



DISCOVERY

UNITED NATIONS
GLOBAL COMPACT

COMMUNICATION OF PROGRESS REPORT 2021





United Nations Global Compact

2021 Communication of progress

Discovery became a signatory to the United Nations Global Compact (UNGC) in June 2015. This document is our fifth annual Communication on Progress to stakeholders, as included in the Discovery Sustainability Report 2021.

Our continued commitment to the Ten Principles of the United Nations Global Compact are reaffirmed by our Chief Executive Officer, Adrian Gore in the Sustainability Report which provides details on how Discovery has delivered on its Ambition 2023 commitment to be a powerful force for social good.

SOCIAL

Framework	Code	Description	Description
UNGC Principles	1	Businesses should support and respect the protection of internationally proclaimed human rights	<p>Discovery is committed to upholding the highest standards in respect of human rights. Our Human Rights Policy sets out the principles that are applied by the business in support of universally proclaimed human rights declarations and standards. These encompass a wide-ranging definition of human rights, including child labour, forced labour and freedom of association as detailed below and outlined in the United Nations Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.</p> <p>The Group's Human Rights Policy is available to all employees through the Discovery intranet and publicly available on our website (https://www.discovery.co.za/corporate/legal).</p>
UNGC Principles	2	Make sure that they are not complicit in human rights abuses	<p>Discovery understands the need to evaluate whether there are direct or indirect impacts on human rights as a result of our business and to address these if required. Due to the nature of our business and adherence to progressive regulations in our home market of South Africa, this has not been a material issue to date.</p> <p>Nonetheless, we are undertaking a supplier mapping exercise and policy review to maximise ESG considerations in our procurement process. This will include mapping the ESG impacts of our suppliers to ensure we can encourage responsible ESG practices across our supply chain and detect suppliers that constitute a potential ESG risk to the company.</p> <p>We have a whistleblowing hotline in place, managed independently by Deloitte, which is always available for employees, employees, clients and partners to report any ethical violations, including human right violations.</p>
UNGC Principles	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<p>Our Human Rights Policy also supports the right to freedom of association. We uphold freedom of association in businesses where we have a controlling interest, and recognise the right to collective bargaining.</p>



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UNGC Principles	4	The elimination of all forms of forced and compulsory labour	Our Human Rights Policy includes provisions upholding the elimination of all forms of forced and compulsory labour.
UNGC Principles	5	The effective abolition of child labour	Our Human Rights Policy includes provisions prohibiting all forms of child labour.
UNGC Principles	6	The elimination of discrimination in respect of employment and occupation	<p>In South Africa, where the majority of Discovery's employees are located, we support government-led policies on Employment Equity (EE). Discovery is making progress to ensure our workforce adequately represents the demographic profile of the country as measured against national economically active population levels.</p> <p>Discovery has developed a new five-year EE plan for the period July 2020 to June 2025. This was submitted to the Department of Employment and Labour in October 2020 and accepted by them in November 2020. It provides a comprehensive approach with defined targets and management and Board oversight to give effect to ongoing organisational transformation.</p> <p>Discovery is committed to achieving equity in the workplace by promoting equal opportunity for, and fair treatment of, all employees and applicants for employment by applying the principles of Employment Equity while enhancing systems that support diversity and inclusivity.</p> <p>We uphold the rights of our employees, clients, partners, suppliers and society, and we oppose all and any forms of discrimination based on race, gender, colour, ethnicity, age, religion, political and sexual orientation, nationality, union membership, physical disability or HIV/Aids status.</p>



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UNGC Principles	7	Businesses should support a precautionary approach to environmental challenges	<p>The Group has an Environmental Policy in place, which is available to all employees through the Discovery intranet and publicly available on our website (https://www.discovery.co.za/corporate/legal).</p> <p>This Policy affirms our commitment to providing products and services in a manner that ensures a safe and healthy workplace for employees and minimises our potential impact on the environment. It provides for a range of actions to reduce our environmental impact, including the integration of considerations relating to environmental concerns and impacts into all of our decision-making and procurement processes, and the promotion of environmental awareness among employees.</p> <p>In addition, our Environmental Policy provides for disciplinary action to be taken in instances of non-compliance and for all instances of non-compliance to be included within the regular risk reporting process.</p> <p>We endeavour to:</p> <ul style="list-style-type: none"> ■ Comply with all relevant regulatory requirements and other compliance obligations ■ Disclose our progress, performance and plans in line with the recommendations of the Task Force on Climate-related Financial Disclosures ■ Continually monitor and reduce our direct environmental impact, including greenhouse gas emissions by improving our energy use efficiencies, water usage and waste management ■ Implementing the zero to landfill waste goal for all our main offices and aligning it with our 2023 ambition ■ Monitor and reduce our indirect impacts associated with our supply chain ■ Understand and be responsive to environmental risks and opportunities and how they impact our business ■ Incorporate environmental factors into business decisions ■ Increase employee awareness and training ■ Through our policies and our actions, seek to protect and build our reputation across all aspects of our business.



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UNGC Principles	8	Undertake initiatives to promote greater environmental responsibility	<p>During the year in review, the Board approved the Group's Climate Change Strategy. Also, 'Restore the environment' has been included as a sustainability differentiator pillar in the Group's Sustainability Framework.</p> <p>Through the Shared-value Insurance model, Discovery plays a significant role in influencing clients' health and financial behaviour and sharing the value of this behaviour change with our clients and society. We have an opportunity to become part of the climate-change solution by extending the Shared-value model into this space, while minimising any negative impacts we have on the climate.</p> <p>In the United Kingdom, Vitality has already innovated with its product line by introducing a carbon offset offering as part of its Good Driving Programme to help clients reduce their carbon emissions. Our clients also receive points for car-free days.</p>
UNGC Principles	9	Encourage the development and diffusion of environmentally friendly technologies.	<p>As part of our Climate Change Strategy, product development is underway in both South Africa and the UK on a green Vitality proposition consisting of a carbon footprint calculator and programme of incentives and rewards for changing lifestyles to more climate-friendly behaviours, with a goal to launch by 2023. A number of interventions and rewards will be introduced that incentivise low-carbon behaviours, driving a reduction in carbon emissions across Discovery's client base. The solution will therefore extend Discovery's Shared-value model into the area of climate change for positive impact. Discovery estimates it could amplify its direct operational emissions savings by many multiples by driving large-scale reduction of CO2e emissions through its client base.</p> <p>In addition, we strongly support the development of urban and community infrastructure that supports the use of public transport. As an example, we participate actively on the Sandton Sustainability Forum and input into consultative processes regarding infrastructure, transport and safety.</p>



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Framework	Code	Description	Description
UNGC Principles	10	Businesses should work against corruption in all its forms, including extortion and bribery	<p>Discovery recognises that financial crime in all its forms is a threat to the Discovery Group and is committed to the prevention of all financial crime. We strive to ensure that high standards of awareness and crime prevention are maintained across Discovery, supported by risk-based internal procedures, policies, systems and controls.</p> <p>Financial crime risks are mitigated by:</p> <ul style="list-style-type: none"> ■ Conducting due diligence prior to onboarding board members, employees, suppliers and/or third parties and throughout the relationship ■ Encouraging all internal and external stakeholders including employees, clients and partners to report fraud, bribery, corruption, money laundering and generally unethical behaviour to our whistleblowing hotline. This report can be made anonymously ■ Annual awareness and training on anti-bribery and corruption and other relevant financial crime legislation to internal and external stakeholders including employees. ■ The Discovery Whistle-blowing and Financial Crime policies establish an environment where the Discovery values form the basis for the conduct of all employees, where employees are empowered to raise matters of concern in a responsible manner and a zero tolerance towards financial crime is adopted. ■ Customer due diligence (including as it relates to illegal activities) is conducted on all prospective clients prior to establishing a business relationship. <p>Discovery Health invests substantial resources to address and manage fraud, waste and abuse (FWA) in the medical scheme environment in a fair and responsible manner on behalf of all its client medical schemes and members. We are part of an industry-wide collaboration to combat FWA, where Discovery is actively supporting the Council for Medical Schemes and working with all stakeholders to guard against the corrosive effects of corruption in the healthcare system.</p>



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Framework	Code	Description	Description
UNGC Principles	10	Businesses should work against corruption in all its forms, including extortion and bribery	<p>Our efforts to work against corruption are spearheaded through Group compliance and the Group Ethics Office, and are included within the ERM framework.</p> <p>Group compliance</p> <p>To prevent bribery and corruption, Discovery has appropriate due diligence procedures in place and takes a risk-based approach to ensure compliance with all applicable laws and regulations related to anti-bribery and corruption.</p> <p>Policies implemented to address bribery and corruption, include:</p> <p>Anti-corruption Policy – which sets out the detailed governance, processes and management actions to ensure the integrity of the group and its interactions</p> <p>Conflict of Interest Policy – which caters for gifts received and offered and also covers insider trading, recruitment, moonlighting and procurement, as well as conflict of interest for financial services providers</p> <p>The Whistle-Blowing Policy – outlines the processes that employees must follow when reporting their concerns which includes fraud and corruption</p> <p>The Procurement Policy – which sets out how the acquisition and sourcing of goods and services is performed and managed within Discovery, and provides tools to mitigate risk, including ESG risk.</p> <p>Group Ethics Office</p> <p>The Group Ethics Office is an independent function tasked with assessing and promoting the ethical corporate culture of the Discovery Group. It works with business and reports regularly to the Social and Ethics Committee of the Board of Directors on the formal structures safeguarding ethics within the organisation, their effectiveness in promoting an ethical culture, and the way in which employees perceive the Group's efforts in pursuit of integrity.</p>

