



Discovery Group



Environmental Policy





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1. Introduction

1.1 PURPOSE

Discovery Limited (hereinafter referred to as Discovery) is a global, integrated financial services organisation. Discovery uses a pioneering shared-value business model across its businesses to achieve Discovery's core purpose of making people healthier and enhancing and protecting their lives. The commitment to Discovery's core purpose is expressed in the responsible way Discovery conducts business, and the impact Discovery has on society as a powerful force for social good. Discovery understands that in order to achieve this, business must be conducted in an ethical, accountable and transparent way, where Discovery upholds and supports environmental laws and regulations.

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

Discovery's values reflect this commitment and underpins every aspect of Discovery's business. Discovery respects environmental laws and is committed to ensure that systems and processes are in place to meet the requirements throughout Discovery's sphere of influence.

1.2 SCOPE

Discovery primarily operates in the South African market and United Kingdom, and in partner markets globally through contractual insurance partnerships, and a corporate wellness offering in the United States, Asia and Australia.

The Discovery Board directs the organisation in such a way that it does not adversely affect the natural environment, society or future generations. The Board oversees and monitors, on an ongoing basis, how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen. It governs compliance with the applicable laws and with adopted non-binding rules, codes and standards. Management is responsible for the implementation of this policy.

This policy is applicable to all South African operations comprising Discovery, including:

- All executive and non-executive directors, as well as the company secretary of any company within the Discovery Group
- Officers within the Discovery Group
- Any senior manager appointed within the Discovery Group
- Full time or fixed term employees
- Contractors
- External visitors.

2. Policy principles

2.1 AIM

Discovery aims to:

- Comply with and exceed all relevant regulatory requirements and other compliance obligations



- Continually monitor and reduce Discovery's direct environmental impact and, wherever possible, the indirect impact of Discovery's supply chain
- Understand and be responsive to environmental challenges and how they impact Discovery's business
- Incorporate environmental factors into business decisions
- Increase employee awareness and training
- Protect and build Discovery's reputation across all aspects of Discovery's business through this policy and Discovery's actions

2.2 COMMITMENTS

- Discovery will strive to become the leader in sustainable practices within the business units by maintaining an innovative environmental policy and positioning Discovery on the cutting edge of sustainable ideas, practices, methods and technologies.
- Discovery will integrate environmental management into planning and decision-making.
- Discovery will operate in compliance with all applicable legislation and compliance obligations.
- Discovery will identify and manage environmental aspects in order to:
 - Minimise greenhouse gas emissions
 - Promote efficient use of materials and conservation of resources
 - Optimise and minimise resource consumption
 - Protect the environment and prevent pollution
 - Decrease Discovery's company-generated waste and continue to strive towards sending zero waste to the landfill
 - Commit to the principle of reduce, reuse and recycle
 - Ensure the safe handling and storage of waste on all Discovery's sites
 - Prevent and minimise the waste Discovery generate and regulate Discovery's waste at the source
 - Apply renewable energy alternatives and other green technologies within Discovery's facilities, wherever these alternatives are available, economical and suitable
 - Use adaptation measures to protect Discovery's business and stakeholders against the impact of climate change
 - Influence Discovery's suppliers to improve environmental performance across Discovery's supply chain
 - Ensure Discovery's commitment to ISO 14001 reporting obligations.¹
- Discovery is committed to using Discovery's sphere of influence to promote environmental awareness and drive behavioural change among all stakeholders, particularly staff and clients.
- Where carbon or resource targets have been set, Discovery will undertake a clear strategy and action plan to achieve such targets. Discovery progress against these targets will be reviewed and the progress communicated.

¹ The organization should determine and have access to the compliance obligations related to its environmental aspects, and must: determine how these compliance obligations apply; take these compliance obligations into account when establishing, implementing, maintaining and continually improving its environmental management system; maintain documented information about its compliance obligations. Compliance obligations can result in risks and opportunities for the organization.

As per Guidance on the use of ISO 14001:2015 Standard it explains that the organization is to determine, at a sufficiently detailed level, the compliance obligations it identified that are applicable to its environmental aspects, and how they apply to the organization. Compliance obligations include legal requirements that an organization has to comply with any other requirements that the organization has to or chooses to comply with. Mandatory legal requirements related to an organization's environmental aspects can include, if applicable:

- a) requirements from governmental entities or other relevant authorities;
- b) international, national and local laws and regulations;
- c) requirements specified in permits, licenses or other forms of authorization;
- d) orders, rules or guidance from regulatory agencies;
- e) judgments of courts or administrative tribunals.

Compliance obligations also include other interested party requirements related to its environmental management system which the organization has to or chooses to adopt.



- Discovery recognises that an effective response to climate change will require an informed and collaborative approach. This approach has to be informed by research initiatives aimed at creating a better understanding of the risks that climate change poses to Discovery's business model and assessing the implications of these risks.

3. Policy alignment

The South African government is part of the global collective and thus it has entered into several environmental agreements/treaties e.g. The Paris Climate Agreement of which aims is to strengthen the global response to the threat of climate change.

Discovery is committed to the below mentioned South African legislation and standards, and will ensure that Discovery remains in compliance with the required laws and conform to the best practises.

- [National Environmental Management Act](#)

The Act provides for:

- the establishment of rights of all inhabitants of South Africa to live in an environment that is not harmful to their health and wellbeing;
- the obligation on government to respect, protect, promote and fulfil the social, economic and environmental rights of everyone,
- sustainable development, requiring the integration of social, economic and environmental factors in the planning, implementation and evaluation of decisions to ensure that development serves present and future generations.

- [National Environment Management: Waste Act](#)

The Act aims to dissuade poor waste management since sustainable development requires that the generation of waste is avoided, or where it cannot be avoided, that it is reduced, re-used, recycled or recovered and only as a last resort treated and safely disposed of. The minimisation of pollution and the use of natural resources through vigorous control, cleaner technologies, cleaner production and consumption practices, and waste minimisation are key to ensuring that the environment is protected from the impact of waste.

- [National Environment Management: Air Quality Act](#)

The National Environment Management: Air Quality Act intends to reform the law regulating air quality in order to protect the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development while promoting justifiable economic and social development; to provide for national norms and standards regulating air quality monitoring,

- [Carbon Tax Act](#)

South African government has outlined its strong commitment to play its part in global efforts to mitigate GHG emissions as outlined in the National Climate Change Response Policy (NCCRP). The Government set its own targets, which was incorporated as the South African commitment in the Paris Agreement (convened by the United Nations Framework Convention on Climate Change (UNFCCC). South Africa ratified the Paris Agreement in November 2016. The carbon tax forms an integral part of ensuring that South Africa meets these targets.

The Carbon Tax Act gives effect to the polluter-pays-principle for large emitters and helps to ensure that firms and consumers take the negative adverse costs (externalities) into account in their future production, consumption and investment decisions. Companies are incentivized towards adopting cleaner technologies.

- ISO 14001

The International Standards Organisation 14001 deals with specifically issues of environmental management responsibly sets out the criteria for an environmental management system and can be certified to Discovery has been certified. It maps out a framework that an organisation can follow to set up an effective environmental



management system. It is designed for any type of organisation, regardless of its activity or sector, it can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved.

Organisations that comply with the ISO 14001 requirements benefit from improved usage of resources and the overall reduction of waste. In addition, the companies benefit from lower costs because of more efficient processes. With compliance and certification, Discovery has obtained the necessary proof of their commitment to environmentally sustainable practices.

4. Compliance with this policy

Discovery views any non-compliance to this policy and its obligations in terms of legislation in a serious light. Compliance with this policy will be monitored. Any breach of, or non-compliance with this policy must be communicated to the policy owner as soon as reasonably practical. The policy owner, with input from key stakeholders, will consider the appropriate action(s) required. If agreement on the appropriate action(s) cannot be reached, the matter will be escalated to the Chair of the Social and Ethics Committee. The Chair of the Social and Ethics Committee will decide whether the breach or non-compliance is sufficiently material to be escalated further, and if so, to which Board/committee/person. All instances of non-compliance with this framework are included within the regular risk reporting process.