policy also applies to our suppliers. Our Third-Party Risk Management Framework assists Discovery in managing information security and data privacy among other third-party risks.

Our sourcing principles aim to optimise procurement spend with value for money (competitiveness and cost efficiency), social equity (preferential procurement and transformation), fairness and transparency (equitable treatment of bidders, openness and accountability) in mind.

While our primary objective is to optimise spend, our suppliers are accountable for maintaining minimum contract requirements, including progression plans with clear objectives and timelines.

Our centralised procurement function (coordinated by Group Procurement with input from cross-functional sourcing teams for bid specifications and proposal evaluations) ensures Discovery's suppliers meet our exacting requirements through focused engagements and agreements on predefined milestones to be achieved over the contract term.





Managing risk continued

SUPPLY CHAIN RISK MANAGEMENT AND MITIGATION

Our Group Procurement function manages supply chain risks and sets, monitors and reports on related KPIs. We periodically assess these risks, including strategic objectives and process changes, identify risks and formulate, track and report on applicable controls and related actions. Process owners are regularly assessed to ensure relevant management teams consider risk awareness and proactively manage risk.

Our Board and Executive Committee approved a new **Third-Party Risk Management Framework** in April 2024. It includes flexible and risk-based principles to be considered by individual business entities according to their specific circumstances. Structured to complement and enhance relevant existing standards and policies, it aims to foster comparable and interoperable approaches across the Group.

Key guidance in our Third-Party Risk Management Framework includes:

- Identifying and managing risks arising within our service providers' supply chains
- Due diligence, engagement and ongoing oversight and monitoring, inclusions regarding compliance with regulatory and modern slavery requirements, data protection, health and safety and environmental practices

PREFERENTIAL PROCUREMENT

Our Procurement Policy aligns with legislated requirements of South African businesses, including preferential procurement targets stipulated by the Department of Trade, Industry and Competition in the B-BBEE Act, No 46 of 2013 and related codes of good practice and applicable sector codes. In compliance with this legislation, Discovery's procurement spend is allocated to B-BBEE-compliant companies with a valid certificate issued by an accredited B-BBEE rating agency or a sworn exemption affidavit.

We aim to increase our procurement spend among designated groups, focusing on black youth-owned businesses, by identifying suitable companies and facilitating their exposure and access to networks across the Group.

In FY2024, we spent

R3.5 BILLION
PROCUREMENT FROM BLACK-OWNED BUSINESSES
focusing on black youth-owned businesses
 (FY2023: R3.4 billion; FY2022: R2.73 billion; FY2021: R1.62 billion)

R2.9 BILLION
(actual spend) on SMEs
 (FY2023: R2.7 billion; FY2022: R2.58 billion; FY2021: R1.66 billion)

R1.9 BILLION
(actual spend) on 30% BLACK WOMEN-OWNED ENTERPRISES
 (FY2023: ~R1.9 billion; FY2022: R1.58 billion; FY2021: R864 million)

As a financial services entity, Discovery's raw material requirements (production inputs in other industries) are minimal. Goods procurement is aligned with our force for good value and commitment to the UNGC as a signatory. Prospective suppliers are subject to a comprehensive screening process and expected to comply with applicable Group policies, including the Anti-bribery and Corruption Policy, which extensively covers what the Group expects of vendors regarding anti-corruption.

As part of our supplier screening and due diligence processes, we consider potential economic risks and ESG factors. Each supplier undergoes screening to:

- Confirm valid tax details through the South African Revenue Service and, through an online system, confirm the validity, match and history of tax numbers and compliance status
- Identify finalised or pending fraud incidents (South African Fraud Prevention Services)
- Identify any legal judgments
- Confirm compliance with the Companies and Intellectual Property Commission
- Ensure compliance with B-BBEE requirements

- Identify sanctions, adverse media and politically exposed persons
- Assess business continuity risk, which is included in our supplier questionnaires (updated during the transition to the OneTrust platform) in the UK

Suppliers must also complete ESG assessments through our supplier mapping exercise. ESG considerations are included in our Procurement Policy and the Group Procurement mandate, and KPI assessments are linked to the ESG metrics assessment.

In FY2024, we enhanced our supplier screening process and criteria to include:

- A tax questionnaire
- Full screenings of one-time and cash book suppliers
- Additional due diligence and background checks, including forensic checks and Health Professions Council of South Africa registration for DHMS

+ In terms of our Whistleblowing Policy, our confidential and anonymous whistleblowing hotline is also available to suppliers and their employees (details on page 102). ➔

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02

INNOVATING TO DRIVE IMPACT

Innovation is in Discovery's DNA, and our Shared-value model means we harness our capabilities to drive impact. We have several mechanisms in place to ensure continual innovation in our business, including harnessing AI to ensure our people are future-fit and engaging meaningfully to share and scale our capabilities across the industries we operate in.

To ensure a culture of innovation, we follow an annual product launch cycle for all businesses. Each business or CEO is expected to deliver innovative products that drive increased engagement, improved customer behaviour and ESG-integrated product objectives.

+ Refer to the enhance and protect lives section on page 37 to 48 for more information on our ESG-integrated products.

Embracing AI

To instil trust in our innovation capabilities, internally and among our external stakeholders, we seek to understand the risks and challenges associated with deploying AI in our product and service offerings. This includes continually seeking to address privacy, data governance, human oversight, workforce skills, cyber-security risks, accountability, robustness, transparency, technical safeguards, diversity, discrimination, inclusivity and fairness as well as societal and environmental wellbeing.

We are focusing on scaling AI enablement across the Group, which involves increasing access to secure tools, leveraging specialised skills to develop differentiating capabilities for bespoke requirements, and identifying and adopting commercial solutions.

MANAGING AI DEPLOYMENT

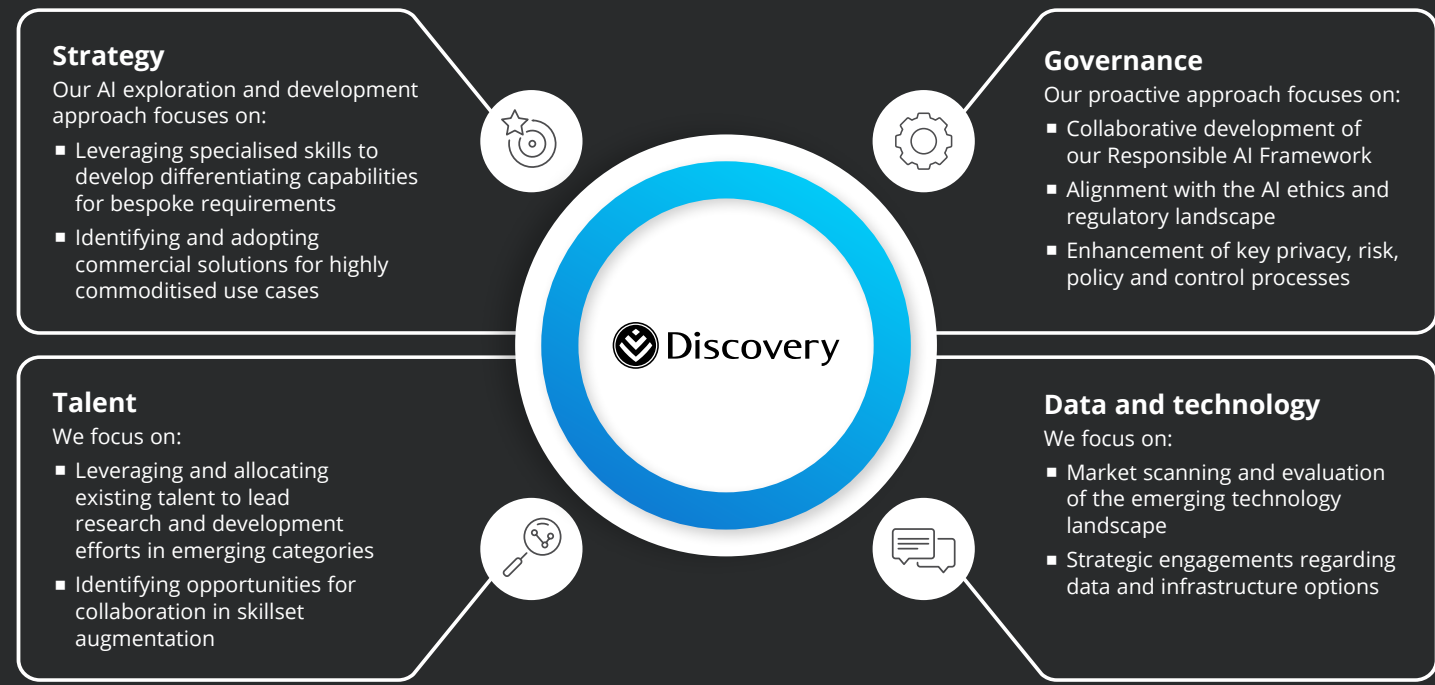
Our Responsible AI Policy ensures we respect data privacy, protect cyber security, avoid potential bias and enable users to identify AI-generated content. Implemented and overseen by senior management, this policy is endorsed by our Board and Executive Committee.

+ Refer to page 108 for more information on how our Responsible AI Policy ensures fairness and integrity in AI-related decisions.

Our ambition is to enhance lives by empowering 10 000 of our people to effectively, responsibly and ethically derive value from Generative AI (GenAI) by upskilling and reskilling clients, brokers, financial advisers and employees with relevant, fit-for-purpose skillsets and tools (developed in-house and acquired off-the-shelf).

The enabling foundation includes research, use-case scenarios, global best practice, governance frameworks and structures with a focus on training and awareness through our GenAI Academy to nurture the skills needed to use AI capabilities responsibly ethically. We are thus creating innovative and differentiating products and services across the Group in line with our core purpose to make people healthier and enhance and protect their lives while aiming for impact at scale.

OUR AI STRATEGIC FRAMEWORK



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Innovating to drive impact continued

OUR GenAI ACADEMY

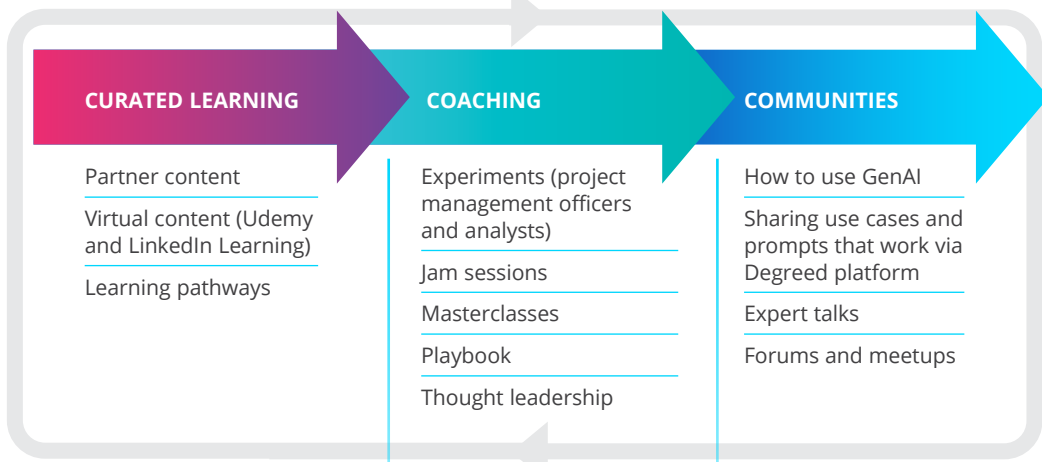
Our GenAI Academy was launched in June 2024 and is targeted at people using GenAI across multiple tools and areas of the Group. It aims to develop our human capital to apply AI strategically, tactically, responsibly and ethically and ultimately to promote and extract value.

How Discovery's GenAI Academy will empower our people

GenAI leadership objectives (HR Vice Presidents)

We will measure success through:

- Gains
- Programme effectiveness



GenAI platform with tools (DLab)

Employees develop themselves

Degreed and Aspire (our digital upskilling and education platforms)

Apply AI strategically and tactically

Webinars (hybrid)

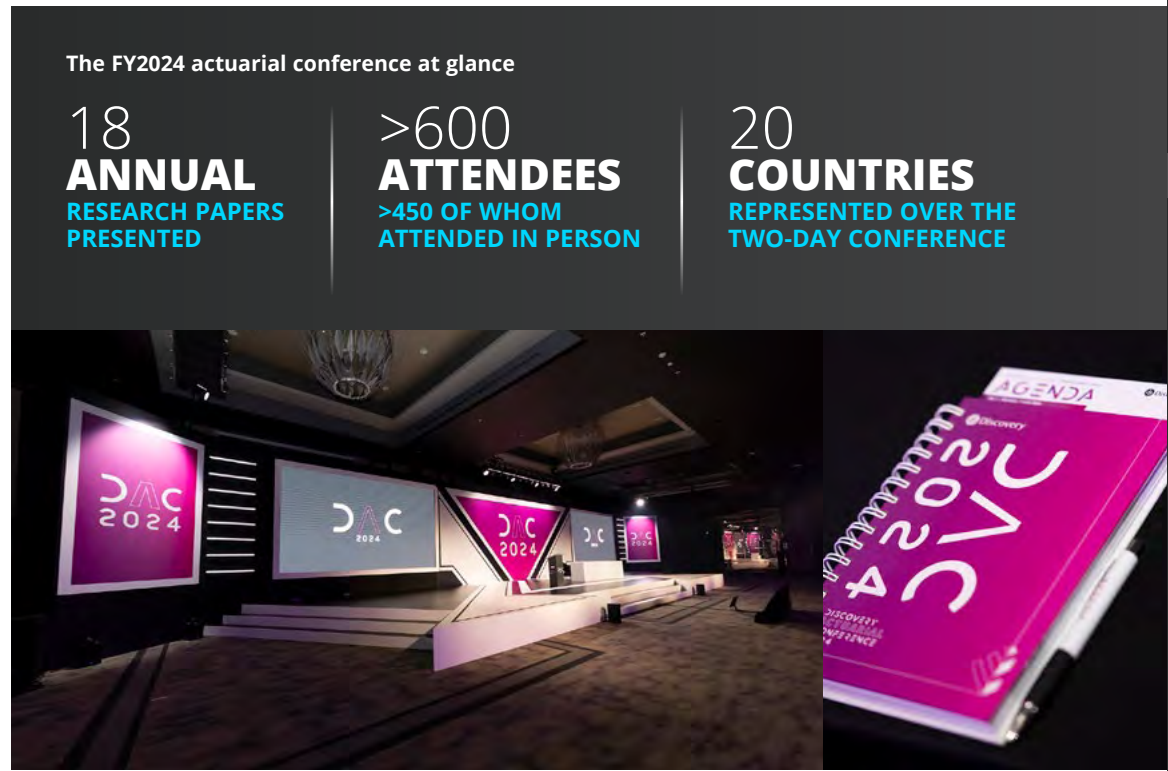
Extract value now

Microsoft Teams

Engaging to share and scale our capabilities

The Discovery actuarial conference is an annual event to which all actuaries and data scientists in the Discovery Group are invited. Every year, research papers are presented – based on work done by teams of actuaries and data scientists in the preceding months. The aim of the conference is to stimulate and reward innovation and find pragmatic solutions to challenges and explore new opportunities.

The actuarial conference provides opportunities for actuaries and data scientists to network, strengthen partnerships and collaboration throughout the Vitality network, share thought leadership and innovations and be inspired by the talented actuaries and data scientists in the Group. After the conference, business executive committees implement the papers, and after 14 years, there is a remarkable track record of how the conference has driven major innovations and strategic solutions in the Group, helping us deliver on our purpose.



The FY2024 actuarial conference at glance

18 ANNUAL RESEARCH PAPERS PRESENTED

>600 ATTENDEES >450 OF WHOM ATTENDED IN PERSON

20 COUNTRIES REPRESENTED OVER THE TWO-DAY CONFERENCE

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LEVERAGING OUR TECH PLATFORM

Technology is a strategic enabler for our Vitality Shared-value model and provides an integrated experience for clients across all platforms. Our in-house developed solutions optimise our systems for the digital world, supporting expansion and innovation. We use intelligent data aggregation and classification models to understand Discovery members deeply, creating sophisticated risk and behaviour profiles.

We continuously refine our technology to meet the needs of clients, intermediaries and providers, focusing on affordability, quality and cost-effectiveness. Our efforts include simplifying and automating processes to enhance operations, improve cyber security and increase productivity. Strategic supplier relationships and transparent internal service provision enhance our data and technology governance and risk management.

Our ongoing data and technology enhancements aim to create a fully digital experience where we:

- Drive innovation in key business technology areas, including digital channel architecture, client relationship and experience, digital skills and digital technology foundation
- Create a learning effect through communities of practice in digital innovation, culture and practices and governance
- Enable and scale early success in Agile platforms, Cloud Era skills, prototyping and business use cases and composable architecture

Key developments during the year

We created **PERSONALISED HEALTH PATHWAYS THROUGH THE NEW GAMIFIED DISCOVERY HEALTH APP AND AN INTUITIVE WHATSAPP JOURNEY** that follows a member throughout life and changing health status – rewarding members for taking predicted actions.

We developed a **GROUP RESPONSIBLE AI POLICY** to guide the development, deployment and use of AI.

Our **STRATEGIC TECHNOLOGY ENHANCEMENT PROGRAMME** continued to **INCREASE TARGETED SYSTEMS' AVAILABILITY LEVELS AND IMPROVE RESILIENCE TO BUSINESS INTERRUPTIONS**. The programme is informed by our members', partners' and intermediaries' increased reliance on digital interactions and increased risks in the environment – particularly the risk of business interruption due to power outages.

Refer to our 2024 IAR for detail on our investments in leveraging technology. ➔

Ethical data management and the use of technology

Given our access to personal and other information, we place 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 stakeholder trust.

With rapid advances in technology and big data, we are working to ensure data management includes consideration of ethics and fair use in delivering our products. Supported by the Group Ethics Office, we aim to anticipate ethical issues and proactively build solutions into our products.

The Group Ethics Office advises on megatrends that may impact the Group, including the ethical implications of AI and automation. During the year, the Board approved a Group Responsible AI Policy, committing us to developing and using AI that prioritises the wellbeing, privacy and safety of our clients, members, employees, communities, society and the environment in which we operate. The policy emphasises a responsible, human-centred approach to AI and will ensure robust data-protection measures are in place to safeguard against unauthorised access, use or disclosure.

Our **Responsible AI Policy** highlights Discovery's commitment to sustainability principles by ensuring fairness and integrity in AI-related decisions and avoiding bias, discrimination or exclusion. Data privacy and security are paramount, and our robust data protection measures safeguard personal and sensitive data, complying with applicable laws and regulations. We promote the responsible use of AI, considering societal impacts and ethical considerations throughout the AI lifecycle. Transparency and accountability are key pillars of our approach, as we strive to provide understandable explanations for AI decisions and maintain accountability for our AI practices. We also established a robust AI governance framework to ensure compliance with laws, regulations and industry standards in the markets in which we operate. This comprehensive approach underscores our commitment to trust and sustainability in the age of AI.

➔ Refer to page 94 for information on our management of cyber security and protection of clients' data and privacy.

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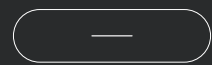
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Leveraging our tech platform continued

Discovery Bank



Discovery Bank drives utilisation and engagement through a market-leading, robust financial services data, machine learning and AI ecosystem, enabling data-driven decision-making based on comprehensive data and robust insights. Current use cases include prompting clients to complete Next-best Actions to improve their banking experiences, engagements and reward-earning potential. Other short-term to medium-term applications include open banking, enhanced servicing experiences, integrated and personalised client communications and geo-location to prevent fraud.

Discovery Invest

Discovery Invest's technological capabilities are vital in driving business innovation by enabling new ways of operating, creating efficiencies, enhancing customer experiences and unlocking new opportunities.

Some of our new functionality includes digital withdrawals, digital switching, Section 14 commission reviews to streamline advisers' annual review process as well as digital servicing capabilities using a secure digital consent process.

Cogence

Cogence is the first global discretionary fund manager in South Africa. It marries our expertise and leading behaviour-change platform with that of BlackRock, one of the world's leading asset managers.

Cogence then combines this with the local investment management expertise of RisCura, who intimately understands the local market within a global context.

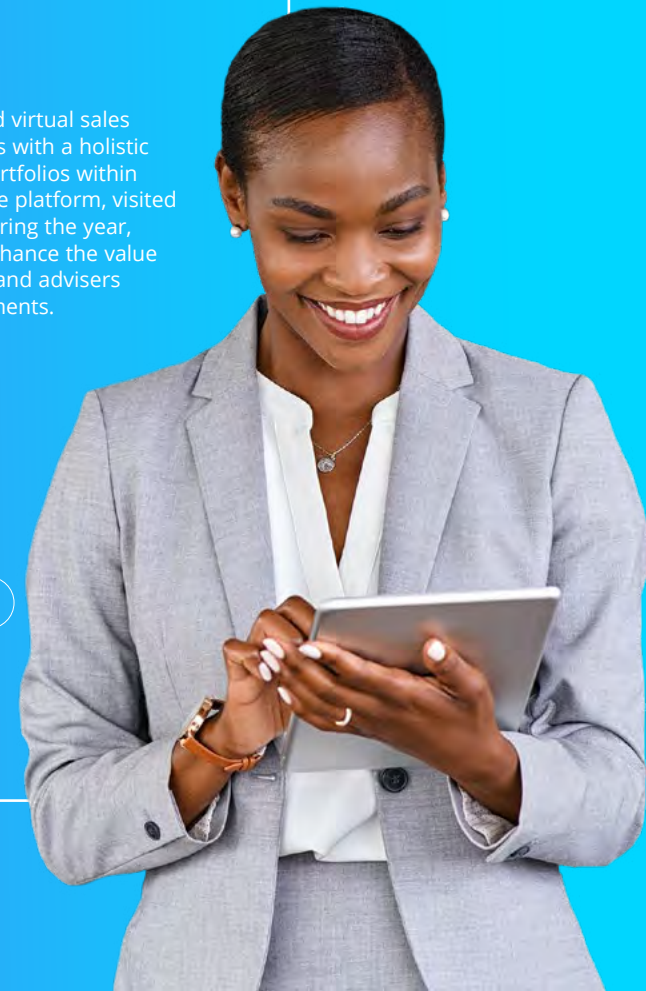
Using Aladdin Wealth™, BlackRock's industry-leading investment and risk technology platform, and Vitality insights and data, Cogence is the world's first discretionary fund manager that fully models retirement solutions, taking health experience into account. These metrics consider how long clients are likely to live, how healthy they will be and how much money they will need, and supports advisers in making recommendations to their clients.

Adviser 360

Adviser 360, our integrated virtual sales platform, provides advisers with a holistic view of clients' financial portfolios within the Discovery universe. The platform, visited by 12 324 unique users during the year, continuously evolves to enhance the value it provides to both clients and advisers through ongoing developments.

95%
OF ALL INVEST
NEW BUSINESS
is activated on
Adviser 360

+ For more information, please refer to page 44. >



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Our *governance*

RELATED MATERIAL THEME



Ensure good corporate governance and leadership

Good governance – a critical component of value creation – promotes strategic decision-making and balances the outcomes over time for the benefit of all our stakeholders. By ensuring responsible and ethical behaviour and enhancing accountability, we can deliver on our sustainability differentiators.

Our governance structures, policies and procedures align with King IV™*. King IV™ principles and recommendations, entrenched in the Group’s governance approach, inform the way we do business and form the foundation of our ethical culture. Our Board leads ethically and effectively to ensure the sustainability of our business and our ability to be a force for good.

Refer to our 2024 Governance Report for detail on Discovery’s governance. ➔

Our strong governance culture supports our ESG management through:

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OUR GOVERNANCE PHILOSOPHY AND FRAMEWORK

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BOARD DIVERSITY AND EFFECTIVENESS

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FAIR AND RESPONSIBLE REMUNERATION

OUR FY2024 HIGHLIGHTS

Achieved **top quartile ESG ratings** from Sustainalytics and S&P Global Ratings

ESG rating agencies independently confirm that our management of material ESG risk is strong

Raised awareness of **global nature and biodiversity goals**

We formed a working group to investigate and address the risks and our impacts on global biodiversity loss

Appointed two new **Independent Non-executive Directors**

Good progress made in meeting our voluntary minimum targets to achieve **40% Black and 30% female Board representation** by FY2025

01

OUR GOVERNANCE PHILOSOPHY AND FRAMEWORK

Our Board endeavours to preserve the Group’s unique entrepreneurial spirit – with strong emphasis on innovation – while entrenching the principles of good governance and ethical leadership to enable Discovery to deliver its purpose. We recognise that entrenching these principles without unnecessary bureaucracy is fundamental to achieving Discovery’s ambitions.

Strengthening the Group’s governance framework

Discovery’s subsidiaries operate across different jurisdictions and industries with varying levels of regulatory oversight. Our Group Governance Framework bolsters our approach and optimises our Group structure across our composites: Discovery in South Africa, Vitality UK and Vitality Global.

The Group Governance Framework ensures sound governance practices cascade consistently and effectively across the Group with an effective chain of oversight and harmonious governance system. The framework includes the following guidance:

- As a separate and independent juristic person, each subsidiary is managed by its own board in the interests of the subsidiary and the Discovery Group’s purpose – meeting all legislative obligations and Group requirements
- Governance structures are balanced, proportionate, diverse and embedded uniformly and flexibly across the Group to be fit-for-purpose and reduce complexity and cost
- Each subsidiary’s governance structure is based on its materiality level determined by its nature, scale, complexity, regulatory requirements and the International Financial Reporting Standards (IFRS)
- Subsidiaries focus appropriately on diversity, equity and inclusion based on best practice, context, demographics and regulatory requirements in their jurisdictions
- The Group addresses potential intragroup and stakeholder conflicts of interest collectively

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Our governance philosophy and framework continued

Governance structures supporting sustainability

The governance of sustainability-related matters is integrated into our established governance structures across the Group. This ensures sustainability-related matters are managed by the business in day-to-day operations and communicated to the Board.

GROUP BOARD

Responsible for the strategic direction of the Group's ESG strategy and monitoring its progress

Our Group Board is the highest governing body of the Discovery Group and is committed to the principles of good corporate governance as set out in King IV™. Our Board members possess the relevant qualifications and experience to guide the Group's approach to strategy, material issues and stakeholder impacts. The Board reviews the strategies formulated and implemented by management and approves and oversees strategy plans. Regular reports are provided to the Board on the sustainability of our business and its impact on the environment, communities and other stakeholders.

Discovery's culture of learning also 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 their sustainability knowledge and skills. Key teams in the business, including the Group Chief Executive's office, present and provide insights and education based on internal competencies, research and guidance from external experts.

We continually assess the training and development requirement of our Board and provide training on key issues as needed. In FY2024, the Audit Committee received updates related to

sustainability and climate related disclosure developments, which included the International Sustainability Standards Board's IFRS S2, and alignment with financial reporting. The Board also received training on updates to key ESG-related matters, including challenges facing the financial sector and the impact of ESG on the insurance industry. In the UK, sustainability and climate change updates are covered at each board meeting covering regulatory changes and market developments.

The implementation of our sustainability strategy 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. The Group Board retains ultimate accountability for our sustainability strategy and our Group Chief Executive, and the executive team are responsible for the implementation of our ESG-related strategies.

The Board delegates some of its ESG responsibilities to appropriately constituted committees as outlined below.

Social and Ethics Committee

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

The Social and Ethics Committee assists the Board with implementing and monitoring strategies related to social, economic and sustainable development, stakeholder relations, labour and employment practices, transformation and ethics across Discovery. The committee makes recommendations to the Board on good corporate citizenship, the Group's Climate Change Strategy, environmental health and safety and an inclusive economy. The committee is also tasked with ensuring an inclusive approach to stakeholder engagement and assists the Board with monitoring our stakeholder relationships as a standing agenda item.

The Social and Ethics Committee is chaired by an Independent Non-executive Director and consists of five members, three of whom are Independent Non-executive Directors.

Risk and Compliance Committee

Oversees Group risk and opportunity management (including ESG-related risks), monitors risks and recommends mitigation plans

The Risk and Compliance Committee is responsible for ensuring:

- Material risks – including ESG risks – are identified, evaluated and effectively managed and reported
- The Group's policies and processes ensure compliance with the required legislative and regulatory requirements
- Adequate financial crime management systems are in place
- Business continuity and disaster recovery processes and controls are in place

Remuneration Committee

Oversees the Group scorecard, which includes financial and ESG performance measures linked to executive remuneration

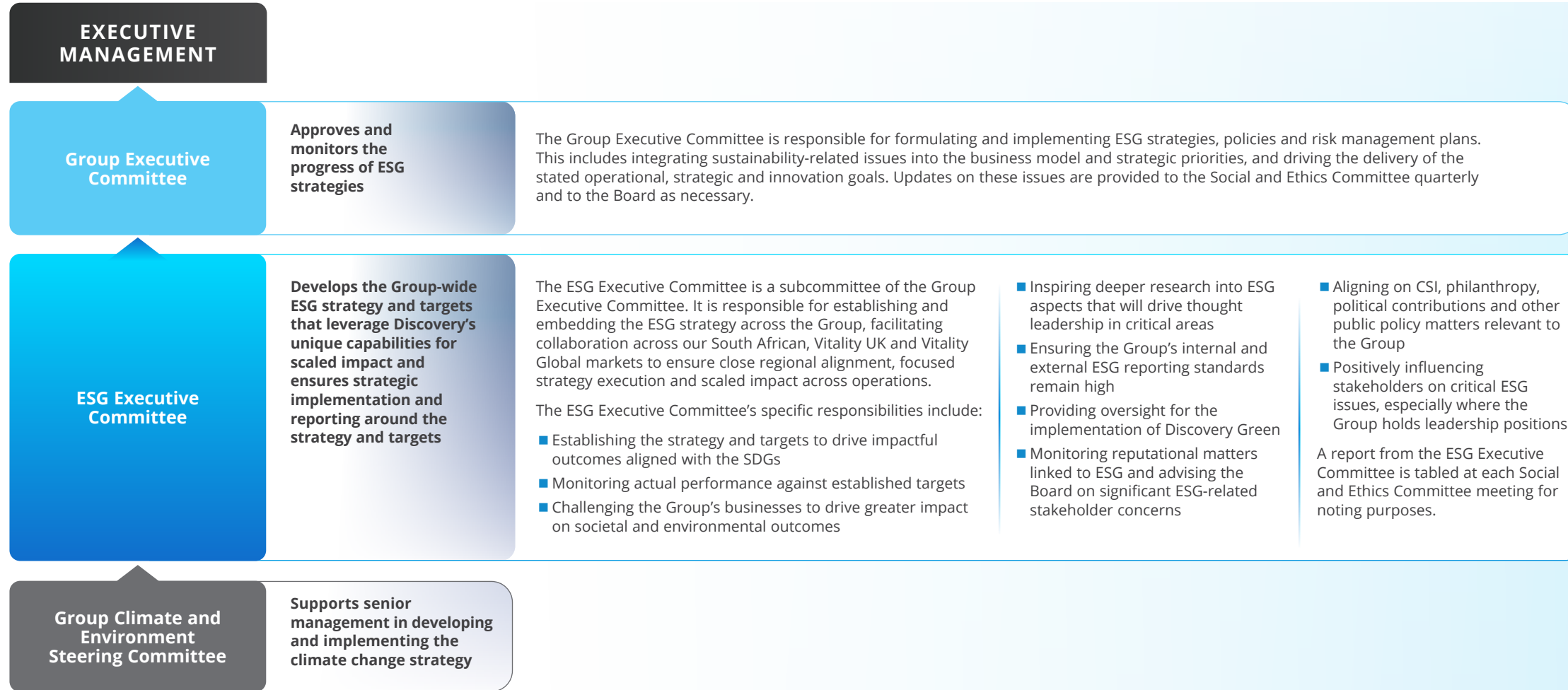
The Remuneration Committee oversees the Group scorecard, which includes financial and sustainability performance measures, such as ESG-related targets, linked to executive remuneration. The committee retains discretion to consider overall performance and adjust outcomes to ensure final awards align with Discovery's sustainability performance and core purpose. The Group's Single Incentive Plan measures performance over the short and long term, considering management performance at Group, business and individual levels.

Refer to our 2024 Remuneration Report for our full Group scorecard and more information on our remuneration approach.

Refer to our 2024 Governance Report for details on the roles, responsibilities and functions of our Board committees.



Our governance philosophy and framework continued



Embedding ethics in our governance process

Discovery's commitment to deliberately and comprehensively uphold ethics is embedded in our corporate governance approach. Our Ethics Management Framework includes a comprehensive governance framework and management process to drive our ethics strategy across the Group, including focus on leading by example and setting a positive example for ethical behaviour at leadership level.

+ Refer to page 86 for more information on how Discovery embeds and upholds ethics. >





02

BOARD DIVERSITY AND EFFECTIVENESS

KEY DEVELOPMENTS

38% BLACK DIRECTORS, Good progress made in meeting our voluntary minimum target of 40% by FY2025

46% FEMALE DIRECTORS, exceeding our voluntary minimum target of 30% by FY2025

69% OF OUR BOARD are Independent Non-executive Directors as at 30 June 2024

The roles of Board Chairperson and Group Chief Executive are not held by the same person to ensure no individual has **unrestricted decision-making power**

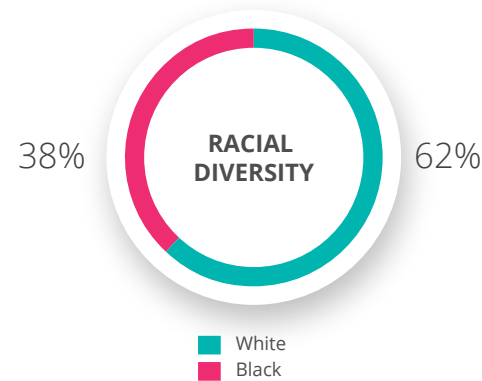
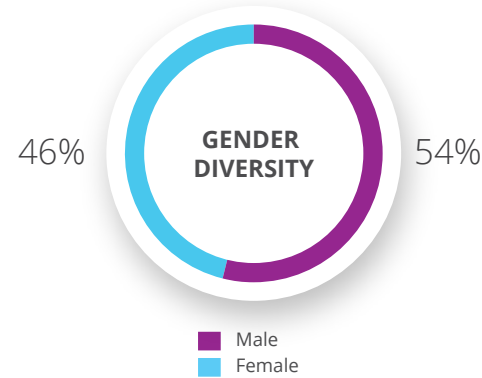
The Board annually assesses and evaluates its own performance, as well as that of its Chairperson and the Board committees

With effect from 1 July 2024, the Board will be implementing a nine-year tenure model for Board membership, guided by corporate governance best practice and the recommendations of King IV™ and the Prudential Authority on Non-executive Director tenure

Discovery is committed to promoting diversity at Board level – including business and industry knowledge, skills and experience, age, gender, race and culture – recognising that diversity brings unique ideas, strategies and solutions informed by varying outlooks, perspectives and experiences, which all make prudent business sense.

In June 2024, our Board Diversity Policy was integrated into the Group's Board Governance Policy, which outlines our approach, informed by corporate governance best practice, and meets regulatory compliance. It also describes our targets for race and gender representation. The Nominations Committee considers this policy when identifying and recommending suitable candidates for Board appointments.

BOARD DIVERSITY STATISTICS



The Nominations Committee reviews the Board's composition annually and makes recommendations on the appointment of new Directors. It also recommends actions that could be taken to meet the Group's voluntary minimum targets and focuses on improving overall Board diversity. Two Non-executive Directors retired during FY2024, and the composition of their respective Board committees was revised accordingly.

Refer to our 2024 Governance Report for more information on our Board's composition and committee membership.

Board effectiveness

The Board oversees the application of corporate governance principles, supported by specific statutory and other Board committees. Directors are accountable for integrity, competence, responsibility, fairness and transparency. The Board Charter, reviewed annually, outlines the Board's roles and responsibilities. The Nominations Committee also regularly reviews the Board's composition and succession planning and makes adjustments where necessary.

We clearly define delegation of authority to management to ensure the effective exercise of authority and responsibilities. The Board, assisted by the Nominations Committee, is ultimately responsible for appointing new Directors 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. From 1 July 2024, the Board follows nine-year tenure model for independent Non-executive Directors' Board membership, with an option to extend to 12 years, subject to regulatory and jurisdictional provisions and exempted circumstances which will be agreed upon upfront.

The Board annually assesses Directors' circumstances and performance to ensure independence in fact and perception. The Board is satisfied that there are no relationships or conflicts of interest that could prevent them from acting in the best interests of the Group and with due care in discharging their duties.

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03 FAIR AND RESPONSIBLE REMUNERATION

KEY DEVELOPMENTS

Continuous monitoring of developments in **fair and responsible remuneration**

Continued to pay well above the minimum wage – in South Africa, no employee earns below **R200 000* PER ANNUM**, while employees in the UK and US are paid above the real Living Wage

Achieved:

SOUTH AFRICA: **~0%** gender pay gap for the same role (FY2023: -0%)

UK: **65%** female appointments to £50 000+ roles (July 2023 to December 2023)

50% female appointments to £60 000+ roles (January 2024 to June 2024)**

* Effective 1 October 2024

** The salary threshold in the target changed to £60 000+ roles from January 2024



We analyse income pay differentials by gender and race to align salaries through interim salary increases. Our pay differentiation is based on qualifications, experience, performance and market benchmarks across different roles. Discovery continues to drive gender transformation and monitors role-based gender pay gaps for non-unique internal roles to ensure we eliminate any potential bias.

[Refer to our 2024 Remuneration Report for more information.](#)

Discovery is committed to fair, responsible and transparent remuneration for all employees. Our Remuneration Committee assists the Board by ensuring our remuneration is market-related, fair and free of any prejudice. Our remuneration approach (including job grading, annual salary benchmarking and annual income differential analysis) is embedded in our management processes.

The Remuneration Committee oversees the Group's remuneration philosophy, which aligns with our strategy and is linked to individual performance through appropriate objectives.

The committee considers advice from external advisers on improvements to remuneration policies, salary and incentive benchmarking and the best remuneration governance practices.

As part of the Group's approach to fair and responsible remuneration, the Remuneration Committee is ensuring Discovery is prepared to implement new requirements prescribed by the Companies Amendment Act. This includes reviewing the vertical pay gap between our top 5% highest and bottom 5% lowest paid employees.

Introduction

Our approach to ESG

Sustainability differentiators

Good business enablers

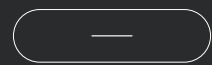
Our purpose and values

Our people

Our brand

Our capabilities

Our governance



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