



Discovery was founded on a simple core purpose – to make people healthier and to enhance and protect their lives. This has made Discovery the pioneer of shared-value insurance globally. Our purpose, values and Shared-value Insurance model ensure that we remain focused on being a powerful force for social good.

In partnership with our Vitality network of insurers, we have made a bold public pledge to transform global health by making 100 million people 20% more active by 2025.

Group CEO's message: Adrian Gore



Discovery congratulates Sanda Ojiambo on her appointment as Executive Director of the United Nations Global Compact in May 2020. As a Kenyan business leader, Ms Ojiambo brings over 20 years of experience to the role and is the second woman and first African to lead this initiative of over 10 000 corporate and 3 000 non-business participants from over 160 countries.

[For a summary of Discovery's primary and indirect impact areas, see the section on the Sustainable Development Goals.](#)

[For Discovery's progress on integrating the United Nations Global Compact principles, see the 2020 Communication of Progress report.](#)

COVID-19: A test of sustainability

First detected in December 2019, the COVID-19 pandemic continues to affect the health and wellbeing of individuals, communities and nations globally. It has required an unprecedented response and collective action to address the risk of infection, care for those infected, the impact on lives and livelihoods, and the management of economies still reeling from the impact of the measures adopted by nations to manage its spread.



Due to the substantial impact of COVID-19, this report includes a dedicated section on Discovery's response and initiatives. As the pandemic continued to unfold during the drafting of this report, the information included in the COVID-19 section only discloses our key responses and initiatives in the 2020 financial year (to 30 June 2020).

[For further detail, see COVID-19 – a test of sustainability.](#)

Group Chief People Officer's message: Tswelopele Kodisang



Discovery's revised sustainable development framework



Discovery's sustainable development framework is being revised through a process of widespread consultation with internal and external stakeholders. Aligned to our Shared-value Insurance model and business strategy, it will provide a framework for an

Integrated approach that informs the actions of our operations in driving measurable social value.

For further detail, see Discovery's revised sustainable development framework.

About our report



The Discovery 2020 Sustainable Development Report provides details on how Discovery has delivered on its commitment to be a powerful force for social good. We invite you to explore this website to read more about Discovery's journey to realising our ambitions for the good of our clients, our business, our networks and society.

More detail can be found in [About our report](#).

We are constantly working to improve our reporting and the way in which we measure our impact and outcomes. We welcome stakeholder feedback on our sustainability framework, initiatives and reporting, which can be emailed to sustainability@discovery.co.za.

Our Material Matters

During the 2020 financial year, Discovery undertook a broader materiality determination exercise to identify the material matters that could impact Discovery's ability to create value in the short, medium and long term. It considered value creation in the context of Discovery's core purpose, which also guides our business decisions.

For a listing of the material matters linked to the content across this Sustainable Development Report, see [Our material matters](#).

For the material matters disclosure in the 2020 Integrated Annual Report, including links to risk, download the [2020 integrated annual report](#)



About our business

Discovery Limited is a South African-founded diversified financial services organisation that operates in managed care and administration of medical schemes, life insurance, long-term savings and investments, short-term and business insurance, banking and behaviour-change programmes.



Established in 1992, Discovery is guided by a clear purpose - to make people healthier and enhance and protect their lives. Our core purpose has manifested in a globally recognised Shared-value Insurance model, underpinned by our leading behaviour-change platform, Vitality, which creates value for our businesses, clients and society.

Discovery applies our Shared-value Insurance model in 22 countries, leveraging the expertise of over 12 980 employees globally.





Covid-19 A test of sustainability



Related material matters and sustainable development goals

Material matters:

6. Understand and respond to the impact of COVID-19

Sustainable Development Goals:

3. Good health and well-being

Introduction

While economic growth and development has benefited from greater levels of globalisation, it amplifies the contagion risk for diseases and economies on an international scale. Globally, the COVID-19 pandemic is impacting society on many levels: from governments who are making tough crisis management decisions that have serious repercussions on the economy; to severely strained healthcare systems and workers; and families dealing with new ways to keep themselves safe, healthy and productive.



At the time of finalising this report (on 30 June 2020), the World Health Organisation had reported over 10 million confirmed cases and over 500 000 deaths globally.

The impact on the lives and livelihoods of people, around the world, is enormous as it is both a trans-national health crisis and a far-reaching global economic crisis. In South Africa, the government acted decisively to prioritise the health and lives of its citizens, with President Cyril Ramaphosa declaring a National State of Disaster on 15 March 2020 and a national lock-down implemented from 26 March 2020, which impacted all non-essential businesses. From 1 May 2020, South Africa commenced a phased approach to resuming normal economic activity.

Discovery's understanding of COVID-19 and the actions we are taking to protect our clients, employees, networks and business partners, are based firmly on accurate and evidence-based knowledge of the disease, as well as best-practice containment strategies from the World Health Organisation.

Our core purpose and our values leading our response

In this extraordinary crisis, Discovery's purpose to make people healthier and enhance and protect their lives remains central and relevant to the lives of our clients and society. Discovery's people have risen to the multiple challenges posed by COVID-19 and have continued to engage with our stakeholders and innovate in our response.



The pace of delivery has never been higher across the organisation; not only have COVID-19 projects been executed in record-breaking time through round-the-clock efforts, but the organisation simultaneously continues to push ahead on every front. We have an obligation to do what we can, but more than that, given our unique position we have an opportunity to make a difference and truly be a force for social good.

- Hylton Kallner, CEO of Discovery SA

Our response and initiatives

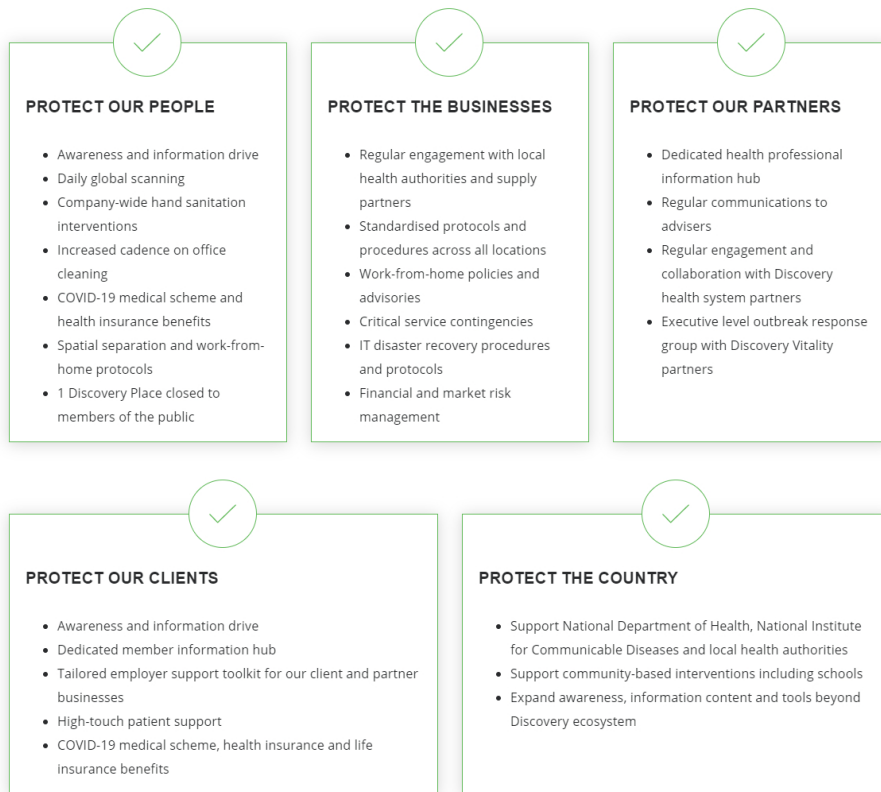
Discovery's multi-faceted response to the COVID-19 pandemic was

Discovery's multifaceted response to the COVID-19 pandemic was approached by applying the ecological model. This ensured comprehensive and coordinated action within stakeholder groupings, while remaining cognisant of the interrelationships between our people, clients and members, related networks, and society.

The Group rallied together to ensure that our products are tailored and more relevant than ever, our operations and infrastructure are well-positioned to manage this complex environment, and service levels remain excellent and all aspects of the business continue to operate optimally.

It's been a monumental task and truly reflects Discovery at our very best.

- Hylton Kallner, CEO of Discovery SA (email to Discovery SA employees)



Protect our people and the businesses

Discovery's guiding philosophy in the pandemic was to prioritise the health and safety of our people. This reflects our understanding that our people are our business; they are the core of our ability to deliver value to our stakeholders and deliver on our commitment to be a powerful force for social good. And in this time of crisis, we believe that our people have met the challenge.

Our actions to protect our people include health and safety protocols through to wellbeing support. It included hiring hundreds of cars to ensure that essential office-based staff could avoid using public transport and delivering thousands of meals across campuses every day, to producing and distributing Discovery-branded masks. It also meant moving as many staff as possible to a work-from-home model, for their safety as well as for those remaining in the offices; the result was the rapid and successful deployment of over 11 000 people to a virtual work-from-home network.

Specific interventions included:

- Establishing the Coronavirus Emergency Committee, comprising representatives from Health and Safety, Business Continuity, Discovery People and Group Facilities, to monitor media reports, and assess potential impacts and strategies around risk to employees and the Group, including reviewing essential international business travel
- Providing ongoing communication to reinforce COVID-19 protocols
- Increasing scheduled sanitation measures
- Taking proactive steps to ensure that our most clinically vulnerable employees are identified and shielded through appropriate work-from-home or other measures
- Instituting specific protocols to protect essential onsite teams, including regular temperature checks, enhanced hygiene measures and spatial separation
- Suspending access into Discovery buildings for non-Discovery employees for the duration of the lockdown.

Access to Healthy Company for employee wellbeing services continues to operate, including a specific, personalised COVID-19 support service for any employees that require testing or who do test positive. Trained paramedics are available in each building nationwide, and a dedicated email is operating for advice, reports and assistance.

We have also established a cross-functional working group, chaired by the Group Compliance Officer, responsible for implementing regulatory requirements published by the Department of Labour. This working group ensures that Discovery is responsive to the evolving health and safety

workplace measures, and keeps employees aware of their rights and responsibilities in maintaining a safe work environment for all. It will continue to operate for as long as the prevention of the spread of COVID-19 remains a public health priority.

To support new ways of working, especially with the move to work-from-home for as many employees as possible, a SAP Jam page is providing information, updates and self-help tools. Also, to ensure that Discovery remains more connected as an organisation than ever before, a series of webinars are being delivered to provide live training sessions and a point of connection across the Group, facilitated by our executives, subject-matter experts, and personal trainers. Webinars centre on topics to help Discovery's people navigate the pandemic with insight, tools, and mental and physical stamina, and are also an opportunity for executives to answer questions submitted by employees.

Guidelines were developed by the Discovery Institute of Training to help managers set up and support their work-from-home team members, with key tips, expected challenges and additional resources. The transition to a work-from-home environment has been effected efficiently, with little disruption in service levels and response times across our operations. There has also been a discernible shift in corporate culture, with greater levels of empathy from all levels of the organisation as we adapt to new realities, including an understanding of the challenges of home-based work environments, where parents are balancing work and childcare, employees are working from bedrooms and dining room tables, and our people also experience the understandable sense of distress and grief in the midst of turbulence, loss and change.

As the pandemic is still unfolding in South Africa and internationally, we continue to review our approach, including a return to office campuses of more employees as the country moves through the risk-adjusted national strategy phases of lockdown.



Given infection trends, the success of the work-from-home model in terms of technology and productivity, and the resulting cost and time savings for employees, we anticipate that a portion of the workforce will be working remotely well into 2021. The Group is developing flexible work principles to guide business to design and implement fit-for-purpose models of collaborating. This will ensure that all flexible working formats preserve culture, brand, connectedness and operating effectiveness.

[For detail on the financial impact, critical service contingencies, IT disaster recovery procedures and protocols, and financial and market risk management, see the 2020 Integrated Annual Report](#)

Protect our clients

COVID-19 has impacted every aspect of our clients' lives, and in many cases their livelihoods. We have tailored our products to be more relevant in a COVID-19 world and also rolled out premium relief and support structures for clients, financial advisors and healthcare professionals to enable them to maintain their critical benefits and cover at this time, with approximately R5 billion earmarked specifically to assist these key stakeholders.



From the moment the lockdown was announced, every team across the business looked for opportunities to be more relevant, led by our purpose and values. The results have been wide-ranging, providing much-needed support and additional product value. Also, a raft of concessions were provided to help members and employer groups weather the impact of the economic downturn.

[For detail on Discovery's initiatives to support clients, see the 2020 Integrated Annual Report](#)



Our stories

[Online doctor consultations to fight Covid-19.](#)

The COVID-19 Business Support Service was launched to assist employer groups and their management teams in formulating and executing an effective response to COVID-19 as their employees return to work, given the importance of protecting their employees and ensuring the continuity of their operations.

Discovery also provided a range of podcasts providing information and resources to members, including a podcast with Cassey Chambers, Operations Director at the South African Depression and Anxiety Group, that helps patients understand the emotions that accompany a diagnosis of COVID-19 and the support needed in recovery.

Vitality provided members and Discovery employees with access to free content and discounted teaching-related services from CambriLearn and MyTopDog, supporting home-bound families and individuals.

Our Discovery values have shone through in every way. Particularly in respect of innovation, drive and urgency, we have expressed our inherent creativity in Discovery to lead the market with innovative stakeholder offerings to protect customers and enhance the value we provide at every level.

- Dr Ryan Noach, CEO of Discovery Health

From inception of the business, we have built a vast and relevant data pool of health information. Leveraging our leading analytical capabilities, we have been providing disease outbreak modelling, claims forecasting and scenario planning to support the schemes administered by Discovery Health to track and understand the impact of COVID-19. This allows for effective management of the pandemic through quicker identification and contacting of infected members, and risk advisory to mitigate severe manifestations.

Discovery Health's remote monitoring interventions leverage our vast data sets, cutting edge research and seamless operations to identify high

risk members and equip them with oximeters. More than 7 500 members benefited from this intervention, with materially lower morbidity (27% lower hospital admissions) and mortality (38% lower case fatality rate) recorded in these cohorts than in similar control groups.



We are also providing epidemiological and public health advisory services to support the broadest response to combat the spread of COVID-19.

For detail on the clinical impact of COVID-19 and its progression in South Africa, see the Discovery Health whitepaper – Counting the cost of COVID-19

Protect our partners

Given disruption to supply chains across many industries, Discovery has been engaging closely with key suppliers and stakeholders to ensure that a sufficient supply of chronic and essential medicine remains available. We also engaged directly with members to appeal for calm and support by avoiding medicine stockpiling, consistent with national public guidance, to ensure that all South Africans continue to have monthly access to their medicine as required.

Through our participation in the CEO Initiative, a partnership between the Government and the CEOs of a number of companies that aims to stimulate the economy and create jobs, we made a national appeal for corporate South Africa to fast-track payment to their small- and medium-sized enterprise suppliers. Given that there are around 550 000 small- and medium-sized enterprises who employ approximately six million people, supporting their cashflows and injecting liquidity into a particularly vulnerable area of the economy is a critical area of support that can be provided by big business to help alleviate the financial impact of COVID-19.

We also worked with several medical schemes to support doctors, who are also small- and medium-sized enterprises that play a critically important role in society and especially during the pandemic. We freed up approximately R3 billion of liquidity through these engagements to prepay doctors. Discovery leveraged its supplier network to support healthcare professionals in the procurement and distribution of personal protective equipment, a critical defence in their fight against COVID-19.

To support the health of healthcare professionals operating on the front-line during the COVID-19 outbreak, we increased the testing benefit for COVID-19 PCR tests on the WHO Global Outbreak Benefit to four PCR tests per year for members who are registered healthcare professionals. Healthcare professionals also have access to isolation hotels, psycho-social support and flu vaccinations.

We are also providing access to key COVID-19 information to keep doctors abreast of developments in the pandemic, including clinical guidelines and links to resources provided by the National Department of Health and National Institute of Communicable Diseases. In partnership with the South African Medical Association, we facilitated a series of webinars and podcasts featuring leading local and international experts to provide doctors with essential information on developments in COVID-19.

With the lockdown impacting the normal course of business for financial advisers, Discovery moved quickly to change some of our processes to enable advisers to service their clients and continue submitting new business on a fully electronic, digitally enabled basis. This enabled full and immediate cover through flexible underwriting, supported by the rollout of mini-labs nationwide to service underwriting requirements. Discovery achieved increased turnaround times through these new processes, with 99% of qualifying cases underwritten in under six hours.

I am proud of the impact we have had, working with government on many areas of the response, and particularly in supporting small- and medium-sized enterprises. Coming out of this, the new heroes are the scientists, doctors and the myriad of healthcare workers and other support staff that work alongside them.

- Adrian Gore, Discovery Group CEO

Protect our country

Discovery provided extensive COVID-19 support reaching beyond our direct stakeholders, including:



A comprehensive COVID-19 Information Hub on the Discovery website, with open access to up-to-date information covering understanding and preventing COVID-19, to national and international situation reports and governmental resources, as well as links to product-specific information and frequently asked questions. It also includes information on managing finances, working from home, keeping physically active and safeguarding mental health.

191 859 unique site visits were logged on the information hub between 3 March 2020 and 30 June 2020



A digital screening tool was added to the Discovery website and Discovery website and interactive voice response system to help South Africans understand their risk at any time by completing a COVID-19 risk assessment. The assessment is a set of questions that determines if someone may be presenting with symptoms suggestive of COVID-19 or that they may have been exposed to COVID-19 infection and need a consultation with a doctor.



Implementing virtual consultations that are protecting Discovery Health members and their doctors, and extending this to all South Africans on a toll-free basis by partnering with Vodacom and sponsoring 100 000 free consultations.



Our stories

For details on providing virtual consultations - Online doctor consultations to fight Covid-19.

Discovery is working closely with the National Department of Health, National Institute of Communicable Diseases, local health authorities, and other industry and community bodies, to share our knowledge and expertise. Together, as we learn more about the disease, we are better equipped to support fellow South Africans.

In partnership with hospitality industry partners and as approved by the National Department of Health, Discovery's isolation benefit supports members with an option to self-quarantine in a managed hotel facility. This is particularly suitable for at-risk members, healthcare workers and companies needing to isolate and protect key staff. Discovery also developed protocols for hotel quarantine facilities for COVID-19 positive patients who are asymptomatic, helping prevent further spread of the virus, with services including nursing support, transport and virtual consultations.

Based on our unique understanding of the risk factors driving hospitalisation, we used advanced machine learning techniques to identify the impact of demographic, health and lifestyle-related factors if diagnosed with COVID-19. Discovery is applying these insights to provide a personalised COVID-19 Resilience Index for all South Africans. For South Africans who are not members of Discovery Health Medical Scheme, the Index uses self-reported data allowing an individual to understand their risk if they contract the virus and take the necessary steps to limit exposure. The Index is being updated and refined as we gain more insight into risk factors.

We have rallied support for national government in their efforts to combat the pandemic, with Discovery teams engaged in projects as diverse as actuarial modelling, feeding programmes for the indigent and digital trace-tracking technology.

In collaboration with the National Department of Health, Discovery worked together to build South Africa's own, unique Bluetooth-enabled contact tracing app – COVID Alert SA. The app is freely available to all South Africans and part of South Africa's broader contact tracing initiatives. The National Department of Health was supported by Discovery's digital development team, with all work done by Discovery provided entirely free of charge and with Discovery having no financial interest whatsoever in the app. The National Department of Health and Discovery worked closely with Apple and Google to align to their exposure notification framework, which is intended for use only by public health authorities. The app was successfully launched by the South African President and Minister of Health on 2 September 2020.

Support extends to all countries where we operate. For example, the Australian Health Department contracted Quantum Health to provide data analytics on COVID-19. Quantum Health is a joint venture between Discovery Limited and the Quantum Group Pty Ltd, a data science consultancy that harnesses data to drive improved patient outcomes.

Through Discovery ForGood, our employee volunteering programme, we are running #PayItForward as a creative and innovative way to continue the spirit of volunteerism during lockdown. Discovery is matching all funds donated by employees to the national Solidarity Fund, with R608 318 raised to June 2020 by Discovery and its employees.

We have also utilised our product structures through weekly Active Rewards donations to FoodForward and UNICEF, and are matching our client donations to the Solidarity Fund in the form of Discovery Miles.

The Discovery Board Chair, CEO and Executive and Non-Executive Directors of the Board donated a third of their salaries and fees over three months to efforts to fight the pandemic, with funding allocated to the Solidarity Fund and other COVID-19 related causes.

Three senior staff members were also seconded to the Solidarity Fund to support its vital role in distributing funding.

We are proud to play our part in supporting the remarkable national effort to preserve lives and livelihoods, given what is at stake.

- Adrian Gore, Discovery Group CEO

Our relevance in the 'new normal'

Discovery stands with its people, clients, partners and broader communities nationally and internationally in these distressing and troubled times. We share concern about the future, especially as many face real and significant challenges. COVID-19 has laid bare fault lines across the world, and we are seeing how poverty and inequality have real and tragic consequences.

Discovery's core purpose is perhaps more relevant than ever before – to make people healthier and enhance and protect their lives. We have seen the COVID-19 pandemic bring our organisational values to the forefront, especially in how our people have demonstrated intellectual leadership, and drive, tenacity and urgency in their response. And despite the circumstances, there has been innovation and optimism in meeting new challenges.

The business model in this "new normal" is highly relevant.

- Adrian Gore, Discovery Group CEO

While our Discovery Shared-value Insurance model was already disruptive before COVID-19, the trends underpinning it look likely to intensify going forward. Personal health will be a top priority; as will the shift online and the implications for how individuals access healthcare (telemedicine), exercise (online workouts) and the banking system (digital-only); and the coalescence of purpose and profit through business models that address society's most pressing challenges – health and financial resilience being one.

There have also been positive aspects to the national response in South Africa, with greater levels of cooperation and engagement across all spheres of society, including between business and government. We believe this creates a template for cooperation that will remain urgent and critical in the months and years ahead, given the massive economic and social impact of the pandemic.

Operationalised through our Shared-value Insurance model, we continue to see that a shared-value approach remains a cogent enabler of healthy lives and societies. From research that we have undertaken in South Africa during the pandemic, indications show that a higher Vitality Status, which is indicative of a healthier lifestyle, is correlated with a lower incidence of COVID-19 hospital admission; this is consistent with many other positive correlations we see with Vitality status.

A research article by McKinsey and based on data from the Organisation for Economic Co-operation and Development makes the link between the costs of the pandemic and costs of poor health globally:

"Informed forecasts suggest that the pandemic and its effects will cost the global economy up to 8 percent of real GDP in 2020. Yet each year,

poor health costs twice as much—around 15 percent of global real GDP from premature deaths and lost productive potential among the working-age population. As organizations around the world look for tools to speed up economic recovery, rethinking health as an investment, not just a cost, could accelerate growth for decades to come.”

- McKinsey Global Institute: How prioritizing health could help rebuild economies; 8 July 2020.

In addition, the McKinsey research also estimated that “more than 70 percent of the health-improvement potential from known interventions would come from environmental, social, behavioural, and preventative interventions”. It is here particularly where Discovery has shown the success of the Vitality model in incentivising and sustaining healthy behaviours.

Driven by our purpose and enabled by our Shared-value Insurance model, we have demonstrated great adaptability and success in:

1. Protecting employees while ensuring business continuity
2. Supporting clients while maintaining financial resilience
3. Using our assets and expertise to play an industry support and nation-building role.

The world, and certainly healthcare, will not be the same after this pandemic. If we can create affordable and more sustainable systems that provide all South Africans access to basic healthcare, that would be a very positive outcome of this crisis.

- Adrian Gore, Discovery Group CEO



Our Stories

Online doctor consultations to fight COVID-19



Related documents

Supplementary environmental, social and governance information

Discovery 2020 Integrated Annual Report

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Related material matters and sustainable development goals

Material matters:

- 1. Deliver on our core purpose
- 5. Leverage our capabilities to support resilient ecosystems

Sustainable Development Goals:

- 9. Industry, Innovation and Infrastructure

Deepening the social value of our products

Our core markets of South Africa and the United Kingdom have led the way in deepening social value. In South Africa, we are using our unique approach to healthcare insurance and wellness to provide products that protect and enhance the lives of people, helping to make healthcare accessible to a broader market and alleviating some of the burden on public healthcare systems. We are extending this approach in life assurance, short-term insurance, savings and investments, and banking.

Discovery Health's strategic objective is to become the lowest cost administrator, with ongoing investment in technologies to optimise operational efficiency and service levels. This not only supports better business and member satisfaction, but lowers healthcare costs.

- ✓ 8.8 member satisfaction score (out of 10) in Discovery Health Medical Scheme
- ✓ In Discovery Health Medical Scheme, members pay an average of 16.7% less than they would at the next ten largest open schemes
- ✓ Discovery Health offers the broadest product range, with premiums lower than the cheapest competitor on a benefit-adjusted basis
- ✓ The weighted average contribution increase for Discovery in 2020 was 9.5%



Efforts to reduce fraud and waste in the healthcare system increases value for members and supports efficiencies and trust in the healthcare system.

[Read more in Preventing corruption, fraud and waste.](#)

By strengthening and expanding access to quality private healthcare, Discovery Health reduces the burden on the public healthcare system.

- ✓ Discovery KeyCare is an affordable medical aid option that is combined with KeyFit to give access to wellness facilities, incentives and tools to encourage healthier behaviour
- ✓ Discovery Primary Care is a unique healthcare product that enables employers to provide employees and their families with affordable quality private healthcare and wellness management at a cost that is acceptable to employees at all income levels.

Discovery Health supports a number of interventions to improve the quality of care for its members by implementing and expanding value-based contracting initiatives with doctors and other service providers including:

- ✓ DiabetesCare, CADCare and KidneyCare programmes, which ensure subscribed members get high quality coordinated healthcare and improved outcomes
- ✓ Discovery HealthID shares important information with healthcare professionals selected by patients to give a more complete view of their health history and test results. This improves patient care and reduces the likelihood of serious medical errors and duplicate or unnecessary pathology tests. In addition, HealthID also reduces the administrative burden for doctors
- ✓ Discovery's Patient Satisfaction Survey rates the quality of care received by participating medical scheme members at hospitals and incentivises further improvement on the part of hospitals for the benefit of all patients, including Discovery members

We drive a savings culture and reward good financial choices through Discovery Bank.

- ✓ Discovery data shows that positive behavioural change is seen just two months after joining Discovery Bank
- ✓ Credit arrears rate 5.4 times less than the market*
- ✓ R3.7 billion retail deposits (with average deposits being 5 times higher than the market).

* TransUnion statistics

Our Vitality¹ platform is a globally unified systems architecture that markets can access, allowing rapid and economical deployment to our partners. Through Vitality¹, we are increasing the positive behavioural impacts of the Vitality programme globally by:

- ✓ Enabling more frequent engagement between our insurer partners and their customers
- ✓ Leveraging increasing quantities of data gathered from insurers across different countries to improve and develop new models
- ✓ Providing our partners with access to increasingly accurate insights on what behaviours and incentives achieve the best outcomes and greater social impact.

Applying behavioural economics

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life assurance, short-term insurance, savings and investments, banking, and wellness markets.

Life and Health risk	Accident risk	Retirement risk	Resilience risk
 The Challenge: 4 lifestyle behaviours and 4 chronic conditions contribute to 60% of deaths worldwide			
 The Behaviours <ul style="list-style-type: none">• Poor diet• Physical inactivity• Tobacco use• Excess alcohol intake	 The Conditions <ul style="list-style-type: none">• Various cancers• Chronic lung disease• Diabetes• Cardiovascular disease	 Sources World Health Organisation and its Global Burden of Disease assessment	
 Discovery's response Make people healthier and live longer			
Activated through our Shared-value Insurance model <i>Along with our partners, we use the Vitality Shared-value Insurance model to change the way consumers worldwide experience insurance</i>			
 How we respond As a catalyst for behaviour change, we incentivise and reward our members to improve their health by providing better value and improved price and benefits.	 ... which sustains our business through: Healthy behaviours supporting: <ul style="list-style-type: none">• Lower claims• More profitable and sustainable business• Positive selection and lower lapses	 ... and has a positive impact on society as: Savings and healthier behaviours support: <ul style="list-style-type: none">• A healthier society• Improved productivity• Reduced healthcare burden	

... leading to a virtuous cycle of shared value.

Our business is completely aligned with the health and wellbeing of our clients: if they are healthier, our business is more profitable and sustainable, and we can share more value with our clients and partners. Ultimately, by being more competitive and effective in driving our Shared-value Insurance model, we are also driving social good. That's a perfect, shared-value cycle.

- Adrian Gore, Discovery Group CEO

Make people healthier and live longer

Non-communicable diseases such as cardiovascular diseases, lung diseases, diabetes and certain cancers continue to place an increasing burden on healthcare systems across the world. The cause of these lifestyle diseases includes behaviours such as physical inactivity, smoking, substance abuse and poor nutrition – although genetic, environmental and psychological factors also play a role. Rapidly increasing rates of non-communicable diseases not only drive up costs and overload healthcare systems, but also negatively impact economic productivity. The World Health Organisation estimates that for every 10% increase in non-communicable disease mortality, economic growth is reduced by 0.5%.

Vitality is the world's leading science-based behavioural change programme that encourages healthy activity among employees and rewards them for it. In addition to a healthy lifestyle being more enjoyable, it has been proven that Vitality Health members live longer and are less likely to develop lifestyle-related diseases.

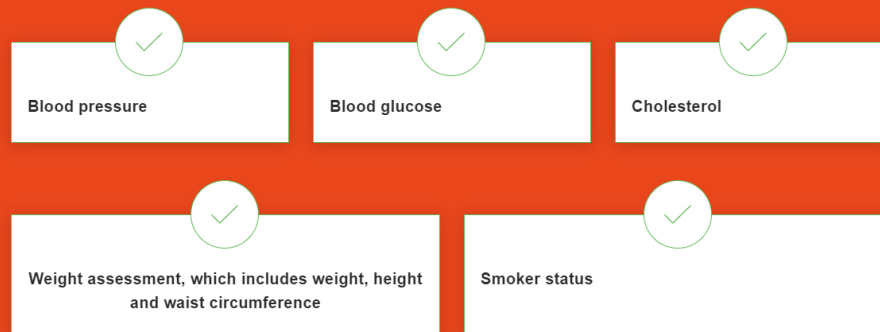


Vitality's success in incentivising positive behavioural change that drives healthier lives, benefits economies, and helps prevent NCD is well researched. Read recent research and scientific studies [here](#).

Positive behavioural change through Vitality has a broader social impact by reducing hospital claims. It represents shared value in action: lower hospital claims means that members are living healthier lives; their medical scheme is insuring less risk; the insurer is more profitable and able to maintain capital adequacy, increase investments in innovation and preserve employment; and there is less burden on healthcare systems.

In South Africa, we performed over 8.8 million Vitality Health screenings in the 2020 financial year. With the onset of COVID-19 and the need to drive increased awareness of health and wellness, Vitality launched a virtual Vitality Health Check-in. This enables members to manage and screen for health risks through a telephonic consultation with a wellness specialist.

The Vitality Health Check is a simple and convenient set of essential health tests of:



These five measures are key to assessing the risk of developing cardiovascular disease and diabetes.

Discovery Health runs a number of shared-value initiatives to improve the quality of care for members and decrease healthcare costs, which benefits all scheme members and the broader healthcare system. These initiatives enhance patient outcomes by coordinating care, and use digital health tools to improve access for healthcare providers to critical information.

In the United Kingdom, Vitality Healthy Mind has been successful in promoting healthy mental wellbeing activities as a new pillar of the programme. Over 60 000 members have engaged with the product, logging approximately 1.5 million mindfulness sessions since its

launch in 2018 through a range of mobile apps. Healthy Mind continues to offer a preventative level of mental wellbeing support alongside clinical support for more serious issues in the form of counselling and cognitive behavioural therapy through Vitality's Talking Therapies network, available to all VitalityHealth members.

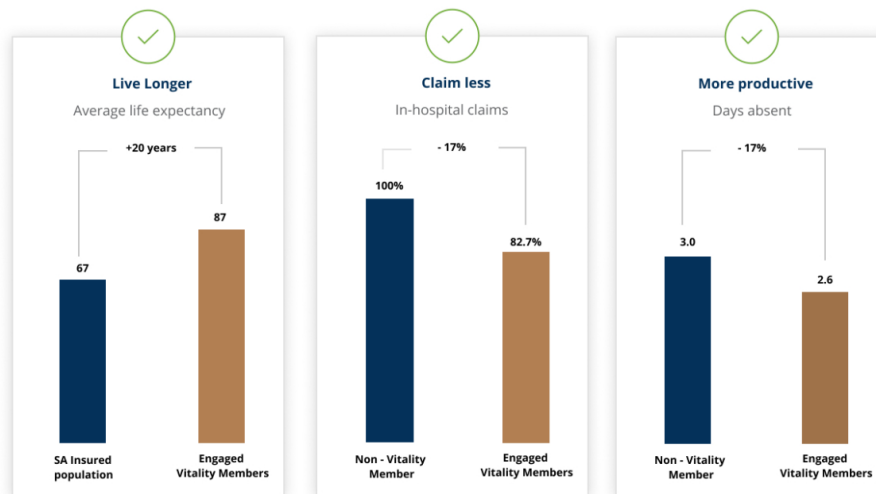
Assisting our client manage their corporate needs

When employers embark on promoting better health among their employees, there are no losers.

- Neville Koopowitz, CEO Vitality UK

Discovery provides shared-value insurance for corporates to encourage healthy behaviours that benefit both employers and employees. As healthy lifestyles improve their overall health, it in turn leads to lower claims for the insurer through decreased mortality and morbidity risk, lower lapses and longer investment periods. The decrease in claims creates a surplus that is used to fund additional benefits for the employees, further encouraging and rewarding positive behaviour change. The result is a structural transformation of insurance – additional economic value is unlocked, creating benefits for the employee, the employer and the insurer. Also, society benefits from reduced healthcare costs and enhanced economic performance. It is this emergence of shared value that makes the case for employers to invest in the health of their staff so compelling.

Impact of employees engaging in healthy behaviour



Employee

- Improved emotional, financial and physical wellbeing
- Better value through upfront and ongoing premium and discounts and paybacks.
- Improved access to primary healthcare.
- Improved retirement provision through increased savings.

Employer

- Improved productivity
- Increased employee retention
- Reduced healthcare burden
- Healthier workforce

Discovery

- Decreased mortality and morbidity risk, resulting in lower claims.
- Lower lapses and defaults.
- Increased assets, invested in for longer durations.

Healthy Company, Discovery's digital employee assistance programme and wellness solution, proactively identifies and supports both at-risk employees and those that are well, throughout their work and life journey. Since its launch in 2018, Healthy Company has provided 60 000 employees with comprehensive employee assistance and enhanced wellness support.

In 2020, we introduced Healthy Company Core as a new offering that leverages the best of our Healthy Company digital assets to support employees across the four pillars of physical, emotional and financial wellbeing, as well as legal services. Data-driven insights are provided to employers to support optimal management of their workforce.

Our integrated approach to supporting employers and their employees extends to the physical manifestation of health and wellness solutions on-site. One such offering is access to toll-free, 24 hour support line for assistance with legal issues, financial concerns and emotional support.

In South Africa, access to quality private healthcare is limited and the majority of the population relies on an over-extended public health system. Discovery recognises the need and importance to find solutions to extend access to quality healthcare to more people at an affordable price. Discovery Primary Care is a unique healthcare product that enables employers to provide their low-income employees and their families with affordable quality private healthcare and wellness management.

Discovery Primary Care is meeting an important business and social need. However, Circular 80 published by the Council for Medical Schemes in December 2019 prohibits the continued operation of Primary Care products by March 2021 and would strip affordable and highly valued healthcare cover from those currently insured under Primary Care and related policies. Subsequently, after consultation with key stakeholders

and further review, the Council for Medical Schemes published Circular 56 in August 2020, extending this period to 31 March 2022. Discovery is engaging closely with the Council for Medical Schemes and other regulators to find the most appropriate way forward, given the wide-ranging implications for existing policyholders and considering the affordability and access that Primary Care products provide. Importantly, the Demarcation Regulations have facilitated the growth of an innovative primary care industry in South Africa, including the development of carefully structured rates, networks and primary healthcare pathways designed specifically for this market. These products represent good value for employers and their employees who cannot afford medical scheme cover, and we believe a solution will be found in consultation with the regulators.

In the United Kingdom, VitalityHealth has continued to evolve its products for the broader employee population of its business clients. Vitality at Work offers benefits including full cover for physiotherapy, up to eight sessions of cognitive behavioural therapy or counselling, and access to primary care services through a Vitality general practitioner.

Given the challenges facing public healthcare, we believe that Vitality is more relevant than ever in promoting positive behavioural change that has a measurable impact on health outcomes. It also represents a shift from healthcare that is focused on illness to healthcare focused on wellbeing, incentivised through the right behaviours to achieve the greatest impact.

Make people better drivers and build better businesses

Discovery is passionate about creating a nation of great drivers. Our Shared-value Insurance model helps reduce harm on our roads by monitoring driving behaviour and incentivising drivers to improve their driving by adhering to key safe-driving principles: avoiding speeding, harsh acceleration and cornering, and being more alert while driving by not using cellphones and observing a safe following distance. Better drivers mean fewer accidents and safer journeys for our clients and others on South Africa's roads.

Over 90% of road accidents are caused by driving behaviour. The UN Global Road Safety initiative creates an opportunity to #SpeakUp and draw attention to potential solutions, which we feel should be linked to the principles of behaviour change that have been proven to work.

- Anton Ossip, CEO of Discovery Insure

Discovery Insure supports South Africa's National Development Plan by focusing on key road safety initiatives including Safe Travel to School, a programme that uses Discovery Insure's intellectual property of improving driving behaviour for clients to improve the driving behaviour of scholar transport drivers

In May 2019, Discovery Insure announced a commitment to improve the lives of one million people (over and above those of its clients) through improved road safety by 2023. Discovery called for a constructive behavioural approach to solutions to road safety to mark the 5th United Nations Global Road Safety week, joining global leaders in the campaign to #SpeakUp and Save Lives.



Healthier businesses for healthier economies

Business growth is a national priority as the private sector contributes significantly to economic growth and reducing unemployment. Discovery Business Insurance believes that businesses that take proactive steps to grow have lower insurance risks, providing an opportunity for shared value where clients, Discovery and society as a whole can benefit.

Through the driver behaviour programme Vitality Drive for Business, businesses use telematics technology and incentive-based insurance principles to encourage and reward good driving behaviour. Drivers in a business can also be rewarded in their personal capacity through Driver Active Rewards, earning rewards from one of our partners by achieving set good driving targets tracked through our leading technology

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



Help people manage their money better

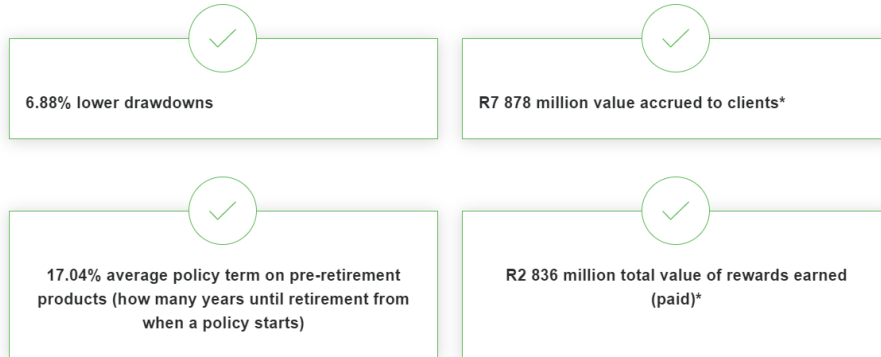
Rewarding healthy financial behaviour

The low savings and retirement funding gap in South Africa mean that only 6% of South Africans have adequate retirement funding. Without it,

people are either dependant on the state, their children or grandchildren, or on debt; none of which are sustainable options. Also, the impact of market turbulence is dramatic on investors, pension funds and people trying to build up their retirement savings, especially considering the impact of the COVID-19 pandemic.

In 2007, Discovery Invest revolutionised the South African investment space and built a business off the same insight that has made Discovery a success: by changing behaviour, we can tackle the South African savings crisis head-on and change the South African landscape for the better. To help our members achieve financial independence, Discovery Invest rewards healthy financial behaviour by incentivising our members to save more, save earlier, retire later and drawdown as little as possible during retirement. Integrated across other Discovery products, we give our members bonuses on their investments if they live healthier, drive better and manage their finances better. Essentially, we help our members earn additional returns, beyond market performance, just by living well.

Discovery Invest's success in driving smarter choices

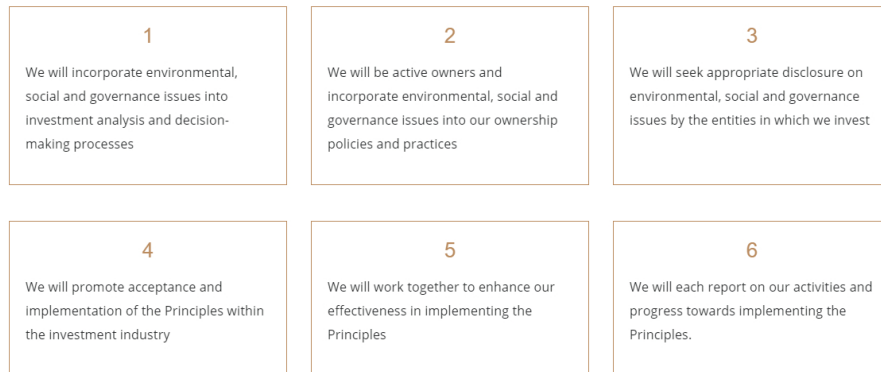


* The cumulative amount of rewards for exhibiting the three behavioural changes of saving earlier, withdrawing less and staying healthy. These are rewarded through boosts to investment amounts or through fee reductions.



This shows shared value in action; by rewarding smarter choices, members receive more value and invest more with Discovery for longer, which enhances the sustainability of our business and allows us to continue innovating and rewarding smarter choices that have a positive societal impact by closing the retirement gap.

Discovery Limited was approved as a signatory to the United Nations supported Principles for Responsible Investment in September 2020. As an institutional investor, Discovery has a duty to act in the best long-term interests of our beneficiaries. We also recognise that we can exert a positive influence in directing good environmental, social and governance practices, policies and behaviour of investees and financial institutions.


Our commitment extends to the six principles of the PRI, being:



We will be:

-  Monitoring quarterly reports provided by our investment managers to ensure consideration of environmental, social and governance factors, and assess that they show active ownership in, for example, proxy voting and transparent management engagement
-  Considering environmental, social and governance performance and ratings in addition to credit ratings when selecting internally managed investment in non-equity asset classes

The Capital, Currency and Investment Committee, a sub-committee of the Group Executive Committee, is responsible for monitoring and integrating responsible investment principles as required.

 Ninety One (previously Investec Asset Management) is nominated by Discovery Invest to manage a substantial portion of assets for Discovery in South Africa. Ninety One has a comprehensive environmental, social and governance policy in place and integrates environmental, social and governance considerations into investment decisions. The company is a signatory to the Principles for Responsible Investment and endorses the Code for Responsible Investing in South Africa.

Details on Ninety One's approach to sustainable/responsible investing can be found [here](#)

Discovery's Global Investment Selector leverages advanced digital technology to enable clients to choose and compare investment choices from the Global Alpha Investment Choices. While there are no set environmental, social and governance measures, the Selector allows clients to filter for various environmental, social and governance criteria. For the Insight List, funds that are considered as eligible against environmental, social and governance criteria are indicated as such in the profile.

In 2020, Discovery Invest broadened our product range to include a number of international investment options, giving our members access to a wide range of investment choices for diversification by currency, geographic region and asset class. These investment choices are managed by some of the most experienced international investment providers and cover a range of investment themes and geographic regions.



Our international risk-profiled solutions with allocations are managed by BlackRock, which has been a signatory to the Principles for Responsible Investment since 2008. Our international share portfolios with allocations are advised by Goldman Sachs Asset Management, which has been a signatory to the Principles for Responsible Investment since 2011.

In the United Kingdom, VitalityInvest has embedded the Vitality programme into VitalityInvest's products, at no cost to its members. In keeping with the philosophy of promoting healthy ageing, access to the Vitality programme was automatically embedded into all of VitalityInvest's products in July 2019.

Life insurance that rewards a healthy lifestyle

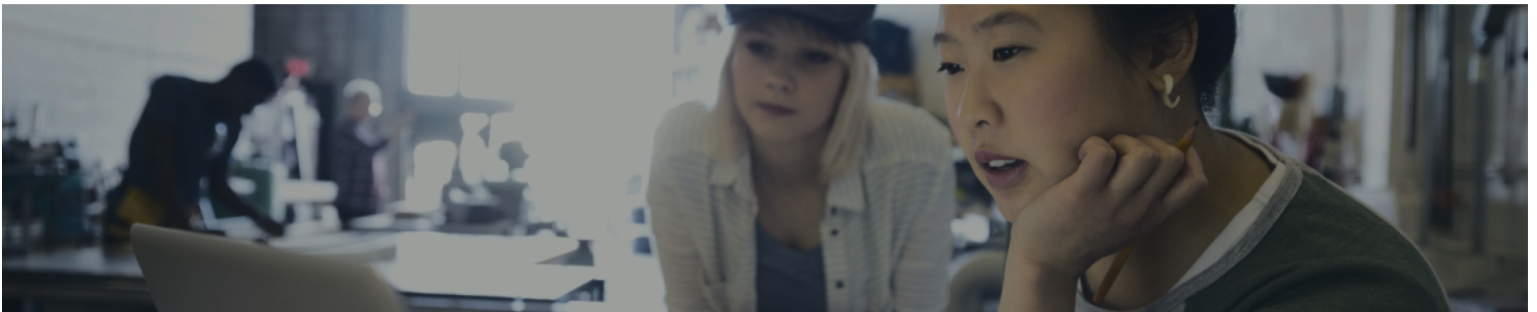
Discovery Life has shifted the focus of life insurance to reward clients for living a healthy lifestyle by applying the Shared-value Insurance model, rather than just paying out in the case of a life-changing event. This enables clients to actively derive value from their life insurance policy through smarter choices.

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



Today, life expectancies are higher than ever before. For Discovery Vitality members, the average lifespan is around 81 years of age. Discovery Life has looked at ways to better support clients going into retirement in a way that further supports healthy living. Clients can now earn significant premium discounts during their retirement years by maintaining engagement with the Vitality programme pre-retirement, with premiums progressively reduced after retiring. And with Vitality Premium Levellers, long-term premium sustainability can be achieved with earned premium reductions of up to 40% being possible.

For detail on VitalityLife's Dementia and FrailCare Cover product, see Our stories: [Care for an aging population.](#)

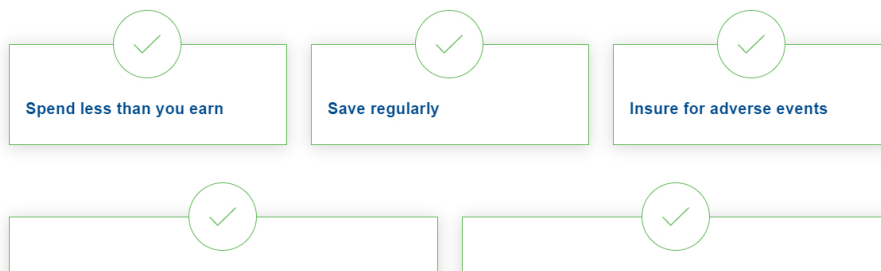


The world's first behavioural bank

By and large, South Africans are big borrowers and poor savers. A combination of habits like reliance on credit and a disinclination for saving leaves people significantly exposed to financial crises in both the short and long term, putting us in a position that's financially precarious, both individually and as a society.

Discovery believes that incentivising people to make better financial decisions will generate higher savings levels, lower risk and increased wealth for society as a whole.

Through Vitality Money, Discovery is helping clients understand and practice five key financial behaviours:



Pay on your property

Invest for the long term.

Discovery Bank clients have access to a range of tools to help them manage their money better and become financially stronger. These include a spend manager to help budget smarter and manage monthly spend, a retirement planner, a financial education video series and access to discounted advanced education courses, debt tools and personalised goals - all of which help our clients make smarter financial choices.

With over 370 000 accounts and over 276 000 Discovery Bank clients with retail deposits of over R3.7 billion since its launch in November 2018, the shared value of behavioural banking is already becoming evident.

We're committed to a banking model that's not just good for the bank, but good for consumers as individuals, and good for our nation's economy.

- Phuti Sebidi, Chief Client Officer at Discovery Bank



Innovation in businesses, products and services

Innovation is deeply set in Discovery's culture. The Group has a long history of disrupting financial services driven by its core purpose and value-centric approach.

Running for nine years, our Inspiring Excellence competition liberates the creativity and innovation of our people, capitalising on their collective intelligence to identify breakthrough ideas that dazzle our customers, partners and employees. The competition is a structured process to identify, build and select innovations that are actively championed by leadership across the business in clearly defined categories of product, technology, operational, and people and social.

We're often asked, "can you keep innovating?" The truth is, I find that the more you innovate, the more you can innovate. Most innovation in companies is event based. A competitor comes up with something, and the company responds. We do the opposite. Our leaders are always on a treadmill to create and launch new ideas.

- Adrian Gore, Discovery Group CEO



This year's revised approach to Inspiring Excellence has seen participation increase by over 40% in the number of entries received, as well as greater numbers of cross-functional teams forming to compete. In addition, the competition has been opened to a wider audience, with permanent employees at all levels given the opportunity to submit ideas (as opposed to management level and above in previous years).

For information on product and service enhancements in 2020, see the [2020 Integrated Annual Report](#).

Dynamic pricing and rewards driving behavioural change

When building its offering, Discovery's key insight was to identify the link between lifestyle choices and insured risk, and to harness the principles of behavioural science to incentivise clients to make smarter choices. It thus reduced the risk for the insurers while improving the quality of life of its clients.

- Adrian Gore, Discovery Group CEO

Through its Shared-value Insurance model and platform, Discovery - along with its global partners - is changing the way consumers experience financial services. What was once a grudge purchase based on pre-existing risk is now a dynamic and rewarding partnership that encourages healthy behaviour. Vitality operates an economy of behavioural change, where the currency is healthy choice and the interests of client, insurer and society are aligned.

AR2020 | Personalised pathways based on individual's unique health risk

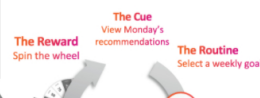
Expansion of Active Rewards

New wellness modules to incentivise change across a broad range of healthy behaviours



Built on behavioural science

Member journey follows a positive habit formation loop to drive ongoing engagement



Personalised approach

Individual risk profiles drive activity recommendations which progress over time with behaviour change





Discovery uses data extensively, not just in terms of analysing behaviour but ensuring customers are incentivised appropriately. Our foundation in behavioural economics and science-led approach support our ability to extract insight and value from our vast data-set on health, driving and financial behaviours. This powers our ability to understand, at a granular level, the risk profile of each member and reward accordingly.

In Discovery Bank, we apply dynamic interest rates to savings and interest on credit based on a client's risk profile and their success in making smart financial choices. Rewards can be increased by linking to Vitality and integrating across Discovery's product universe.

During 2020, Discovery Insure introduced the Dynamic Distance cash back benefit that provides up to a 25% motor premium cash back based on mileage driven. This reflects a member's reduced risk if they are driving less, especially due to lockdown regulations to limit the spread of COVID-19. In addition, clients continue to enjoy the fuel benefit of up to R800 cash back every month.

Discovery Life is continuing the revolution of life insurance away from an inflexible, one-size-fits-all approach to one that is dynamic and empowers its client to derive value from their life insurance through healthy behaviour. We have added a new dimension to the tangible value in each client's insurance policy - capturing the durational impact of shared value.

Within Discovery Life's operating model, shared value refers to the actuarial surplus that is created when the actual experience is better than the underlying assumptions used to price our insurance policies due to the positive behaviour of our policyholders.

Historically, we have driven these positive experience variances by encouraging policyholders to improve their underlying mortality and morbidity risk by engaging with Vitality, and through significant rewards on their Discovery Life Plan like the PayBack benefit. An element of the model that is equally as valuable, but which is less well known, is that the quantum of the shared value created is enhanced when the time over which it is returned is extended.



This is because Discovery Life realises the mortality, morbidity and lapse saving over a greater duration and hence the overall value derived is higher.

Discovery Life is now allowing policyholders to extend PayBack payment periods and thereby access the additional value accrued over time in the policy through the Double PayBack option. In receiving their PayBacks later in the duration of the policy, we are able to significantly increase the value that can be returned to them through the PayBack Benefit.

Globally, insurers are dedicating substantial effort to designing new products and services to meet the needs of an ageing population. Not only is the trend of an ageing population present within Discovery Life's client base, but this trend is accelerating given the positive impact that Vitality is having on the life expectancies of our policyholders. This means that we need to make sure that our product remains valuable and sustainable given the increased duration which clients are now keeping their policies.

To enhance value and sustainability for our clients in retirement, they can now control the future sustainability of their premiums through active health and wellness management. We have refocused our Shared-Value insurance mechanism through the Vitality Premium Leveller and Longevity Vitality Rating benefits, in addition to extending the maximum ages for Integration.



Our Stories

Specialised healthcare programmes for specific conditions

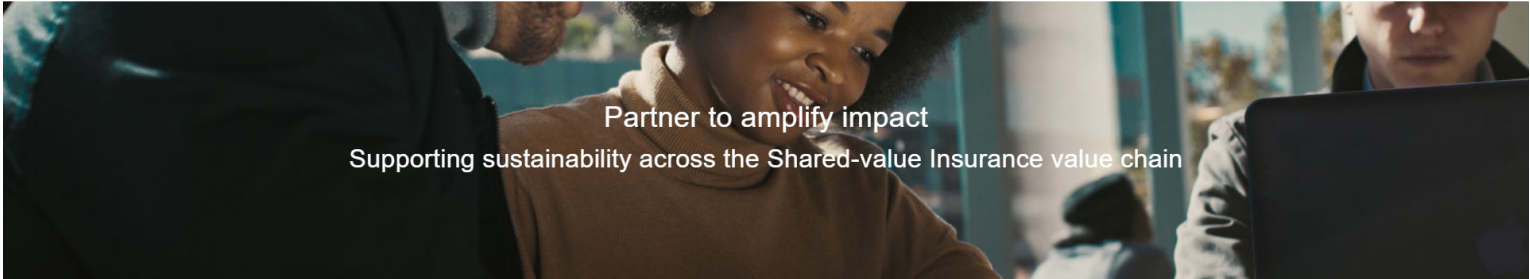
Care for an aging population



Related documents

Supplementary environmental, social and governance information

Discovery 2020 Integrated Annual Report



Related material matters and sustainable development goals

Material matters:

5. Leverage our capabilities to support resilient ecosystems

Sustainable Development Goals:

- 3. Good health and well-being
- 4. Quality education
- 8. Decent work and economic growth
- 11. Sustainable cities and communities
- 17. Partnerships for the Goals

Strengthening systems and inclusivity

Leveraging the power of technology

Discovery's astute use of technology is essential to deliver value to medical schemes and their members. We have recorded a 6% decrease in real operational management expenditure in Discovery Health (measured on a per member per month basis from 2016 to 2019) across the 19 schemes we administer. Part of the reduction in operational expenses is by reducing call rates to our call centres; from a baseline set in 2016, call rates have dropped by 19%.



This has been achieved by providing clients with a variety of digitally enabled platforms to engage with Discovery, from our comprehensive website and Discovery app, to FAQs and the AI-driven Ask Discovery, a service bot available on WhatsApp. This frees up our call centre agents to focus on more complex and specialist queries, ensuring that our clients get the service they need.

For detail on investment into technology, see the [2020 integrated annual report](#).

As disclosed last year, Vitality introduced in-app health management. The app provides an exercise ring showing physical activity levels, as well as personalised modules targeting specific at-risk populations. In the Vitality base, 62.2% of members are currently engaging in the Health Checks module, 8 626 on Medicine tracker (with more than 72% of these being members with chronic heart diseases), and 71.6% of families engaging with the HealthyFood module.

For the exercise ring, 28% of goals are achieved, with a higher goal achievement rate of 33% for at-risk members in the Vitality base. On Medicine tracker, members with diabetes or chronic heart disease have a medicine collection goal achievement rate of 48% and 59% respectively.

Supporting our financial advisers

Discovery has introduced several digitally enabled tools to support our financial advisers. Through AI Quote, Discovery Invest provides tech-driven portfolio optimisation and quoting, delivered in a matter of minutes to assist our broker partners to see what a client's investment would look like with Discovery in an optimised mix of funds with our unique boosts. It is available on lump-sum retirement annuities, preservers and living annuities. Brokers only need to upload a statement and review the information, and then a comprehensive investment report and quote is emailed to them. This technology enhances the efficiency of the quoting process and also addresses many of the legal challenges faced, through a streamlined digital process to optimise the client journey.

We have compiled a comprehensive library of documents covering the workings and legal considerations for buy-and-sell, key-person and contingent liability policies. This includes a business assurance encyclopaedia, explanatory videos and marketing support.

Through the Discovery Institute of Training portal, the Invest International Training Hub provides targeted support to financial advisers to assist their clients in setting up efficient and well-structured international investment portfolios. The Hub includes the advice of industry experts, and marketing and digital support to keep clients informed and support their efforts in building savings and investments.

Engaging with regulators and contributing to sustainable systems

Discovery operates in a complex regulatory environment where our regulators seek to ensure the viability of our sectors. We have a zero-tolerance culture for regulatory non-compliance and continuously engage with regulators on key issues impacting our business. We participate in policy development through several industry representative bodies and continue to make detailed submissions on key policy developments.

Key regulatory developments and engagements include:

The Health Market Environment released in September 2019



The Health Market Inquiry report released in September 2019

The Health Market Inquiry did not make any direct recommendations regarding Discovery Health. However, it did provide important recommendations regarding improvements in the healthcare market in terms of regulatory oversight and engagement between market participants. Discovery Health continues to develop and promote alternative reimbursement models and value-based contracting, and has supported the Health Market Inquiry recommendations with respect to changes to the Health Professions Council of South Africa rules that would enable more meaningful contracting. Many of the Health Market Inquiry recommendations will need to be incorporated into regulatory changes to have effect. The Discovery Health submission to the Portfolio Committee on the National Health Insurance Bill, 2019 has noted the importance of progressing with these.



Draft Conduct of Financial Institutions Bill

Discovery has made extensive submissions via the Association for Savings and Investment South Africa, the South African Insurance Association and Business Unity South Africa. We support the application of consistent principles of financial sector regulation across all regulated entities, including medical schemes, and would support greater co-operation between the Council for Medical Schemes and financial sector regulators. The Council for Medical Schemes currently has capacity constraints arising from the exit of a number of senior managers and this has also heightened the need for this cross-sectoral support.

The COVID-19 pandemic has highlighted a number of weaknesses in the healthcare sector but has also demonstrated the opportunities for enhanced cooperation and collaboration. The relationship between Discovery Health and the regulator has improved considerably, with extensive engagement during the pandemic.

As a key stakeholder in improving health outcomes and efficiency, Discovery is a founding member of the Health Information Exchange initiative, called CareConnect. In February 2020, InterSystems was selected to implement HealthShare Unified Care Record and HealthShare Patient Index to securely provide unified access to vital patient information. InterSystems is a global leader in IT platforms for health, business and government applications.

We believe that the CareConnect Health Information Exchange will usher in a new era for South Africa's health system by transforming the healthcare experience for the patient and the health professional.

- Dr Burnett Biddulph, CEO of CareConnect

Forging social good through partnerships and collaboration

According to research by the World Health Organisation, there are two variants of actors in the circular economy: those that are resource oriented and those that go beyond the management of material resources to incorporate additional dimensions, such as changing models of consumption. Through our Shared-value Insurance model, Discovery is a world leader in incentivising smarter choices that have a positive impact on healthcare consumption and increases savings and investments.



As detailed throughout this Sustainable Development Report, Discovery is active in making people healthier and live longer (including a focus on reducing the incidence of non-communicable diseases), making people better drivers and building better businesses, making people better prepared for retirement, and helping people manage their money better. We are also active participants in driving efficiencies in healthcare funding and delivery, and leverage the knowledge and resources across the organisation to create resilient communities.

Operationalised through Vitality, Discovery's Shared-value Insurance model not only creates a virtuous cycle of value-creation, but it also depends on it for its own sustainability. The value that is created and subsequently shared is not confined to the insurance environment. Our network of reward and retail partners is critical to the success of the model, and these partners share in value creation through increased revenue, improved customer loyalty and exposure to a broader customer base.

We are all prone to behavioural and cognitive biases that mean we don't always act in our own best interest. Even with access to useful and scientifically sound information on health and wellbeing, we still make choices that lead to poor health, resulting in over-consuming sickness care (where the benefits are seen to be immediate) and under-consuming wellness (where the benefits are long-term and often unnoticed as they are defined by the absence or infrequency of ill health). In short, we focus more on an incident of illness and recovery, rather than a lifetime of healthy behaviours that keep us well. At Vitality, we call it the health and wellness imbalance. Vitality specifically works to counter our biases through active incentives and rewards that shift behaviour to achieve long-term benefits, at both an individual and collective level.



Building and broadening our supply chain

Discovery has a significant impact on the South African economy through a wide network of suppliers that support our business. Our Enterprise Development and Supplier Development initiatives provide targeted interventions that maximise our contribution to economic inclusion. We work to actively transform the economic landscape, with not only more black participants, but more black participants with entrepreneurial drive that leads to innovation, new commercial frontiers, job creation and a broadened asset base.

Discovery targets qualifying Enterprise and Supplier Development beneficiaries as defined in Code 400, which are enterprises with more than 51% black ownership and a turnover of less than R50 million. Preferential selection is provided to black women-owned enterprises. Beyond achieving scorecard targets for Enterprise Development and Supplier Development, we believe in promoting the growth and sustainability of businesses that will extend our positive impact.

Discovery provides financial support, in the form of loans and grants, and non-financial support, in the form of business development support, training and mentorship opportunities, to selected beneficiaries. We achieved the target of 5.16% of net profit after tax for Supplier Development and exceeded the target of 1.8% of net profit after tax for Enterprise Development by over 3.36%.

Enterprise and Supplier Development loans are spread across various sectors to meet the different requirements of business units in our South African operations, including:

- ✓ Establishing new medical facilities to support the reduction of the cost of care
- ✓ Partner empowerment and job creation
- ✓ Supplier development
- ✓ Increasing product uptake.

During 2020, Discovery's Enterprise and Supplier Development team engaged with Procurement to understand current supplier gaps across the company to inform pipeline and investment sourcing strategies. Enhanced collaboration is supporting synergy and process efficiency. The Enterprise and Supplier Development team has also developed a more streamlined investment assessment process that ensures that all potential investment opportunities achieve maximum investment and compliance potential. To develop the pipeline of potential beneficiaries, new and creative ways are being developed to engage entrepreneurs and innovators in the health, wellness and finance industries.

Discovery is also a proud shareholder of the SA SME Fund, a private sector led initiative born out of the CEO Initiative, a partnership between the South African Government and the CEOs of a number of companies to stimulate the economy and create jobs. The R1.4 billion Fund focuses on building entrepreneurs and small- and medium-sized enterprises. The SA SME Fund launched the CEO Circle in March 2019 as an initiative that aims to accelerate the growth of high-growth black businesses within the SA SME Fund's shareholders' supply chains.

Discovery committed an initial investment to the SA SME Fund of R20 million.

Mid-sized companies are an important engine of economic growth. We will leverage the enormous power of the SA SME Fund's (being the top 50 corporates) and fund managers to help grow these businesses into significant players in the South African economy.

- Adrian Gore, Discovery Group CEO and Chairman of the SA SME Fund



The SA SME Fund also has a key focus on investing in and growing the venture capital industry in South Africa. This support is critical for stimulating the dynamism and innovation of our economy.

For detail on its investments and the CEO Circle, see the SA SME Fund website.

Driving preferential procurement to support emerging businesses

To support the Group's transformation imperative, the Procurement team has taken a strategic decision to increase procurement spend with designated groups, with a focus on black youth-owned businesses. Support includes identifying suitable companies and facilitating access within Discovery's federated model to give them greater exposure and broaden their networks across the organisation.

We also engage closely with existing suppliers to improve their Broad-based Black Economic Empowerment ratings. While our primary objective is to optimise value for money, we maintain minimum requirements for awarding contracts. In instances where a supplier with a sub-optimal Broad-based Black Economic Empowerment level is awarded a contract on the basis of a value proposition, we often agree predefined milestones with the supplier that must be achieved over the term of the contract.

Discovery is also a strategic partner in establishing Mohau Equity Partners, a strategic long-term investor and 100% black women-owned business supported by funding from Discovery. Our objective is for Mohau to identify entrenched and strategic suppliers within Discovery that require support in improving their Broad-based Black Economic Empowerment profile. Mohau has already made a number of strategic investments to support the transformation of our supply chain.



In the 2020 financial year, we spent over R1.57 billion (2019: R1.37 billion) as part of our procurement on black-owned businesses and R1.1 billion on black-owned small- and medium-sized enterprises (2019: R535 million), with over R947 million (2019: R535 million) spent on 30% black women-owned enterprises. Total procurement spend was just over R5.7 billion (2019: R5.28 billion).

Life and Health risk

Accident risk

Retirement risk

Resilience risk



The Challenge:

5 driving behaviours and 3 driving conditions account for 60% of fatal accidents



The Behaviours

- Excessive drinking
- Cellphone use while driving
- Excessive speeding
- Harsh braking
- Lack of vehicle care



The Conditions

- Distracted driving
- Loss of vehicle control
- Aggressive driving



Sources

Road Traffic Management Corporation and
U.S. Department of Transportation

Life and Health risk

Accident risk

Retirement risk

Resilience risk



The Challenge:

5 controllable behaviours and 3 conditions lead to 80% of credit defaults and retirement shortfalls



The Behaviours

- Corrosive consumption
- Lack of financial protection
- Not saving for emergencies
- Excess secured debt
- Low retirement savings



The Conditions

- Unable to deal with unplanned expenses
- Unsustainable and expensive debt
- Not being protected in retirement



Sources

Journal of Economics and Finance and other sources

Life and Health risk

Accident risk

Retirement risk

Resilience risk



The Challenge:

3 investment behaviours and 3 conditions result in 90% of people having inadequate retirement funding



The Behaviours

- Insufficient contribution levels
- Inadequate investment terms
- Irresponsible withdrawals in retirement



The Conditions

- Insufficient retirement income
- Intergenerational debt
- Dependence on state resources



Sources

National Treasury



A key objective for procurement is to maintain fairness and integrity in the process of awarding and managing contracts. We work closely with internal teams to ensure clarity in defining the scope of work and transparency in the criteria we use in evaluating bidder proposals.

Transforming lives and livelihoods

Discovery ForGood, our employee volunteer programme, demonstrates that Discovery's purpose lives in the actions of its people. The objective of the volunteer programme is to leverage the capabilities of our staff in building healthier communities. Given the wide range of skills across Discovery, we work with communities to understand their real needs and match these to the skills and resources volunteered by Discovery's people.

Discovery ForGood has set an annual target of 40% of staff volunteering levels over the year, with 30% achieved in the 2020 financial year despite interruptions to normal volunteer activities between March and June 2020 due to COVID-19. As detailed last year, we have set a 70% engagement target for 2019 to 2023; as a cumulative target, we are already showing good progress, with 49% achieved up to the end of June 2020.



3 000 employees volunteered over 20 712 hours of their time, worth over R3.4 million in 2020.

Set up in 2006 as one element of Discovery Limited's Black Economic Empowerment transaction, the Discovery Foundation is an independent trust that invests in the education and training of healthcare specialists. South Africa is experiencing a critical shortage of healthcare resources. The grants disbursed by the Discovery Foundation Awards aim to address this challenge by training specialists for rural areas, developing academic medicine and research centres, and increasing the number of sub-specialists in the country to adequately meet the country's healthcare needs. This focus aligns with our core purpose and key health insurance offering.

The Foundation has set a target to train 600 medical specialists by 2026, with 349 individuals supported from 2006 to 2020.

In the 2020 financial year, the Foundation committed in excess of R21.6 million (2019: over R19 million) on the awards programme, with R18 million (2019: R13 million) spent directly on 29 individual doctors (2019: 43 individual doctors) and the balance on 11 institutions (2019: 14 institutions).

A number of interventions are in place to achieve the Foundation's mandate of ensuring 75% of financial support reaches black people. This includes our focus on targeting historically disadvantaged institutions and underserved and rural areas. In the 2020 financial year, 91% of rural individual, academic and sub-specialist awardees in terms of award value met the Broad-based Black Economic Empowerment criteria set by the Discovery Foundation. In terms of headcount, 80% of awardees met the Broad-based Black Economic Empowerment criteria.

The COVID-19 pandemic has demonstrated the need for more healthcare specialists in South Africa to meet health challenges. The Discovery Foundation has made a significant contribution to training this much-needed group of healthcare workers.



For details on the Discovery Foundation, including news, awards categories and past recipients, as well as the selection criteria and application process, visit the [Discovery Foundation website](#).

The Discovery Fund strengthens and improves health systems by developing human capital and skills, as well as primary healthcare service delivery. It also provides support to health policy, advocacy and infrastructure programmes. Focus areas include maternal and child health, HIV and Aids, and tuberculosis.

The Discovery Fund is funding and actively involved in key programmes, including:

Safe Travel to School

Discovery Insure's Safe Travel to School programme is implemented by the Discovery Fund and our partner Childsafe. It uses Discovery Insure's IP to promote good driver behaviour among scholar transporters in the Western Cape. It has 995 drivers on the programme. A steering committee comprising representatives from Discovery Insure, Fund Trustees, Corporate Social Investment and Marketing guide and support the excellent work being done. The programme will be expanded in a pilot being run in Gauteng, supported by funding from Shell South Africa, scheduled to begin in 2021.

Hlokomela

Hlokomela started as an innovative HIV and Aids educational and treatment programme. It now supports quality healthcare delivery for farmworker communities across almost 100 farms in Limpopo and Mpumalanga. After completing the funding and partnership model research, Discovery is further supporting the pilot project that is underway to test and extend the Hlokomela membership concept to enhance the sustainability of its services and readiness to participate in National Health Insurance. Discovery has also facilitated a relationship between Hlokomela and the Breast Health Foundation, where patients can be referred and transported to the Helen Josef Hospital's Breast Clinic in Johannesburg.

Umthombo Youth Development Foundation

The Umthombo Youth Development Foundation provides scholarships and mentorship to youth from rural areas to pursue qualifications in the health sciences, helping address the human resource shortages at rural hospitals. The success of the model has been driven by ongoing mentoring for those young people to support their progress during their university studies. 44 new graduates completed their studies in 2019, representing a 93% pass rate. There are currently 181 Umthombo students enrolled at various higher learning institutions.

Discovery Fund is also funding important initiatives in attracting skills and training in healthcare, including:

Africa Health Placements, which recruits local and international doctors to work in South Africa's understaffed rural hospitals

Breast Health Foundation's training platform, Phakamisa, which provides online training to healthcare professionals on breast care in private and public hospitals.

To improve community health by supporting community outreach, health education, and the delivery of essential primary health services, the Discovery Fund supported:

- ✓ **42 794 Community members receiving integrated community-based care** for infectious disease (against an annual target of 37 900)
- ✓ **19 360 community members receiving integrated community-based care for communicable and non-communicable diseases** (against an annual target of 14 507)
- ✓ **15610 women receiving antenatal care and 15 282 infants receiving postnatal care (against annual targets of 12 110 and 11 624 respectively) through organisations with a history of success in the field of maternal and infant care**
- ✓ **1 977 women receiving prevention of mother-to-child transmission programmes, and 5065 children receiving nutritional support (against annual targets of 3 195 and 5 132 respectively)**
- ✓ **Healthcare services for 6 236 children (against an annual target of 14 973).**



Discovery's MoveToGive initiative links healthy behaviour with philanthropy to raise significant funds for various charities. This is enabled by Active Rewards, where members can choose to donate their rewards to a specific cause through MoveToGive campaigns.

Since the launch of MoveToGive in 2015, a total of over R 11.7 million has been donated to various causes with a positive impact on over 152 500 lives in South Africa and neighbouring countries. In 2020 alone, over R4 million was donated to worthy causes including:

- South Africa's national COVID-19 Solidarity Fund, with the Discovery Fund matching the total contribution to the value of R608 318 to date
- FoodForward SA, who are providing food to the most vulnerable members of society devastated by the socio-economic impact of COVID-19
- UNICEF's 'Little Hands Matter initiative', which is building handwashing stations in informal settlements to help limit the spread of COVID-19.



Through the Vitality Running World Cup for South Africa in March 2020, we included a number of prizes and incentives. One of these was weekly social prizes, which helped UNICEF vaccinate a child against preventable diseases for every weekly personalised Vitality Running World Cup goal achieved by a member.

This kind of crowdsourced philanthropy aligns strongly with our Vitality Shared-value Insurance model, which seeks to benefit all stakeholders - members, through better health; insurers and investors, through reduced risk; and society as a whole, through healthier citizens and charitable initiatives.

Driving job creation and supporting job security



Discovery Group provides stable employment to 12 980 employees globally.

We adhere to the International Labour Organization guidelines enacted in various labour-related legislation whose primary purpose is to advance economic development, social justice, labour peace and the democratisation of the workplace. It does so by giving effect to obligations incurred on the Republic of South Africa as a member state of the International Labour Organization. Discovery recognises the rights of employees as enshrined in the Constitution of the Republic of South Africa.

[For an overview of applicable policies applied in our South African operations, see Supplementary environmental, social and governance information](#)

[For applicable regulations and disclosures for Vitality UK, click here](#)

In South Africa, job creation is the greatest lever in Broad-based Black Economic Empowerment. We are able to have a meaningful impact on transformation, with approximately 51% of new jobs going to African candidates. This supports our

meaningful impact on transformation, with approximately 51% of new jobs going to African candidates. This supports our efforts to better reflect South Africa's economically active population.



1 185 new employees added in the 2020 financial year, representing a new hire rate of 13.56% (2019: 2 564 new employees)



14.64% employee turnover (2019: 17.47%)
As a measure across our South Africa operations, turnover includes Discovery's large call centre operations as part of Discovery Health as well as shifting business priorities.



We are committed to local employment and the development of our people, in support of national objectives of job creation and building local skills and capabilities.

For details on our efforts in transformation and skills development, including employment equity, see Organisational capabilities enhancing our sustainability.

Youth Employment Service initiative

In recognising the urgent challenge of youth unemployment in South Africa, Discovery is participating in the Youth Employment Service initiative that was officially launched by President Cyril Ramaphosa in March 2018. Since inception of the Youth Employment Service, Discovery has created 1 105 new work experience opportunities for unemployed youth.

Discovery is also leveraging its wide network of partner companies in our Insure and Health supply chain to take up the challenge of providing work to young people.

Key indicators



588 jobs created in the 2020 financial year against a target of 499.



340 females and 248 males



96.6% African, 3.4% Coloured and 0% Indian



Our Stories

Agility in volunteering initiatives



Related documents

Supplementary environmental, social and governance information

Discovery 2020 Integrated Annual Report



Integrity, honesty and fairness
Governance, organisational culture and stewardship



Related material matters and sustainable development goals

Material matters:

4. Harness the power of technology

Sustainable Development Goals:

13. Take urgent action to combat climate change and its impacts

16. Peace, justice and strong institutions

Governance and sustainability

We see governance as a critical component of value creation, promoting strategic decision-making that balances short-, medium- and long-term outcomes to reconcile the interests of the Group, stakeholders and society. The Group is committed to a values-based and ethical culture, built on the principles of non-discrimination, fairness, integrity and transparency. Compliance with Discovery's values is monitored throughout the organisation.



Details on corporate governance, including our Board of Directors, governance structures, and performance against maintaining an ethical culture, delivering good performance, ensuring effective control and maintaining legitimacy, can be found in the [2020 Discovery Governance Report](#).

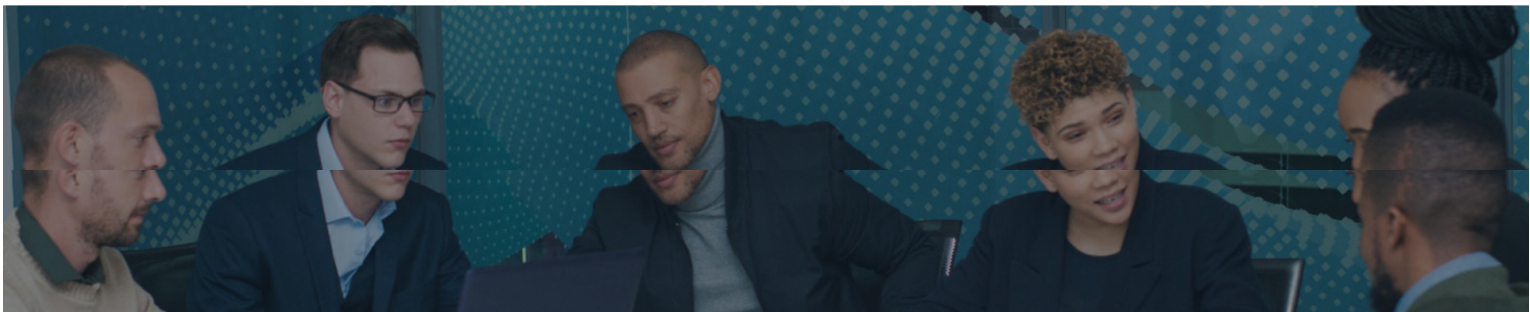
The Board of Directors of Discovery (the Board) has delegated some of its responsibilities to appropriately constituted Board Committees to assist the Board in the fulfilment of its responsibilities, established in line with the requirements of the Companies Act and King IV™ Report on Corporate Governance for South Africa, 2016. The Chairperson of each Board Committee, who is appointed by the Board, reports directly to the Group Board after each meeting, allowing the Board to monitor performance and ensure that the committees are acting in line with the delegations provided.



The Social and Ethics Committee is tasked with assisting the Board with the implementation and monitoring of strategies that facilitate social and economic development, as well as the integration of ethics and transformation within the Group.

Details on roles, responsibilities and functions of the Social and Ethics Committee can be found in the [2020 Discovery Governance Report](#).

Besides the environmental, social and governance disclosures in this online report, readers can access disclosure on additional environmental, social and governance indicators in Supplementary environmental, social and governance information



Preventing corruption, fraud and waste

Fraud, waste and abuse in the medical scheme environment is on the rise and failure to address this poses a material risk to the sustainability of medical schemes. In light of escalating medical inflation and costs of healthcare, all medical schemes have a clear obligation to actively manage these challenges and to protect the integrity of the healthcare system. Discovery Health invests substantial resources to address and manage fraud, waste and abuse in a fair and responsible manner on behalf of all its client medical schemes and members.

As part of the functions of its Compliance department, Discovery has a specialised team of over 100 analysts and professional investigators that uses forensic software systems to identify unusual claim patterns. Also, the majority of cases that are investigated result from external tip-offs from members, other practitioners and other third-party whistle-blowers who are active partners in efforts to remove corruption from the healthcare system. Discovery Health is obliged to actively investigate every single case arising from a tip-off.

Our fraud investigation processes are objective, impartial and fact-based. They comply fully with applicable legislation and have been tested or approved through external legal reviews, senior counsel opinions and court judgments.

Discovery Health's efforts to curb fraud, waste and abuse in the healthcare system resulted in a substantial R260 million recovered on behalf of client schemes at the end of August 2020. In quantifying the impact of fraudulent activities on medical schemes, Discovery Health estimates that at least R1.7 billion of member's money would be lost to fraudulent claims per year in the absence of effective fraud control activities.



As part of an industry-wide collaboration to combat fraud, waste and abuse, 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.

If you would like to report any suspicious behaviour relating to fraud, waste and abuse, you can call 0800 00 45 11 (toll free phone number) or email discovery@tip-offs.com

Discovery also encourages reports related to fraud, including an incentive for whistle-blowers to receive up to 10% of monies recovered by contacting 43477 via SMS, calling 0800 004 500 toll-free or emailing forensics@discovery.co.za

Alleged bias in fraud investigation process

In 2019, following a fraud-themed summit hosted by the Council for Medical Schemes, a group of doctors raised allegations that Discovery Health was part of a group of medical schemes involved in the racial profiling of doctors in forensic investigations.

Discovery Health participated in a Section 59 Investigation convened by the Council for Medical Schemes into these allegations in early 2020, presenting a detailed synopsis of our forensic processes as well as our rigorous analysis of the outcomes of our investigation processes. Our analysis, which has been verified by external independent reviews, clearly confirms that there is no evidence of either implicit or explicit racial bias in our fraud investigation processes.

As part of its presentation, Discovery Health noted that the approach to forensic investigations balances the need for fiduciary protection of member funds with the need to limit any delays in the payment of claims. In this respect, Discovery Health data shows that:



The vast majority of providers submit claims directly without difficulty in applying coding requirements



Over 94% of claims submitted to medical schemes that Discovery Health administers are paid within four to five days



The vast majority of practitioners do not engage in fraud, waste and abuse activities.

Discovery Health's internal processes are compliant with legislation and are not related to demographics. Potential fraud and waste cases are identified using sophisticated statistical analysis that applies 30 independent metrics, with none of these related to the demographics of healthcare professionals.

Discovery Health's analysis also found that once an investigation is initiated, the proportion of investigations that lead to valid findings and to the recovery of funds show no differential by race. This clearly demonstrates that once cases are identified for investigation, there is no evidence of any racial bias in the investigation process itself.

The final report of the Section 59 Investigation Panel is due to be published at a fraud, waste and abuse summit, with a revised date for the summit expected to be announced in October 2020. Discovery Health continues to work with the other stakeholders on the fraud, waste and abuse Steering Committee established by the Council for Medical Schemes (which includes provider groups) to address concerns regarding fraud, waste and abuse management and forensic processes.

Building a highly ethical culture

Ethics is at the heart of sustainability, as the conscience of an organisation.

- Tswelopele Kodisang, Discovery Chief People Officer

With 12 980 people in Discovery Group, it is crucial for the organisation to set the required standards for values-driven behaviour and drive a culture of ethical business practice. We are working to build a culture that is inclusive and accountable, where our people are valued and developed, and where ethics consciously informs decision making.

Discovery's values and Leadership Charter set standards for appropriate conduct in the organisation. The Ethics Office strategy supports organisational ethics through a focus on:

- ✓ Leadership setting the example for ethical conduct
- ✓ Reinforcing the Group's values in how we operate as individuals and as a collective
- ✓ Promoting discussions on ethics in the course of business
- ✓ Ongoing communication, training and awareness.



The Discovery Ethics Charter defines the jurisdiction and operational standards for the Group Ethics Office. It was reviewed, updated and approved by Social and Ethics Committee in December 2019.

Details on Discovery's involvement in the GIBS Ethics Barometer survey can be found in Our stories: [Measuring and understanding ethical conduct](#)

Details on the Group's efforts in maintaining an ethical culture, including the ethics management approach and governance structures, can be found in the [2020 Discovery Governance Report](#)

Increasing the reach of ethics

The Group Ethics Office supports a large number of employees in multiple locations around the world. To do so effectively, the Group Ethics Office implemented the Ethics Ambassador Programme to expand its reach and have a clearer view of ethical issues across the Group. Ethics Ambassadors are respected employees, irrespective of their job level; they assist in creating and maintaining a high awareness of ethics in their area of influence and assist in identifying and addressing potential ethical consequences of business decisions.

By the end of June 2020, business units had nominated 74 individuals and 33 Ambassadors have completed the specialist Ambassador training programme.

The Group Ethics Office assisted Discovery Health to design a framework to consider and assess international partner opportunities, and to determine how to prioritise optimal partners for international expansion through the lens of ethical and reputational risk, beyond the economic business case. Advisory services are being facilitated by the Ethics Office, with input from external specialists in relevant fields.

The Group Ethics Office assists Discovery Health by attending weekly Executive Case Review meetings to provide ethical guidance during decision-making processes regarding member claim exceptions. The Ethics Office reports on material cases dealt with at these meetings to the Social and Ethics Committee.

As a business partner to the Group Ethics Office, Group Compliance continues to strengthen engagements with non-South African entities within the Discovery Group and identify matters that should be brought to the attention of the Social and Ethics Committee.

Ethics training and awareness

Training forms an important component of integrating and driving ethical behaviour and awareness. In 2020, 1 325 employees were trained on ethics and 8 743 employees successfully completed online ethics training courses. The Ethics Office is also rolling out an online video series to all employees, called 'Ethics - Everyone's Responsibility', to increase understanding and personal responsibility for ethics.

The Ethics Office is providing a training intervention on Behavioural Ethics that aims to improve the ethical decision-making capacity of employees. The emphasis of the training is to sensitise employees to the impact of social forces on their ethical decision-making and conduct, helping them withstand negative organisational behavioural tendencies such as groupthink, peer pressure, role/contextual pressure, blind obedience to authority and group apathy.



The Behavioural Ethics training programme started in January 2020 with 464 middle-management employees trained during the financial year. The programme will also be rolled-out in our international markets, beginning with the United States.

Additional indicators on ethics can be found in Supplementary environmental, social and governance information.

Information stewardship

We have a significant duty of care to our members who trust us with their data, and we do everything we can to minimise the risk of breaches to our systems.

- Derek Wilcocks, Discovery's Chief Information Officer

Data is a key enabler of our Shared-value Insurance model. Without it, we would not be able to track and incentivise healthy behaviours, and measure if those behaviours are achieving real impact. But we are cognisant that our reputation is ultimately held in how we contract with our clients, which includes how we use data and how clients trust us with managing their data.

Discovery is unique in terms of the volumes of data we collect and analyse. We have a comprehensive Data Governance Policy Framework covering all aspects of the collection, use and retention of data. Over the year, we have focused on reinforcing the data governance foundation across the Group. This includes driving data quality initiatives, and instituting relevant governance forums, data stewards and working group initiatives to drive data management that align to data privacy requirements.

The Data Governance and Data Management Policy has been reviewed to include governance structures, data quality, data sharing and data classification. We established a Data Governance Forum, which is convened on a quarterly basis and chaired by the Group Chief Information Officer.

To protect client information, we have robust processes controlling access to specific systems and databases. Teams that perform analysis on data drawn from different businesses can only access consolidated and anonymised data stored in a central data lake, where access is strictly controlled.

With rapid advances in technology and big data, we are working to ensure that data management includes consideration of ethics and fair use in how our products are delivered. Supported by the Group Ethics Office, we aim to anticipate ethical issues and proactively build solutions into our products.

Also, with cyber security as an ongoing challenge, Discovery's data-centric model is critical to safeguard vital information while ensuring it is available to build, enhance and deliver products suited to the needs of our clients. Artificial intelligence and machine learning are playing a growing role in information security, as they are in other areas of the business. During the year, cyber-security training was rolled out across the South African operations.

The Group Ethics Office is providing an advisory role on megatrends that may impact the Group, including the ethical implications of artificial intelligence, machine learning and robotics. With the increasing pace of advancement in these fields, a more proactive approach to ethics is crucial in protecting the interests of our clients and remaining true to our values.

In South Africa, the Protection of Personal Information Act came into effect on 1 July 2020, as did the one-year transition period. The Act sets out a comprehensive set of conditions for governing the collection, processing, storage, communication and disclosure of personal information. Strict rules will be applied to the disclosure of personal information to any third party. Data breaches will require disclosure to impacted data subjects and the Information Regulator, and may result in financial penalties.

Discovery has undertaken a phased approach to the Protection of Personal Information Act, with impact assessments conducted by all product houses to determine the scope of the Act implementation and to prioritise high-risk areas. The first phase addressed high-risk areas (across secure communications, direct marketing consent, data anonymisation and governance), with the second stage addressing all remaining risks. Discovery's Protection of Personal Information Act programme will ensure that Discovery is fully compliant with the Act by 30 June 2021. The programme is driven from Group level and supported by the highest executive level in the Group.

Environmental stewardship

Discovery is committed to reducing our environmental impact and to continually improving our environmental performance as an integral part of our business strategy. Our environmental performance refers to the measurable outcome of our ability to meet environmental objectives and targets. We recognise that environmental risks and opportunities may have an impact on the key strategic competencies that create and deliver value to Discovery's business model.

In March 2017, we commenced a process to integrate the Waste Recycling Policy, Climate Change policy and Environmental Policy into one policy, to support compliance and align to relevant legislative frameworks - in particular the National Environmental Management Act 107 of 1998. After

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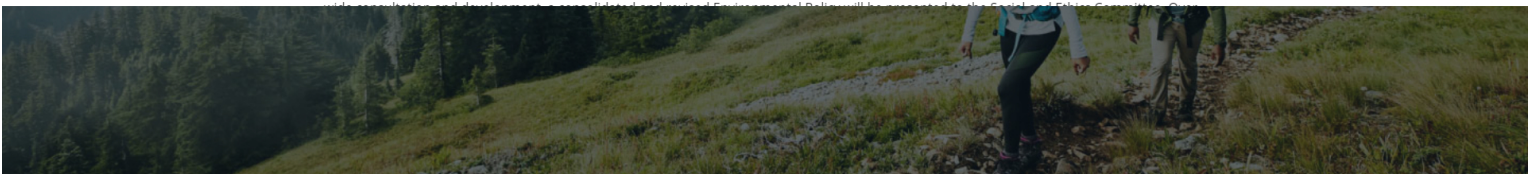
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Discovery measures its greenhouse gas emissions in its South African, United States and United Kingdom operations. Our greenhouse gas emissions are generated primarily through electricity consumption, fugitive emissions and stationary fuels (diesel),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

Download the independent third-party verification of the greenhouse gas emissions inventory reported by Discovery Limited, carried out in accordance with the International Standard ISO 14064-3 (2006): Specification with guidance for the validation and verification of greenhouse gas assertions [here](#)

As significant consumers of power and water, we have designed our data centres to be as efficient as possible and use energy and water efficient air-based chillers to augment cooling. We are also decreasing energy consumption by switching off all non-essential lights each weekday and keeping them off over weekends, where possible.

We run comprehensive recycling stations in the pause areas at our 1 Discovery Place and Sable Park campuses. The 1 Discovery Place waste area has been registered with the Gauteng's Department of Agriculture and Rural Development after a site audit of the area was carried out by the Department of Agriculture for ISO14001 certification purposes in January 2020.

Approximately 72% of the waste generated on our campuses is recycled. All our waste is managed and disposed of by specialised and certified service providers.

We also provide home recycling stations for our employees to bring in and dispose their household waste. This includes glass, tin and packaging, and extends to e-waste (such as computers, computer components, mobile phones and electronic appliances) and hazardous waste (such as light bulbs, fluorescent tubes and batteries).

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



Raising awareness among Discovery employees about environmental issues – including climate change – is an ongoing process, and is overseen by our environmental forum. In August 2019, we rolled out an initiative in 1 Discovery Place to change behaviour regarding single-use plastics and reduce company-generated plastic waste. Permanent employees were provided with a glass bottle for drinking water throughout the day, so eradicating the use of paper and plastic cups in our offices. We also placed mugs at all pause area to replace the vending of paper cups. From an average of 180 000 single-use plastic and paper cups used on a monthly basis, we had reduced this to 28 000 paper cups and 7 000 plastic bottle (used for meetings, functions and training events, and in contractor areas of the building) by February 2020.

Key indicators and details on our environmental performance are included in [Supplementary environmental, social and governance information](#)



Our Stories

[#DiscoverYourVoice](#)

[A six Green Star rating for 1 Discovery Place](#)

[Measuring and understanding ethical conduct](#)



Related documents

[Supplementary environmental, social and governance information](#)

[Discovery 2020 Integrated Annual Report](#)

Liberating the best in people

Supporting employees who drive our sustainability



Related material matters and sustainable development goals

Material matters:

- 3. Build the best human capital capabilities

Sustainable Development Goals:

- 4. Quality education
- 5. Gender equality
- 8. Decent work and economic growth
- 10. Reduced inequalities

Enhancing systems that support equity, diversity and inclusion

Core to our history, values and success to date has been pride in our country and a commitment to playing a nation-building role. Central to this optimism is embracing transformation at all levels, which is vital to the country's progress, and to creating an economically inclusive future for all.

- Adrian Gore, Discovery Group CEO

Internally, we have set a bold ambition for 2023 – to be the best insurance organisation, leading a global transformation of financial services, impacting 100 million lives, and being a force for social good. The diversity of our people is critical to making this ambition a reality 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 us.

Discovery Limited achieved Level 1 Contributor status in its annual Broad-based Black Economic Empowerment audit.

[View our full B-BBEE Certificate.](#)



Since inception, Discovery has been, and continues to be, 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.

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



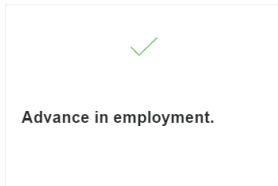
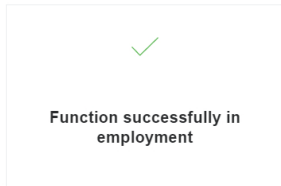
Become aware of employment opportunities



Apply for employment opportunities



Compete fairly for employment opportunities



Equal opportunity also implies that certain categories of people might be treated differently to ensure equality, particularly to redress inequity or disadvantage, so that all groups do indeed have an equal chance.

Our top leadership teams are responsible for the Employment Equity composition of their respective business units, which also directly impacts their short-term performance incentives. The shape of our workforce, therefore, continues to move towards being demographically representative of the countries we operate in. This past year, 69.7% of new hires were black people (African, Coloured and Indian), of which 55,6% were women.

The group also measures the perception of the workforce on inclusive environments through the annual employee engagement survey. The results from the latest survey show that:

- ✓ 91% of employees believe that Discovery provides a working environment that is accepting of racial differences
- ✓ 94% of employees believe that Discovery provides a working environment that is accepting of gender differences
- ✓ 95% of employees believe that Discovery provides a working environment that is accepting of people with disabilities.

The employee engagement survey's response rate was 84% (2019: 78%).

Discovery has developed its new Employment Equity plan, approved by the Social and Ethics Committee in July 2019. This covers the period July 2019 to June 2023 and provides a comprehensive approach with defined targets and management and Board oversight to give effect to ongoing organisational transformation.

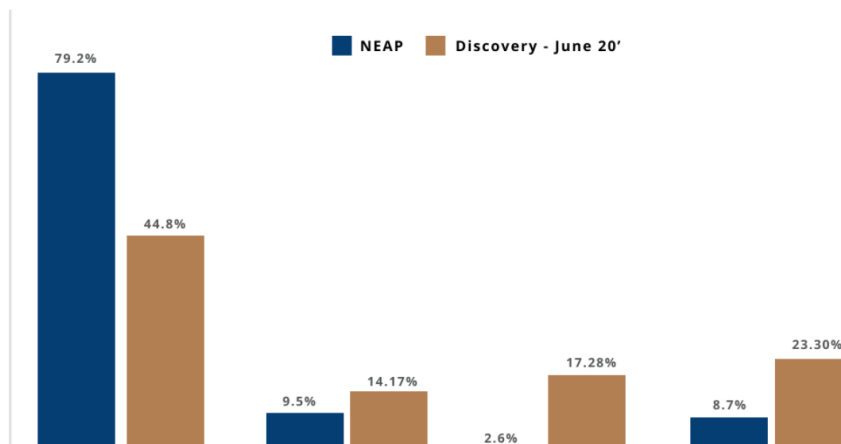
A critical component in developing the Employment Equity plan was undertaken by members of the Employment Equity Consultative Forums, who consulted broadly to identify barriers and affirmative action measures in the operational subsidiaries. Employment Equity Consultative Forums also supported divisions in consulting with their constituents, across recruitment and appointments (especially related to scarce skills areas and diversity in selection panels), retention of designated groups, work environment and facilities, reasonable accommodation of people with disabilities, and career development and mentorship.

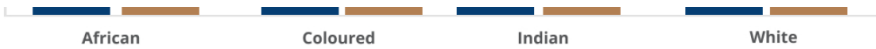
Our focus on transformation has seen some notable success. Our representation of black people across our South African operations stands at 77.6%. While we have seen an increase in the representation of black people at senior management levels (increasing to 33.8% from 31% in 2019), we continue placing greater emphasis on recruiting black leaders at team leader level and above. We also have specific targets and initiatives in place to increase the representation of Employment Equity talent on promotion lists, while minimising regrettable losses in specific leadership bands.

A number of initiatives are underway to advance our transformation objectives, including:

- ✓ Bringing new young African talent into the business through the Graduate, Intern and Learnership programmes
- ✓ Developing and rolling out a Diversity and Inclusion programme to communicate Discovery's transformation vision and mandate, as well as embed transformation into business processes
- ✓ Establishing strategic relationships with organisations who focus on recruitment of scarce skills roles.

The graph below compares Discovery's racial profile against the South African national economically active population levels, showing our current progress in being more demographically representative.






To ensure alignment across our South African operations as we actively work towards achieving diversity and transformation, 15% of the Management Incentive Score is attributed to attaining transformation targets in each business unit. Targets are set bi-annually and have been updated against the following methodology:

- 70% for attaining Employment Equity targets – Employment Equity score achieved against the milestone target
- 15% employee experience – a measure of the variance between perceived employee experience across race groups (as measured in the annual Employee Experience Survey)
- 15% diversity and inclusion – a measure of the variance between business unit diversity and inclusion scores versus the Global High Performing Norm (also measured in the annual Employee Experience Survey).

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

 In 2020, the representation of people with disabilities decreased from 1.77% in 2019 to 1.59% across the organisation.

Detail on the targets and management approach for Employment Equity can be found in Supplementary environmental, social and governance information.

Discovery's employment equity vision is based on who we are and is influenced by our belief in what we can become. We believe that our ability to grow and become globally significant will create many new and exciting roles for talented people from diverse backgrounds, while leveraging the strengths of being a founder-led, entrepreneurial organisation.

- Extract from Discovery's employment equity vision and transformation principles

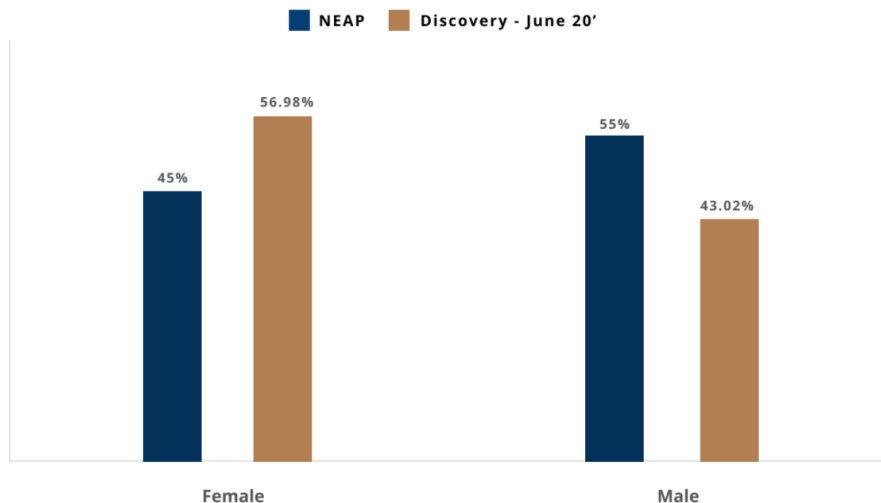
In the United Kingdom, Vitality has increased its focus on ethnic diversity this year, and established a Black, Asian and minority ethnic advisory forum. We plan to sign the Race at Work Charter in September 2020 and establish a network of diversity and inclusion champions.

Annual training on equality, diversity and inclusion is compulsory for all employees, and we have also rolled out training on unconscious bias to all managers.

Achieving gender balance in management level and pay

Discovery recognises the urgency in achieving more equitable gender balance in our workplace, particularly in senior leadership positions across all our businesses. At present, 40% of senior management (2019: 37%) are women. We continue to place emphasis on achieving greater female representation at senior levels in our succession planning process.

The graph below compares Discovery's gender profile against the South African national economically active population levels, showing our current progress in being more demographically representative.



In the United Kingdom, Vitality is committed to promoting diversity and inclusion. Gender pay gap reporting has been mandatory for companies with more than 250 employees since 2017. Since then, a raft of initiatives in Vitality UK has resulted in our average gender pay gap reducing by almost 6%. Our median gender pay gap is low by financial sector sector standards. We are also a signatory to the Women in Finance Charter.

almost 6%. Our median gender pay gap is low by financial services sector standards. We are also a signatory to the Women in Finance Charter, a Government Treasury-led initiative to achieve better gender representation and equity in the financial services sector.

Our challenge is to increase the number of women in senior management positions, and we have set a target of 60% female hires into £50k+ roles, women are currently at 47% of this cohort.



Skills development and a culture of learning

The world of work is going through a large-scale transition where critical skills and expertise will be an imperative for organisations to succeed in the new digital economy. To meet the bold targets set in the Group's Ambition 2023, Learning and Leadership plays a key role in developing the skills for the demands of business and ensuring our people have the capabilities to keep us competitive and relevant in a global market. Our Learning and Leadership team shapes leadership and capability development across Discovery, which ultimately impacts performance and organisational culture over time.

We continue to adapt Discovery's learning capability by revising our business skills curriculum in direct response to the challenges of the new world of work, including adapting learning interventions to an increasingly work-from-home environment, and an emphasis on aligning learning to our purpose and remaining agile in the face of changing skills needed for the fourth industrial revolution. We empower our employees to take charge of their own development and encourage them to take joint responsibility with their teams and managers. By taking active responsibility for their professional development, our employees can take up the opportunities offered by Discovery to adapt to a rapidly changing world and prepare themselves for the future.

We also focus on developing scarce and critical skills for black employees to build further capacity in our skills pipeline, supporting Discovery's Transformation Plan.

Our leadership development and executive development programmes include specific themes on leading and managing in a fast-changing and complex world. Learning and Leadership is embedding social relevance into each of the programmes in our leadership curriculum. We believe that leaders naturally operate across all four levels in delivering against Discovery's purpose, supported by the impact of our Shared-value Insurance model and our focus on being a powerful force for social good.

Discovery extends skills programmes beyond employees to include their relatives and dependents in Grades 10 to 12 as well as students studying at South African tertiary education institutions. This is building a pipeline of talented individuals who can contribute to South Africa's development. The Employee Relative Bursaries funding window was opened in November 2019 for the 2020 academic year, with 84 applications approved to the value of just over R920 000.00. The programme has been well received, with a major increase in the number of applications received since inception. The full R2.5 million budget has been allocated to employee relatives for the 2020 skills year.

Adapting ways of learning

We have 1 964 employees using the LinkedIn Learning platform and 1 337 employees on the Udemy service. Our learning engagement data on these platforms show an activation rate of around 84% on LinkedIn Learning and 100% on Udemy. Combined with an increasing amount of time spent per learner on our learning platforms, these measures are indicative of our success in building a culture of continuous learning.

An employer of choice for graduates in the insurance and healthcare sectors

In July 2020, Discovery was recognised as an employer of choice for graduates in two sectors – ranking first in insurance for the fifth year in a row and second in healthcare. This is according to the South African Graduate Employers Association 2020 Benchmarking Survey, which had over 2 700 candidates from 88 organisations participate in the survey. The South African Graduate Employers Association raises awareness and provides a standard for the graduate recruitment and development profession, enhancing the careers of those involved in it.

One of our core values is to liberate the best in our people; this value is a great motivation for our graduate programme which provides a positive, constructive yet challenging environment where engaged individuals can stretch themselves both personally and professionally.

- Tswelopele Kodisang, Discovery Chief People Officer

Embedding health and wellness into our place of work

The wellbeing of Discovery's workforce is as vital to our success as it is to that of our clients. Beyond the link between wellbeing and productivity, wellbeing also contributes to healthier and happier families and communities beyond the workplace. We provide employees with the tools to take decisions that will improve their health and wellness, raising the health profile of our whole organisation.



Discovery provides holistic wellbeing support for our employees. In South Africa, all permanent employees (and certain contractors, interns and learners*) have access to Healthy Company benefits to support their physical, emotional and financial wellbeing, and to provide legal support through an app, website, chat function, or via telephone or face-to-face consultations. Healthy Company services are also available to employees' immediate families and those who are financially dependent on them.

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

Engagement indicators for Discovery employees with Healthy Company can be found in Supplementary environmental, social and governance information.

In addition to the reactive employee assistance services, Healthy Company also offers useful tools and resources to maintain overall health and wellbeing.



To further encourage and incentivise healthy behaviours, Discovery has set a target for more than 80% of employees to have a Vitality activated membership, reaching 72.5% in 2020 (2019: 75%). We aim to increase this to between 75% and 85% during 2021. We engaged with employees through wellbeing-related initiatives, including the #DiscoverYourVoice campaign during the year.

For more detail, see our story on [#DiscoverYourVoice](#).

Tracking and supporting employee wellbeing in 2020

2 681 employees completed a Vitality Health Check (2019: 5 422 employees)

In the United Kingdom, Vitality UK's employee wellbeing strategy is driven by our ambition to be the model employer for employee wellness. The strategy comprises five pillars:

Physical wellbeing

Employees have access to onsite run clubs and Vitality sports teams, with free entry to sponsored events such as The Vitality Big Half and the London Marathon. During the COVID-19 pandemic lockdown, we launched Wellbeing at Home Live, a programme of virtual wellbeing events and employees also took advantage of Vitality at Home as a new set of benefits.

Mental wellbeing

We supplemented the mental health support provided by our 66 trained mental health champions with a mental wellbeing self-help tool featuring a dedicated pandemic module. Employees can also access support from Vitality's Mental Health Panel. We also launched a new and improved employee assistance programme with Health Assured, an award-winning employee assistance programme provider.

Financial wellbeing

Initiatives included a Let's Talk Money campaign with practical advice, guides, videos and webinars. The campaign resulted in a 19% increase in the number of employees accessing the online hub of our financial wellbeing partner, Salary Finance.

Lifestyle

We empower our employees to make healthy choices through initiatives such as a dedicated nutrition campaign, a weight-loss management programme and a trial for a new digital stop smoking programme that combines cognitive behavioural therapy and hands-on support from a professional coach.

Social wellbeing

Our new intranet, VITL, is another platform for employees to connect and collaborate through community spaces and information hubs.



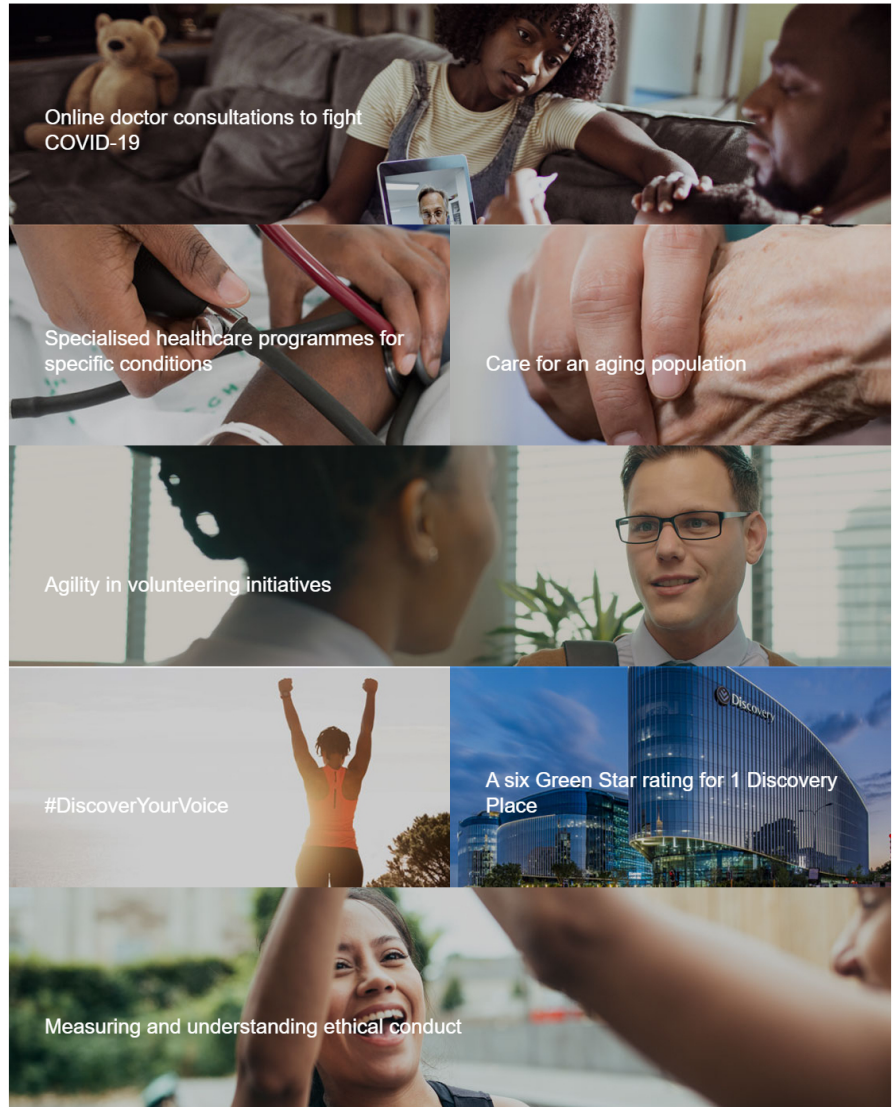
Related documents

Supplementary environmental, social and governance information

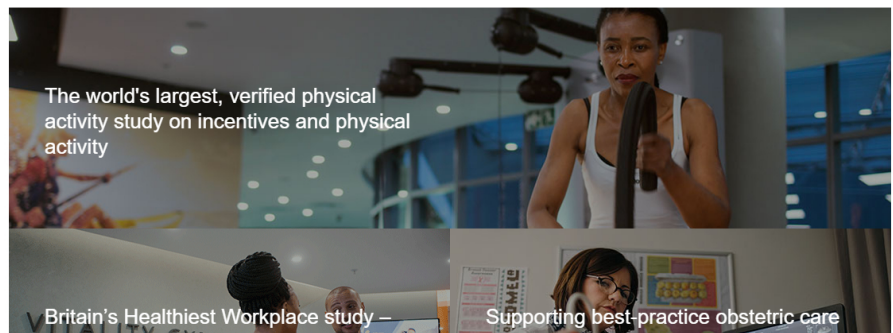
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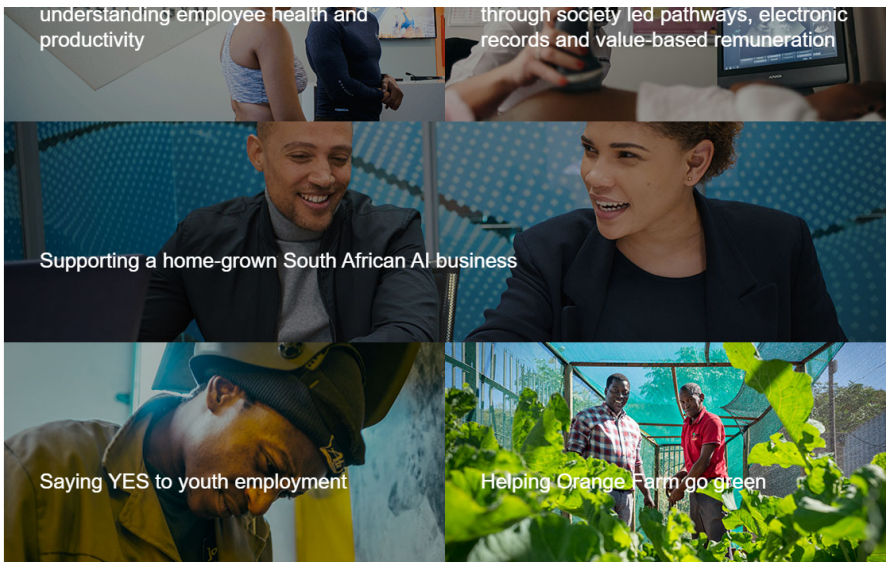


2020 Stories



2019 Stories





2018 Stories



Online doctor consultations to fight COVID-19

Globally, telemedicine has proved invaluable in the management of COVID-19, with many governments and healthcare systems advocating virtual consultations first, as a primary means of healthcare consultations. Virtual healthcare tools can help to identify people who need referral to hospital, reduce overcrowding at clinics and doctors' rooms where there is greater risk of infection, and protect healthcare professionals.

Discovery and Vodacom have partnered to deliver a free virtual healthcare platform for the benefit of all South Africans during the COVID-19 pandemic. We leveraged our DrConnect digital healthcare capability, which was previously only available to Discovery clients, and extended it to all South Africans to access online healthcare professional consultation and medical advice. As part of this partnership, Discovery and Vodacom have created a COVID-19 Healthcare Fund to pay doctors for the first 100 000 consultations that are provided free to any South African.

At the launch of the initiative, 5 200 doctors were signed up and trained. Discovery Health specifically approached a diverse demographic of doctors so that people using the service can connect with a doctor who speaks their home language.

The platform is zero-rated for Vodacom customers, meaning that they can access it without data or airtime. Vodacom customers without smart phones can access the service via USSD by dialling *111#. Users on other networks only pay for data to access the service.

It's a powerful partnership. We have quickly scaled up Discovery's front-line telemedicine platform, DrConnect, due to the national imperative of treating COVID-19. The process is currently limited to COVID-19, but we'll learn what's possible. I expect that telemedicine will become ubiquitous in managing disease in the future.

- Adrian Gore, Discovery Group CEO

In the United Kingdom, Vitality UK opened access to telephone general practitioner advice line services to support all its members across VitalityHealth, VitalityLife and VitalityInvest during the COVID-19 outbreak. The service ensures members have access to information and support, with doctors providing clinical guidance and advice on managing the virus, alongside directing members to any NHS support or testing where a member may need it, all in keeping with official UK Government advice.


All the general practitioners on the service have received additional training on COVID-19, including testing eligibility, who should be self-isolated and why, the mental and physical impact of self-isolation, and when to admit someone to hospital for more extensive or urgent care.

Our Vitality general practitioner advice line is a key feature of our health proposition and we're pleased to be able to extend this service out to all our members at a time when many will have concerns around their health and Coronavirus.

- Dr Keith Klintworth, Managing Director of VitalityHealth

Members are able to access the service through the Vitality Member Zone, open seven days a week and 24 hours a day. VitalityHealth has offered a doctor advice line to its members for over a decade, with its popularity and usage growing consistently year on year. The Vitality Member Zone is also being kept up to date with the latest information available on COVID-19 and direction to NHS services as appropriate.

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Specialised healthcare programmes for specific conditions

The surge in chronic disease prevalence (in conditions like diabetes, hypertension and hypercholesterolaemia) in South Africa is significantly increasing costs and impacting outcomes for members across all medical schemes. We provide specialised programmes to help members and their doctors actively manage and navigate care for specific conditions.

In the Discovery KidneyCare Programme, a dedicated Discovery Health team works with a patient's doctor to manage the condition and aims to:

- Ensure joint participation by patients, doctors and dialysis care providers to improve quality of care
- Measure and report on the comprehensive management of the patient to institute improvement of care programmes
- Provide educational material to patients
- Improve the quality of life for patients on chronic dialysis
- Reduce additional costs incurred through repeat hospital admissions and avoidable complications in care.

The DiabetesCare Programme helps members and their doctor actively manage the condition based on established clinical and lifestyle guidelines. This includes a suite of tools to monitor and manage treatment, and ensure members can access high-quality coordinated care to stay healthy over time. In addition to the standard treatment basket of procedures and consultations available to members, an annual consultation with a dietician and biokineticist ensures members have access to the best advice about diet and exercise, tailored to their needs.

Discovery Health's launched a specialised clinical management organisation in 2020 to take over administration of a cohort of diabetic patients from the Centre for Diabetes and Endocrinology. The clinical management organisation aims to significantly improve chronic disease clinical outcomes and healthcare costs, and is founded on fully integrated and unique approach to managing chronic disease. This includes multi-disciplinary care teams, disease-specific condition management and coaching, and a unique shared value model to align providers with evidence-based clinical protocols and desired patient outcomes.

The clinical management organisation currently coordinates and manages delivery of diabetes and cardiometabolic care for over 12 000 Discovery Health Medical Scheme members.

Over the past few years, we have been actively engaging with a number of specialist societies to collaborate on care delivery initiatives. The CADCare project is one of these, where Discovery Health is running a coronary artery disease care delivery project in collaboration with the South African Society of Cardiovascular Intervention. The project aims to demonstrate that a partnership with joint learning and data sharing can improve healthcare quality and cost outcomes for patients diagnosed with coronary artery disease syndrome.

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Care for an aging population

In the United Kingdom, there are nearly 12 million people aged 65 and above, with an estimated one in five people aged 65 or over by 2030. There is also an increase in the number of people living with dementia, with the current trend likely resulting in over two million people living with the condition by 2051. The costs of care can be substantial, and a person with dementia can expect to pay £100 000 for care.

The most common means of care provision is informally via family and friends. There are approximately 6.5 million carers in the United Kingdom, of whom 3 million are unpaid and balancing work with caring responsibilities. This is the equivalent of £132 billion worth of informal care each year. However this comes at a cost, mainly at the financial and mental wellbeing of the carers themselves; more than two thirds of carers are using their own income and savings to cover the cost of care and two in five say they struggle to make ends meet.

To help address these challenges, VitalityLife introduced its global-first Dementia and FrailCare Cover in October 2018. Its launch has been met with a strong response that shows the need for this unique product; more than 66% of eligible members have added this cover to their policies over the first 12 months since its launch. Dementia and FrailCare Cover is available to select upfront with no additional premium when Serious Illness Cover is taken out.

To expand the benefits Vitality offers for later life, we introduced Dementia and FrailCare Cover Plus in December 2019. It follows the same design as Dementia and FrailCare Cover but incurs an additional premium throughout the Serious Illness Cover term. In return, it offers greater benefits at the end of the term, allowing up to 100% of any remaining Serious Illness Cover to be converted into Dementia and FrailCare Cover, and 10% of any remaining Life Cover converted into Funeral Cover.

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Agility in volunteering initiatives

The COVID-19 pandemic and the resultant lockdown regulations created new challenges for businesses and programmes globally, with Discovery ForGood (Discovery's Employee Volunteer Programme) being no exception. The Discovery ForGood team rallied to create a COVID-19 response that would continue to make volunteering opportunities available for Discovery's people in line with our core purpose, while accounting for the constraints of the pandemic.

Food insecurity has been exacerbated by the pandemic. Given that Discovery Forum events were not taking place, the head of the Forum team opted to utilise their skills by preparing and distributing meals to selected non-profit organisations referred by the Discovery ForGood team. By 3 July 2020, 6 747 food packs have been distributed.

As detailed in the COVID-19 section of this report, employees also donated to the Solidarity Fund, matched rand-for-rand by the Discovery Fund.

Continuing our work in Orange Farm, Discovery senior usability analyst Ashnee Gounden and her team spearheaded a design thinking mentorship programme at the Aha Thuto Secondary School for Orange Farm youth participants. It covered how to research and design innovative solutions to problems by using the principles of design thinking.

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#DiscoverYourVoice

Violent crime has increased since the nationwide COVID-19 alert level 3 took effect on 1 June 2020. Cases of abuse of women and children have also increased dramatically. Through the #DiscoverYourVoice initiative, Discovery is supporting medical scheme members who experience gender-based violence and other traumatic crime.

UNITING AGAINST GENDER-BASED VIOLENCE

South Africa has one of the world's highest gender-based violence rates in the world. According to a 2018 report by Statistics South Africa, our femicide rate (the murder of women on the basis of their gender) is five times higher than the global average. Globally, the World Bank calls gender-based violence a pandemic in which one in three women have experienced physical or sexual violence, or both. They also highlight that a staggering 38% of murders of women are committed by an intimate partner.

To turn the tide on the violence that we see take place in our society against women and children, we all need to play our part.

- Adrian Gore, Discovery Group CEO

Discovery is invested in creating an environment in which the health and prosperity of all South Africans is nurtured. Motivated by our core purpose, #DiscoverYourVoice encourages those who experience gender-based violence to reach out for help and to access immediate and confidential trauma support and scheme benefits, linked to Discovery's Emergency Services and Trauma Support benefit.

Most importantly, this programme features dedicated channels to support a person through the trauma associated with gender-based violence. People who use the service connect directly with a dedicated specialist who will take the individual through a high-touch journey, offering direction towards:

- Guidance and advice on appropriate consultations with various healthcare professionals
- Emergency support that may be needed (such as hospitalisation or medical treatment)
- Counselling support sessions
- Practical advice, such as where to access places of safety or how to get a protection order.

The Emergency Services and Trauma Support benefit offers comprehensive assistance for those who have been through a traumatic event and is available to all members of Discovery Health Medical Scheme. Support is confidential and comes at no cost to the individual seeking help.

Access the service by calling 0860 999 911 (the Discovery 911 Emergency Line operated by Netcare 911), 24 hours a day, seven days a week. (Press 5 for trauma related to gender-based violence to reach our dedicated line and support.)

We also engaged with Discovery employees in the #DiscoverYourVoice campaign. Run over November and December 2019 across all five South African campuses, it rallied employees and leadership around this critical issue. The internal campaign included a LinkedIn campaign video and a Sapjam (a company-wide intranet collaboration platform) page providing information and updates.

SUPPORTING DR MNYANDA'S PIVOTAL WORK TO BETTER UNDERSTAND AND SUPPORT VICTIMS OF SEXUAL VIOLENCE

Every year Discovery honours various professionals in the medical field through support made available through the Discovery Foundation. In 2019, Dr Yandiswa Mnyanda – Chief Medical Officer in the Accident and Emergency Department at Cecilia Makiwane Hospital (near East London) – was chosen to receive a Discovery Foundation Rural Individual Fellowship Award. This was for her work in providing quality care to individuals affected by gender-based violence, and particularly survivors of sexual violence.

Dr Mnyanda helped set up the Thuthuzela Care Centre at the hospital for sexual-assault survivors. She also developed a study to identify the reasons why survivors tend to delay reporting an incident or seek medical care. With the support she has received through her Discovery Rural Individual Fellowship award, she is actively studying more than 1 300 survivor files, so that targeted awareness initiatives can be developed to help to encourage necessary interventions much earlier.



A six Green Star rating for 1 Discovery Place

1 Discovery Place was designed to be beautiful, functional, and inspiring. We wanted a space that embodies our core purpose, values and culture, and that would support our future growth – both in terms of physical expansion and in enabling collaboration, wellness and innovation.

- Adrian Gore, Discovery Group CEO

Encouraging integration and prompting movement were at the heart of how 1 Discovery Place was conceived. This was a building with people's wellbeing at the forefront, rather than a warehouse for workers. The building comprises a ground floor open to the public and eight additional levels of office space, a Tier 3 data centre and an open and greened roof level with a running track.

Beyond the focus on the wellbeing of its people, sustainability was considered in its design and construction. As a result, 1 Discovery Place has received a six Green Star as-built rating from the Green Building Council of South Africa, which makes it one of only a handful of projects with this rating.

Green Star Certification is an internationally recognised and trusted mark of quality for the design, construction and operation of buildings, interior fitouts and precincts. Six stars is the highest rating, denoting a score of 75 and above (out of 100), which places the building or precinct in the 'world leadership' category.

Following clearly defined sustainability objectives from planning and design, the building achieves energy and water efficiencies through the use of, among other elements, a highly efficient air-conditioning system, energy efficient lighting, grey and rainwater harvesting systems, water-efficient sanitary fittings, as well as carbon monoxide monitoring in the basement.

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Measuring and understanding ethical conduct

As reported last year, Discovery partnered with the Gordon Institute of Business Science to launch the GIBS Ethics Barometer Survey for South African business. Discovery's participation has provided a benchmark against participating organisations in measuring ethical conduct and has provided insight into opportunities to extend ethical business practice to enhance the sustainability of our organisation.

The outcomes of the GIBS Ethics Barometer survey and 2019 Employee Engagement Survey have been shared with each business unit in our South African operations in an individualised report that highlighted the most and least positive perceptions and behaviours. These reports also include an action plan to address outcomes from the combined surveys, formulated by the Chief People Officer and assisted by the Group Ethics Office.

The main themes from the GIBS Ethics Barometer were:

Most positive perceptions	Least positive perceptions
1. Engagement with broader society <ul style="list-style-type: none"> Active in the development of broader society Making impactful contributions to needy causes Supports the aims of regulatory authorities 	1. Organisational culture and practices <ul style="list-style-type: none"> People do not feel free to speak out against wrongdoing without fear of retaliation There are double standards for different groups of employees Managers do not tell the truth to employees
2. Organisational culture and practices <ul style="list-style-type: none"> Includes all relevant information in our financial reporting 	2. Treatment of employees <ul style="list-style-type: none"> Employees are not paid fairly Employees are not promoted fairly
3. Treatment of customers <ul style="list-style-type: none"> Takes concerns and complaints from customers seriously and does its best to address them 	

We were pleased to note that findings relating to 'avoidance of misconduct' scored relatively high and above benchmark, but qualitative feedback highlighted a potential concern regarding the level of psychological safety in the organisation. To supplement existing anonymous reporting mechanisms, the Ethics Office introduced the EthicsDefender and Group Forensics introduced the FraudCracker applications as new platforms for employees to anonymously report and communicate in real time, without having to reveal their identity. A whistle-blowing campaign was launched in January 2020 to raise awareness of these safe-reporting mechanisms for employees and the Whistle-blowing Policy, supplemented by weekly newsletters.