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# Anti-Financial Crime Policy Statement

(including anti-money laundering, counter-terrorist financing, counter-proliferation financing (AML/CFT/CPF), anti-bribery and corruption (ABC) and sanctions compliance)



## PURPOSE

This Financial Crime Compliance Policy Statement sets out Discovery Limited and its subsidiaries' (Discovery / the Group)'s framework for preventing, detecting, and responding to financial crime within Discovery. The aim is to ensure compliance with South African and international laws, regulations, and industry standards, as well as best practices, to protect Discovery's reputation, assets, and stakeholders. Discovery operates in multiple countries, including South Africa, the United Kingdom and United States and as a regulated and responsible corporate citizen, is committed to upholding the highest standards of integrity and compliance with anti-financial crime laws worldwide. Our zero-tolerance policy seeks to ensure that money laundering, terror financing, proliferation financing, corruption, bribery, and improper advantages (collectively financial crimes) have no place within Discovery.

## SCOPE

The framework applies to all employees, directors, officers, and third parties acting on behalf of Discovery, including agents, brokers, suppliers and contractors.

## IMPLEMENTATION

Discovery requires that each entity within the Group:

1. **Follow Applicable Legislation:** Adhere to relevant AML/CFT/CPF, anti-bribery and corruption (ABC) and sanctions laws in their respective jurisdictions.
2. **Develop Consistent Policies:** Entities may create their own policies, provided they align with each of the financial crime policy/ policies (whether specific to AML, CTF, CPF, anti-bribery and corruption or sanctions or collective).
3. **Align Operations:** Implement procedures consistent with the spirit of each financial crime policy/ policies (whether specific to AML, CTF, CPF, anti-bribery and corruption or sanctions or collective).
4. **Monitor** compliance.
5. **Train:** Each directly held intermediate holding company of Discovery Limited, and the CEO of the Discovery entity as relevant and applicable is responsible for appropriate training and awareness programmes. The nature, scale, and complexity of roles determine the content of these programmes. Employees must complete mandatory training.

Directly held intermediate holding companies oversee adherence to the policy by their subsidiaries. In the case of South African domiciled subsidiaries directly held by Discovery Limited, the CEO of SA Inc assumes this role.

## POLICIES

Discovery has established the following policies that outline the Group's approach to ensuring full compliance with all relevant and applicable financial crime laws in their respective jurisdictions:

Policy	Approval	Review Frequency
Group-wide ABC Policy	Discovery Limited Risk and Compliance Committee	Every 2 years or out of cycle due to an operational or regulatory trigger event



Policy	Approval	Review Frequency
	Discovery Group Executive Committee	
Group-wide Sanctions Policy	Discovery Limited Risk and Compliance Committee Discovery Group Executive Committee	Every 2 years or out of cycle due to an operational or regulatory trigger event
Anti-Money Laundering, Counter-Financing Terrorism and Counter-Proliferation Financing Risk Management and Compliance Programme (RMCP)	Discovery Composite Risk and Compliance Committee Discovery Group Executive Committee	Annually or out of cycle due to an operational or regulatory trigger event
Financial Crime Policy	Policy Sub-committee	Annually or out of cycle due to an operational or regulatory trigger event

## 1. Group-wide ABC Policy

### Introduction

Discovery strictly prohibits the payment of bribes, categorically rejects all forms of bribery and corruption, and is committed to acceptable behaviour.

A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory or personal advantage. A bribe could be a financial or other advantage, with the intention that a "relevant function or activity" should be performed "improperly" as a result.

A bribe may be monetary or non-monetary, tangible or intangible. A bribe may take the form of, or be facilitated through:

- payments of money gifts or entertainment discounts
- loans and/or financing given on non-commercial terms
- rebates or kickbacks in relation to services provided
- overpayments to business partners and suppliers
- use of assets at a discount or free of charge sponsorships
- charitable contributions and community investments
- political contributions
- employment or internships, or
- information or assistance.

Corruption is defined as an act of accepting or offering any bribe or gratification from any other person whether for the benefit of that person or any other person in order to influence the other person to act in a manner that is illegal, dishonest, unauthorised, incomplete, biased or in a manner that results in the misuse or selling of information.





Both bribery and corruption are applicable to private and public individuals, encompassing both the offering and acceptance of bribes, regardless of the individuals involved.

In the context of anti-bribery and corruption, "acceptable behaviour" means engaging in business practices with full transparency, adhering to established protocols, rejecting any offer or acceptance of bribes or improper advantages, and swiftly reporting any suspicious actions. It emphasizes prioritizing ethical conduct over personal gains.

We apply the following key aspects of acceptable behaviour in anti-bribery and corruption practices:

**Transparency in transactions:** We clearly document all business dealings, including interactions with government officials, and ensure all payments are made through legitimate channels.

**Following established procedures:** We adhere to Discovery policies and legal guidelines regarding gifts, donations, and interactions with third parties.

**Refusing bribes:** We never offer, accept, or solicit bribes in any form, whether monetary, gifts, or favours, to influence business decisions.

**Due diligence on partners and suppliers:** We endeavour to conduct due diligence on a risk-based approach, performing background checks on suppliers and potential business partners to assess compliance with anti-bribery laws.

**Reporting concerns:** We encourage any person to report any suspected bribery or corruption without fear of retaliation through established internal reporting mechanisms.

**Fair competition:** We engage fairly in competitive bidding processes without attempting to manipulate the outcome through improper means.

**Gift giving with caution:** If gift giving is appropriate, measures are taken to ensure that gifts are modest and are not construed as intending to influence business decisions. All gifts are required to be properly disclosed.

We do not tolerate unacceptable behaviour:

- Offering or accepting large gifts or favours to secure a business deal
- Making payments to facilitate a process without proper documentation
- Using intermediaries to funnel bribes
- Making false or misleading statements on official documents
- Pressuring others to engage in corrupt activities

## Gifts and Entertainment

Proper management of gifts and entertainment is crucial to avoid actual and perceived bribery or corruption. Discovery has a documented policy to which all employees are subject, which requires disclosure of gifts given and received. Discovery conducts risk-based due diligence before engaging in sponsorships, charitable contributions, or community investments.

## Political Funding

Discovery does not seek to influence the political process through improper means. Contributions to political campaigns, parties, candidates, or politically affiliated organisations strictly adhere to our Group Political Funding Policy.

## Business Partners and Suppliers



Discovery expects its business partners and suppliers to share Discovery's commitment to ethical and responsible business practices. To manage the bribery and corruption exposure associated with business partners and suppliers, Discovery has implemented controls such as sanctions and adverse media screening, due diligence, and monitoring. Detailed risk-based assessments precede business partnerships and supplier onboarding to identify, assess, and mitigate corruption risks. Discovery also includes compulsory anti-corruption and bribery clauses in contractual arrangements and conducts ongoing monitoring where appropriate.

## Facilitation Payments

In certain jurisdictions, public officials may request small payments known as facilitation payments to expedite routine governmental actions (e.g., issuing permits or licenses). Facilitation payments constitute bribery. Discovery never pays or authorizes such payments. Requests for facilitation payment, are required to be promptly notified to the relevant Compliance function.

## Accurate Record Keeping and Financial Accounting

Discovery ensures that all transactions are accurately recorded in accordance with our procedures, reflecting their nature and substance.

## Reporting and Whistleblowing

Discovery encourages and expects its clients, directors, employees and contractors to speak openly and raise concerns about possible non-compliance with their manager, supervisor or via our available reporting channels. Discovery takes all concerns seriously and endeavours to address them as promptly as possible.

There are various avenues available to report a concern (as set out in the Whistleblowing Policy), including the following:

<b>SOUTH AFRICA</b>	<ul style="list-style-type: none"><li>Discovery Group Whistleblowing Hotline Toll-free phone: 0800 00 45 00 Email: <a href="mailto:discoveryforensics@whistleblowing.co.za">discoveryforensics@whistleblowing.co.za</a> or <a href="mailto:discoveryethics@whistleblowing.co.za">discoveryethics@whistleblowing.co.za</a>,</li><li>The Financial Crime Compliance Unit at <a href="mailto:Suspicious_Transactions@discovery.co.za">Suspicious_Transactions@discovery.co.za</a></li></ul>
<b>UNITED KINGDOM</b>	<ul style="list-style-type: none"><li>Anonymous Whistleblowing Hotline Toll-free phone: 0800 333 362</li><li>Email: <a href="mailto:whistleblowing@vitality.co.uk">whistleblowing@vitality.co.uk</a></li></ul>
<b>UNITED STATES OF AMERICA</b>	<ul style="list-style-type: none"><li>Email: <a href="mailto:Whistleblowing_VGI@Vitalitygroup.com">Whistleblowing_VGI@Vitalitygroup.com</a></li></ul>

## Incident Investigation and Corrective Actions

Depending on the severity of the breach, consequences for employees may range from a warning to termination of employment. All instances of non-compliance with any anti-financial crime-related policy or process will be included within the regular risk and compliance reporting processes and reported to the relevant board committee and / or law enforcement or regulatory authority as prescribed.

## Duty to prevent corrupt activities and bribery activities

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Failure to prevent corrupt activities offences are part of anti-bribery and corruption regimes globally. Discovery is committed to fully complying with the anti-corruption requirements of the jurisdictions in which it operates. This includes aligning with the Six Principles approach, which emphasises the establishment of robust anti-bribery and corruption frameworks. Discovery is dedicated to taking all reasonable steps to prevent corrupt activities within our operations and business relationships, ensuring our policies, procedures, and training reflect these principles, and holding ourselves accountable for maintaining a culture of integrity and transparency in all business dealings by:

1. Implementing ABC policies and procedures that are proportionate to the risks faced by Discovery.
2. Ensuring that senior management demonstrates a clear commitment to preventing bribery and corruption, setting the tone from the top.
3. Conducting regular and thorough assessments to identify and understand the specific bribery and corruption risks the organisation faces.
4. Performing due diligence on all parties involved in business transactions to mitigate bribery and corruption risks.
5. Providing regular training and clear communication to all employees and stakeholders about Discovery's ABC policies and procedures.
6. Continuously monitoring and review ABC measures to ensure they are effective and making improvements as necessary.

## 2. Group-wide Sanctions Policy

### Introduction

The Group operates in multiple countries, including South Africa, the United Kingdom, and the United States. As a responsible corporate citizen and a licensed regulated Group, we are committed to compliance with sanction regimes and the laws of the jurisdictions in which we operate. We recognize that breaching relevant sanction regimes can have significant consequences, not only from a regulatory standpoint but also from a reputational perspective. Upholding compliance with global sanctions is critical to protecting Discovery and stakeholders.

The Group has established a Group-wide Sanctions Policy that outlines the Group's approach to ensuring full compliance with all applicable sanctions regimes and managing associated risks effectively. The policy adheres to the following principles:

1. **Avoiding Breach:** We will forego any business that would breach sanctions legislation in the jurisdictions in which we operate or that is non-compliant with this policy.
2. **Discretionary Decisions:** We may decide not to provide products or services even when permitted by law. These decisions may be guided by risk appetite, corporate social responsibility, business efficiency, or reputational risk.
3. **Reporting Breaches:** We promptly report any sanctions breaches to the appropriate authority in accordance with law and applicable regulation.

### Managing Sanctions Risk

To manage the Group's sanctions risk, we implement procedures and controls related to dealings with clients, suppliers, business partners, and record-keeping.

#### Sanction Screening



Sanction regimes can change suddenly. To manage our sanctions exposure, we conduct sanction screening against the identified regimes, organisations or individuals using a risk-based approach. This occurs before entering relationships or facilitating transactions with clients, subsidiaries, associates, suppliers and business partners. Our goal is to avoid establishing relationships or facilitating transactions for sanctioned individuals.

We also screen existing business relationships and partners against amendments or changes to these sanction regimes on an ongoing basis. If a potential sanction violation is detected, we investigate and report it to relevant senior management and Group Compliance. We fully cooperate with government investigations related to sanctions violations.

#### **Contractual Clauses**

We include compulsory sanctions and general risk clauses in all contractual arrangements. These clauses allow for unilateral contract termination by the Group if a client, supplier or business partner becomes subject to any sanction regime referred to in this policy.

#### **New or High-Risk Jurisdictions**

Before entering relationships in new jurisdictions, we undertake a risk-based assessment. This assessment helps us carefully consider the risks involved in doing business in any new location.

### **3. Anti-Money Laundering, Counter-Financing Terrorism and Counter-Proliferation Financing (AML/CFT/CPF) Risk Management and Compliance Programme (RMCP)**

#### **Introduction**

Discovery Limited's (AML/CFT/CPF) RMCP ("programme") sets out the risk-based principles, requirements, controls, procedures, systems, and standards of management of financial crime risks, including money laundering, terrorist financing and proliferation financing (ML/TF/PF) and sanctions breaches, that all employees must adhere to ensure that all operations are conducted in a manner that satisfies the regulatory framework. The objective of this programme is to ensure regulatory compliance and to establish an internal framework that minimises the risk of sanctions breaches and abuse of the Group's South African financial institutions' products and services for money laundering, terrorist financing and proliferation financing purposes.

#### **Legislative and regulatory requirements**

Discovery's South African entities that are defined as accountable institutions (AI) in terms of the Financial Intelligence Centre Act (FIC Act) must comply with the relevant AML/CFT/CPF laws and may, based on its risk tolerance, adopt more exacting standards. This programme complies with international standards and the South African regulatory framework.

All employees must be familiar with the relevant policies that sets out the control and governance framework including, inter alia the duties and obligations of employees relating to the prevention of financial crime and ABC practices.

#### **Measures towards ML/TF/PF and sanctions compliance**

##### **Client Due Diligence (CDD)**



In parallel to the establishment and verification of a client's identity, the SA AIs must apply a risk-based approach towards the collection, registration, and on-going monitoring of information in relation to the nature and purpose of the business relationship. The SA AI's will apply proportionate levels of identification, verification and risk rating activities depending on the ML/TF/PF risks that have been identified for each individual transaction. The SA AI's will implement appropriate client acceptance instructions in order to set clear guidance as to which natural persons and legal entities the SA AI's will see as the strategic client base with references to ML/TF/PF and sanctions risk in line with the risk assessment and risk rating methodology. The SA AI's undertakes significant effort to determine the ownership and control structure of legal entities, where this is a legal or SA AI requirement. In instances where client due diligence measures include reliance or outsourcing of controls or processes, agreements will be entered into which must comply with the applicable legislative requirement, any regulatory guidance issued in respect thereof, and Discovery's Outsourcing Policy and Procedures, including periodic reviews.

### **Politically Exposed Persons, Adverse Media, Sanctions**

In order to ensure that all natural persons defined as Domestic Politically Exposed Persons, Foreign Politically Exposed Persons or Prominent Influential Persons ("PEPs"), persons with adverse media and any sanctioned persons and entities are identified, a screening process is conducted in real-time during manual and automated on-boarding and on an on-going basis.

### **Transaction monitoring and reporting**

Discovery SA AIs apply a risk-based approach to transaction monitoring, which includes automated as well as manual processes. Transaction monitoring is conducted in order to evaluate whether the activities of the client (the use of products and/or services, payment of premiums, claims processes and/or general behaviour) are consistent with the information obtained on the purpose and intended nature of the business relationship. As part of its transaction monitoring, the SA AIs further investigates activities that are deemed to be "unusual" with regard to the stated position of the client.

### **Retention and recordkeeping**

The SA AI's must keep electronic records of all transactions and due diligence measures carried out in accordance with the programme.

### **Freeze Orders**

In the event of a true match against the United Nations Security Council (UNSC) Sanctions list, the SA AIs are committed to freezing the property and exiting the business relationship as legally permitted, and in line with guidance received from regulatory and enforcement bodies as promptly and as efficiently as possible. Employees must be aware of the obligation under Freezing of Funds Notices, not to deal with or make funds available to designated persons.

## **GLOSSARY**

### **1. Money Laundering**

The concealment of the origins of illegally obtained money, typically by means of complex financial transactions.

### **2. Proliferation Financing**

Proliferation financing is defined by the FATF as the provision of funds or financial services used for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer,





stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

### 3. Terrorist Financing

Terrorist financing is the finances generated by legal or illegal means to sustain terrorist groups and allow them to continue their operations from a financial aspect. Terrorist financing includes the movement of these funds between conduits and terrorist groups

### 4. Terrorism Risk

The terrorism risk relates to the presence of terrorist groups within a specific jurisdiction. Terrorism may exist without the presence of terrorism financing and vice versa.

## DOCUMENT CONTROL

### DETAILS

**Document Owner** | Group Compliance

**Document Level** | Group-wide (other than in respect of Discovery Group RMCP)

**Level of Approval** | Discovery Limited Risk and Compliance Committee, Discovery Group Executive Committee.

**Frequency of Review** | Every 2 years or out of cycle due to an operational or regulatory trigger event.

### REVISION HISTORY

REVISION DATE	VERSION	SUMMARY OF CHANGES	AUTHOR
May 2024	Version 1	New document	Group Compliance
April 2025	Version 2	Inclusion of Anti-bribery and Corruption, reference to the Discovery Group Risk Management and Compliance Programme and Group-wide Sanctions Policy requirements	Group Compliance

### DOCUMENT APPROVALS

This document forms part of the Discovery ML/TF/PF, anti-bribery and corruption and sanctions risk and control framework and has been approved by the Risk and Compliance Committee and Executive Committee as applicable.