Discovery

Climate Report

for the year ended 30 June 2025

Contents

Our reporting suite

Our Climate Report is supported by a comprehensive reporting suite that provides our stakeholders with a holistic overview of the Group, its prospects and performance during the 2025 financial year (FY2025). These reports are available on our website.

THIS REPORT

Climate Report

Details Discovery's approach to climate change and climate-related disclosures regarding governance, strategy, risk management, and metrics and targets.

Integrated Annual Report

Details how we created, preserved or eroded value during the year. This is our primary report to our shareholders and providers of financial capital. This report also includes information relevant to our other key stakeholders.

Group Annual Financial Statements

Contains Group audited consolidated annual financial results for Discovery Limited, the Group's embedded value statement and five-year review.

Remuneration Report

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

ESG Databook

Contains quantitative and qualitative disclosures across ESG factors over a five-year period, where applicable, and guided by global reporting standards.

Sustainability Report

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

Governance Report

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

Tax Transparency Report

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

Annual financial results presentation and booklet

Notice of Annual General Meeting (AGM)

NAVIGATING OUR REPORTING SUITE

This is an interactive report. Navigation tools on the right of each page and within the report are indicated below.

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This icon refers to more information in this report

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

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

About this report

Our FY2025 Climate Report details Discovery's approach to managing the impacts of climate change and provides climate disclosures related to governance, strategy, risk management, and metrics and targets. In addition, we provide insights into how we minimise our climate-related impacts and leverage climate-related opportunities to create value.

Reporting scope and boundary

This Climate Report provides a holistic view of Discovery Limited (Discovery or the Group) from 1 July 2024 to 30 June 2025. We also include all material events up to the date of Board approval. Furthermore, this report includes information relating to the performance of our composites: Discovery South Africa (SA) and Vitality (Vitality UK and Vitality Global).

Frameworks applied

In preparing this report, we were guided by:

- Global Reporting Initiative (GRI) standards
- International Sustainability Standards Board (ISSB) IFRS S2 *Climate-related Disclosures*
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations*

* *The TCFD was disbanded in 2023 following the release of the ISSB IFRS S1 and S2. We will continue reporting against the TCFD recommendations as it has become the foundation for climate-related financial disclosures globally. We also continue working to align with IFRS S2 Climate-related Disclosures*

Forward-looking statements

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

Combined assurance

Discovery is committed to disclosing accurate information that supports stakeholders in their decision-making. Our Combined Assurance model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report.

In FY2025, our reporting suite was assured as follows:

- Joint external audit assurance of Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Limited assurance of selected greenhouse gas (GHG) emissions inventory by Verify CO_2
- Verification of B-BBEE rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2025.

This report is the culmination of a Group-wide process led by the Group Finance function, with oversight from the Group Climate Steering Committee and Group Executive. Our Group Social and Ethics Committee reviews the process and recommends the report to our Board for approval.

Board approval

Discovery's Board of Directors is responsible for the integrity of this report. After reviewing this report, the Board believes it accurately and comprehensively explains Discovery's response to climate change.

The Board unanimously approved this report on 16 October 2025.

Sir Mark E Tucker
Independent Non-executive Chairperson

Adrian Gore
Group Chief Executive

We welcome your feedback on our reporting suite. To submit any comments, email **sustainability@discovery.co.za.**

Leadership message

SENELE MBATHA

This year, we published our Net-zero Transition Plan, setting out the steps we will take to reach net zero by 2050. Its timing is critical. The human and economic toll of climate-related events became more pronounced during the year, with our clients and communities directly affected.

A message from our Group Chief Risk Officer

It would be impossible to deliver on our purpose of making people healthier and enhancing and protecting their lives without recognising that a healthy natural environment is inseparable from human health and wellbeing. As a purpose-driven organisation rooted in our value of being a force for good, we believe having clear goals and plans for supporting the transition to net zero is a natural extension of our business.

This year, we published our Net-zero Transition Plan, setting out the steps we will take to reach net zero by 2050. Its timing is critical. The human and economic toll of climate-related events became more pronounced during the year, with our clients and communities directly affected. South Africa endured severe flooding in KwaZulu-Natal and the Eastern Cape, while the UK recorded its warmest and driest spring in half a century.

The regulatory landscape is also evolving. In South Africa, the Climate Change Act and progressive carbon tax developments are reshaping expectations, while in the UK, the Climate Change Act sets staggered emissions targets and the government has confirmed adoption of the ISSB's IFRS S1 and S2 standards as the basis for new Sustainability Reporting Standards. These developments will continue to raise the bar for corporate transparency, transition planning and accountability.

While several major economies and corporations recently reversed or softened climate commitments, Discovery remains steadfast. Guided by our Net-zero Transition Plan, we aim to reduce our own and our value chain's emissions, while also leveraging our model and capabilities to be part of the broader climate solution. Our dedication is underscored by commitments to global sustainability initiatives, including the Paris Agreement, the principles of the United Nations Global Compact (UNGC), the United Nations Sustainable Development Goals (SDGs) and the United Nations Environment Programme Finance Initiatives (UNEP-FI) Principles for Sustainable Insurance.

This is our fifth report aligned with the TCFD recommendations, and we continue to enhance our reporting in alignment with IFRS S2 *Climate-related Disclosures*. It reflects our ongoing progress in executing our climate change strategy and our ambition to contribute meaningfully to the transition to a net-zero future.

Progress against our climate change strategy

Our Net-zero Transition Plan is a key output of our climate change strategy, and it uses the strategy's three pillars to outline our path to achieving net zero. The strategic pillars guide us to **align** across practices and properties to reduce emissions in line with global climate ambitions, **amplify** our impact through our portfolio and partnerships across the value chain, and make an **impact** by developing products and services that help clients adapt and contribute to the climate solution.

01 ALIGN ACROSS PRACTICES AND PROPERTIES

We made strong progress towards our short-term goal of reducing Scope 1 and 2 emissions, achieving a 31.2% reduction (24 694 tCO_2e) against the 2019 baseline – ahead of our FY2025 target of 25.2%. This was supported by our solar installations, continued operational efficiencies at our data centre and improved energy efficiencies across our operations. We sourced 100% of our UK offices' electricity from renewable sources and maintain our nurses' fleet of hybrid vehicles. All our major South African offices – in Johannesburg, Cape Town, KwaZulu-Natal and Gqeberha – have now achieved net zero waste to landfill accreditation.

Recognising that scaled access to clean energy will play a crucial role in meeting our carbon neutral and net zero ambitions, we have applied our Shared-value model to green energy, investing in innovations that led to the creation of Discovery Green, which is on track to provide 100% renewable energy to 1 Discovery Place from 2027.

Vitality UK achieved carbon neutrality for Scope 1 and 2 in 2025 as planned, marking a 70% reduction in operational emissions since FY2019.

02 **AMPLIFY** THROUGH PORTFOLIO AND PARTNERSHIPS

We cannot reach net zero alone, and we amplify our impact by advancing shared-value thinking across our value chain.

Our Net-zero Transition Plan details our approach and methodology for identifying and managing Scope 3 emissions, supported by governance structures and workstreams. We advanced several key elements of our Scope 3 analysis, including asset managers, Vitality partners and financed emissions engagement and measurement plans. Notably, the Group established FY2024 as the baseline year for Scope 3 emissions, which were independently verified and included in the Net-zero Transition Plan.

We also launched a sustainability thought leadership programme in the UK to help advisers understand the links between health, sustainability and insurance. Our engagement extends to emerging technology risks, including the environmental impact of AI, where we are engaging IT providers to inform our understanding and response.

We continue to deepen our responsible investment practices by integrating ESG factors into investment criteria and prioritising the commitment of asset managers and companies to science-aligned targets.

Shared-value partnerships extend beyond our client and member base. Pothole Patrol, a joint initiative with Avis and the City of Johannesburg, has filled over 295 000 potholes across Gauteng since 2021. This initiative addresses infrastructure risks exacerbated by heavy rainfall and flooding, reducing road safety incidents, positively impacting insured and non-insured road users and reducing pothole-related claims costs.

By collaborating with our peers and industry bodies and participating in climate change forums and regulatory consultations, we are able to play an active role in shaping the climate agenda and support an orderly, timeous and just transition to net zero.

03 **IMPACT** THROUGH INCENTIVES AND INNOVATION

It is deeply heartening to see how our clients' everyday choices translate into tangible societal impact in the face of climate change. During the year, Vitality members rallied through MoveToGive by achieving their health goals and, in doing so, provided hot meals, clean water and school repairs for vulnerable communities in KwaZulu-Natal and the Eastern Cape impacted by the floods. These acts of collective generosity, spurred by positive behaviour change, illustrate the true essence of shared value in action – where improving personal health directly supports resilience in communities facing the consequences of climate change.

As the link between climate change and human health becomes clearer, the opportunities presented by our Vitality behaviour-change model become more evident. By understanding the correlations between behaviour and outcomes through this model, we can target areas with the greatest potential to mitigate risks, including those related to climate change, for long-term resilience.

Our unique data capabilities and intellectual property position us to actively respond to the challenges posed by climate change and develop climate-related innovations aligned with our purpose. Our research and development initiatives focus on understanding and mitigating climate-related risks while unlocking opportunities. Discovery Green illustrates this impact. During the year, it secured an electricity trading licence from the National Energy Regulator of South Africa, becoming one of only 10 licensed traders in South Africa, and reached financial close to begin construction of its first renewable energy plant. It also partnered with Sasol to commit over 450 MWh of annual renewable energy capacity to Ampli Energy, empowering SMMEs and smaller corporates previously excluded from electricity wheeling.

We are responding to climate risks through targeted product innovation, data-driven underwriting and ecosystem partnerships. In high-risk areas like coastal and fire-prone zones, we implement innovative risk mitigating initiatives, adjust pricing where needed and have introduced third-party data tools to enhance risk selection.

Our health businesses continue to lead in digital healthcare solutions, enabling clients to access and manage care online. This avoids unnecessary travel, which reduces emissions. We have begun quantifying the emissions savings from our innovative health journeys, highlighting the dual benefit of expanding access to care while reducing the climate impact of healthcare.

Looking ahead

Our journey to net zero will be a collective effort that involves stakeholders from every corner of our business. With commitments championed at the highest level, we are embedding net-zero thinking into our culture, strategy and decision-making. We support government policies that drive meaningful climate action and recognise that only through collaboration across industries can we achieve the scale of change required.

We advanced our commitment to science-based emissions reduction by registering with the Science Based Targets initiative (SBTi) during the year to explore the target submission and validation process for our near-term goals. With new guidance for financial institutions recently released, we are carefully reviewing the requirements before making further decisions on the submission of our targets.

The climate context will continue to evolve, but we face the future with clarity and resolve. Our Net-zero Transition Plan, enabled by our climate change strategy, provides the rigour and clear targets that will form the foundation of our journey to 2050. As a responsible corporate citizen and a force for good, we are energised by the opportunity to shape a climate-resilient future that allows us to deliver on our purpose.

SENELE MBATHA
Group Chief Risk Officer

Executive Sponsor of the Climate and Environment Steering Committee

Context

Events linked to climate change are increasing in intensity, duration and frequency. The World Meteorological Organization confirmed 2024 as the warmest year on record, with global average temperatures reaching 1.55°C above pre-industrial levels. In 2025, South Africans once again faced the human and economic toll of extreme weather, including deadly and damaging floods in KwaZulu-Natal and the Eastern Cape, while the UK experienced the warmest and driest spring in 50 years, prompting drought warnings. These events underscore that climate risk is no longer hypothetical – it is already impacting lives, infrastructure and ecosystems. They also highlight the urgency and opportunity to build resilience, foster innovation and accelerate sustainable development.

While several major economies and corporations recently reversed or softened climate commitments, the case for urgent action remains. In its 2025 Global Risks Report, the World Economic Forum ranked extreme weather as the global risk likely to have the most severe impact over the next decade. This reflects a growing scientific consensus: Arctic warming is occurring at rates higher than the global average, with projections suggesting ice-free summers by 2027. Meanwhile, the atmospheric concentration of carbon dioxide reached record highs in 2024.

The financial implications are profound. In 2024, global natural disasters led to US$320 billion in losses, with less than half insured. Over the past decade, climate-related events have cost the global economy over US$2 trillion, with a steep rise in occurrences in the past two years.

In response, the global climate agenda is placing greater emphasis on resilience and financial mobilisation. While COP29 in Baku was met with mixed reactions, countries agreed to several breakthrough measures that could directly influence the pace and scale of climate action in the coming decade. The Loss and Damage Fund was operationalised to support countries already experiencing the impacts of climate change. The Baku Adaptation Roadmap was adopted to streamline how adaptation progress is tracked, making it easier for governments and organisations to align their strategies and measure outcomes.

Crucially, a new global climate-finance target was agreed, known as the New Collective Quantified Goal (NCQG) on climate finance. This goal recognises that unlocking private capital – through tools like blended finance, risk guarantees and innovative insurance – is essential to building low-carbon, climate-resilient economies.

South Africa is aligning its national efforts through the National Adaptation Strategy and Plan. At the Green Hydrogen Summit in June 2025, the government reaffirmed its commitment to accelerating decarbonisation, highlighting progress on its Green Hydrogen Commercialisation Strategy. Multiple large-scale projects are underway across the value chain, supporting the Just Energy Transition and aiming to reduce emissions from hard-to-abate sectors like heavy industry and transport. However, public private collaboration is critical to address national vulnerability.

The World Economic Forum continues to rank decline in health and wellbeing as a top societal risk, driven in part by climate-related factors such as heatwaves, pollution and ecosystem degradation. These impacts intensify the burden of chronic disease, strain health systems and deepen inequalities, presenting complex challenges for the insurance industry. With its extensive experience in risk pooling and managing emerging risks, the insurance sector is uniquely equipped to mitigate the severe economic and societal impacts of climate change despite these challenges. By ensuring its products promote prevention and responsible behaviour change, the sector can effectively address its greater exposure to climate-related financial risks compared to other financial sectors.

Health and wellbeing is a key area where research and innovation can drive progress, and Discovery is well placed to lead in this space. Through our Shared-value model – anchored in prevention, behaviour change and data-driven care – we contribute meaningfully to building systemic resilience in a changing climate.

The collective efforts of governments, businesses and individuals to address climate change will have long-lasting impacts for future generations. As an organisation built on incentivising behaviour change, we recognise the power of our model to make a positive impact, and we will continue to develop products and services that accelerate the transition to a healthier, more resilient and lower-carbon economy.

Refer to page 24 for more information on how our shared-value approach supports climate solutions.

In its 2025 Global Risks Report, the World Economic Forum ranked extreme weather as the global risk likely to have the most severe impact over the next decade. This reflects a growing scientific consensus: Arctic warming is occurring at rates higher than the global average, with projections suggesting ice-free summers by 2027.

Our regulatory landscape

The global regulatory environment for climate change is placing increasing emphasis on mandatory disclosure, transition planning and carbon pricing. In South Africa, this shift is reflected in the formalisation of the Climate Change Act and progressive updates to carbon tax policy and financial sector guidance. These developments are reshaping expectations for how organisations identify, manage and disclose climate-related risks.

South Africa's Climate Change Act was signed into law in July 2024, providing a long-awaited legal framework to guide the country's response to climate change. The Act establishes governance structures and defines obligations for GHG emissions reductions, climate adaptation and climate finance at national, provincial and local levels. It also calls for the development of sector-specific adaptation strategies and climate response implementation plans, formalising many of the ambitions set out in SA's Nationally Determined Contributions (NDCs) and the National Climate Change Adaptation Strategy.

Further regulatory tightening is underway through the second phase of the Carbon Tax Act, which is proposed to come into effect in 2026 and run until 2030. Proposed changes include a reduction in tax-free allowances, an increase in performance-based allowances and the removal of the carbon budget allowance from 2026 onwards. Treasury has also introduced a penalty tax rate of R640 per tonne for emissions exceeding thresholds. These changes are intended to strengthen price signals and ensure alignment with South Africa's long-term decarbonisation commitments.

Financial sector regulation is also advancing. The SA Prudential Authority's guidance notes for banks and insurers, covering climate-related governance, risk management and disclosures, remain in effect and are expected to inform future supervisory assessments. In parallel, the Financial Sector Conduct Authority (FSCA) is implementing SA's Green Finance Taxonomy. In 2024, it launched a pilot project with 11 financial institutions to test the taxonomy's practical application. The initiative is part of a broader effort to improve transparency, reduce greenwashing risk and enable credible green capital flows, and the outcome aims to inform future developments in relation to the Green Finance Taxonomy.

South Africa's Climate Change Act was signed into law in July 2024, providing a long-awaited legal framework to guide the country's response to climate change. The Act establishes governance structures and defines obligations for GHG emissions reductions, climate adaptation and climate finance at national, provincial and local levels.

The UK Climate Change Act commits it to net-zero emissions by 2050, with staggered targets set for 2030 and 2035. In September 2024, the UK government confirmed its plan to formally adopt the ISSB's IFRS S1 and S2 standards as the basis for new UK Sustainability Reporting Standards (SRS). Exposure drafts (UK SRS S1 and S2) were published for public consultation. These UK SRS are expected to form the basis of mandatory sustainability reporting rules for listed and large companies, facilitated through updated Financial Conduct Authority (FCA) regulations.

In the US, momentum toward mandatory climate-related disclosure has stalled. Although the Securities and Exchange Commission (SEC) adopted final climate disclosure rules in March 2024, the rules were paused shortly thereafter pending legal challenges. In a significant development, the SEC voted in March 2025 to formally withdraw its defence of the rules, ending its involvement in ongoing litigation and halting implementation.

For details on how we manage climate-related risk by monitoring and engaging on existing and emerging regulatory requirements, refer to page 16.

Our position on climate change

As a global financial services organisation, we recognise that our ability to do business is fundamentally linked to the resilience of the communities we serve. Sustainability is integrated in our core purpose, values and Shared-value model, and we continue to work towards a goal that aligns authentically with our mandate as a responsible corporate citizen.

Since inception, Discovery has seen the power of aligning our interests with those of our clients and society, and we understand the urgency for climate action and unwavering commitment to doing what is right for our environment. To fulfil our purpose of making people healthier and enhancing and protecting their lives, we must consider the impact of the physical environment on their health and wellbeing. Driven by our commitment to being a force for good, we can make a real-world impact and be part of the climate change solution by leveraging the power of our Shared-value model to promote planetary health – the next step in the evolution of our shared-value thinking.

To achieve our climate-related ambitions, we formulated a climate change strategy that guides us in mitigating risks and reducing our negative climate-related impacts. Our three climate-related goals form the basis of our response: with advisory partners, we established a short-term annual goal using a matrix of science-aligned targets from 2023 to 2030, to reduce emissions in line with the Paris Agreement. In parallel, we have set a medium-term goal to be carbon neutral by 2027 and a long-term goal to reach net zero by 2050 or earlier.

Given the evolving landscape, we plan and refine our climate-related strategic ambitions and objectives iteratively over time as new data becomes available. We aim to align with best practice, advocate for a low-carbon future and engage at a sector and industry level.

KEY:
R Reporting S Signatory

RELATED COMMITMENTS INCLUDE:

	R	S
Alliance for Climate Action South Africa		S
Carbon Disclosure Project (CDP)	R	
Global Reporting Initiative (GRI)	R	
ISSBs IFRS S2 *Climate-related Disclosures*	R	
Partnership for Carbon Accounting Financials (PCAF)*		S
Sustainability Accounting Standards Board (SASB)	R	
TCFD recommendations**	R	
UK Prudential Regulation Authority's Supervisory Statement (SS3/19)	R	
UN Global Compact	R	S
UN Principles for Responsible Investment (PRI)	R	S
UNEP FI Principles for Sustainable Insurance (PSI)	R	S

Discovery supports a fair, responsible and just transition to a low-carbon economy, recognising it will enhance economic, societal and financial system resilience in line with the Paris Agreement. In SA, our home market, we are mindful of the unique challenges faced in the real economy across emerging markets and sectors.

We support our asset managers' approach in engaging with investees on their transition plans and strive to adopt this approach with our existing and prospective business partners. Most of the Group's assets under management are managed by Ninety One, who has a net-zero transition plan aligned with science-based targets. Ninety One prioritises real-world impact by supporting the decarbonisation of the real economy, particularly in emerging markets. Rather than divesting from high-emitting assets, Ninety One enables transition through active engagement and inclusive capital allocation. As part of its net-zero strategy, Ninety One also engages with companies – including the biggest carbon emitters in their portfolio – on their transition plans, applying their Transition Plan Assessment and Climate Strategy Assessment tools to identify whether these businesses' carbon targets, capital allocation and governance frameworks are credible. Our other investment partners are signatories of the PRI, the Net-zero Asset Managers Initiative, and/or Climate Action 100+, indicating their collective commitment to mitigating climate risk.

Refer to page 16 for detail on our engagements on climate-related developments.

Discovery Group Climate Change Strategy.

Discovery Group Net-zero Transition Plan.

* *Signatory with effect from July 2025*
** *The TCFD was disbanded in 2023 following the release of the ISSB's IFRS S1 and S2. We will continue to report against the TCFD recommendations as it has become the foundation for climate-related financial disclosures globally, and we are aligning our reporting to the requirements of IFRS S2*

Our strategic response to climate change

Our climate change strategy sets out clear targets to reduce the Group's GHG emissions, as well as our approach to integrate climate considerations across our business. It also provides guidance on innovation, product development, risk and investment policies, procurement, facilities and operational processes, employee training and corporate culture. Our climate change strategy aligns with our values and is underpinned by clear objectives and principles to ensure the Group delivers on its climate-related goals.

OBJECTIVES

- Assess and acknowledge potential climate-related risks and opportunities and formulate appropriate strategies
- Integrate climate-related issues into Group policies and practices – including investments, procurement and partnerships
- Set science-based targets aligned with global best practice for direct and indirect GHG emissions
- Innovate to develop climate-friendly products and services that positively influence society
- Drive climate action and advocacy through industry and policy engagement
- Disclose and report on climate-related risks, strategies, targets and progress aligned with TCFD recommendations

PRINCIPLES

- Science-led and aligned with global initiatives that incorporate best practice
- Linked to our core purpose and integrated into the Group strategy, informed by a clear business case
- Focused on Discovery's areas of greatest impact to manage its sphere of influence
- Committed to collaborating and contributing meaningfully on relevant public policy issues to promote a just transition
- Underpinned by effective governance, empowered people and a commitment to transparency and accountability

We have three high-level goals that help drive our strategy of reducing our carbon emissions and supporting the transition to a low-carbon future. Our goals as at FY2025 are reflected below, and will be updated and refined as we achieve our targets and milestones on our journey to net zero.

SHORT-TERM GOAL
Reduce GHG emissions annually against our 2019 baseline

- Reduce Scope 1 and 2 emissions by 25.2% (26 851 tCO_2e) for FY2025 and 35.1% (23 307 tCO_2e) for FY2026 against a 2019 baseline of 35 897 tCO_2e (on a cumulative basis and aligned to science-based methodology)
- Publish our transition plan in Q4 2025 to achieve net-zero GHG emissions by 2050 or earlier

MEDIUM-TERM GOAL
Deliver carbon-neutral operations by 2027

- Achieve carbon neutrality in our SA and US operations by 2027 and maintain carbon neutrality in our UK operations (Scope 1 and 2 emissions)
- Adopt additional near-term science-aligned targets, and targets for material Scope 3 sources

LONG-TERM GOAL
Achieve net zero by 2050 or earlier

- Extend beyond Scope 1 and 2 to include all GHG emissions across the organisation
- Collaborate with strategic partners to enable a low-carbon future

THESE GOALS ARE ENABLED BY THREE PILLARS, EACH WITH SPECIFIC COMMITMENTS:

01 Align across practices and properties
Reduce Group GHG emissions to align with global climate ambitions

02 Amplify through portfolio and partnerships
Integrate climate-related factors into investment, procurement and partnership decisions and policies

03 Impact through incentives and innovation
Develop and scale products and services that reduce GHG emissions and support adaptation

THESE PILLARS COME TO LIFE THROUGH THREE DEDICATED WORKSTREAMS TO HELP US REACH OUR CLIMATE CHANGE GOALS:

OPERATIONS
All property and facility-related operations that contribute to our carbon emissions, including energy provision and management, fleet management, employee services and waste management.

PEOPLE
Our engagement with and impact on employees and external stakeholders (partners, suppliers, ratings agencies) that affect our carbon footprint and goals.

PRODUCT
Considering potential climate change impacts in product development, and developing new products and services to encourage and incentivise clients and society to reduce their personal emissions and make sustainable choices.

We will continue to assess, report on and update our goals to ensure we adhere to the latest science-aligned recommendations for business and industry transformation.

Discovery Group Climate Change Strategy.

Our climate reporting journey

FY2025 marks our fifth year of climate reporting, and we continue monitoring developments in our reporting landscape, best practice and changes in stakeholder expectations that could impact our approach to climate disclosure. While Discovery reports in line with the TCFD recommendations – which remain the global benchmark for climate-related financial disclosures – we are also aligning our disclosure with the requirements of IFRS S2 and report in accordance with the GRI. Our Net-zero Transition Plan, published for the first time this year, aligns with the requirements of IFRS S2, as well as the recommendations of the Glasgow Financial Alliance for Net-zero and the Transition Plan Taskforce Disclosure Framework.

Between October 2023 and March 2024, over

1 000

companies referenced the ISSB in their reports

Reporting against the GRI increased to

71%

from 2022 among the world's largest companies

As of September 2024, 30 jurisdictions have decided to use or are taking steps to introduce IFRS S1 and S2 in their legal or regulatory frameworks. These jurisdictions represent:

About

57%

of global GDP

Over

40%

of global market capitalisation

More than

half of global GHG emissions

After launching in 2017, the TCFD recommendations became foundational to climate-related disclosures globally, providing guidance, supporting educational efforts and monitoring companies' climate-related financial disclosure practices. The TCFD was disbanded in 2023 after the ISSB issued its inaugural standards, IFRS S1 – which outlines general sustainability-related disclosure requirements – and IFRS S2, which specifies climate-related disclosure requirements. These standards were developed through global consultation, and are based on and consolidate the recommendations of the TCFD, SASB, Integrated Reporting Framework and World Economic Forum metrics to streamline sustainability disclosures.

In addition, to help reduce the disclosure burden for companies and provide a comprehensive sustainability reporting system for companies to meet the information needs of their stakeholders, the GRI and ISSB are collaborating to optimise how these two respective bodies of standards can be used together.

Within this evolving landscape, Discovery remains committed to transparency and aims to be guided by and align with global reporting best practice. We will enhance our reporting practices in line with the IFRS S2 and will continue to participate in the ISSB Preparers Roundtable, which focuses on the practicality of adopting these standards. We take a phased approach to advancing our climate-related disclosures, as detailed on the following page. Our reporting continues to be informed by the latest climate science, and we intend to monitor and report against regulatory guidelines and leading international climate-related standards as they develop.

In the UK, it is mandatory for premium listed companies, as well as private companies with over 500 employees and £500 million in turnover, to disclose climate-related financial information in line with the TCFD. The UK government is expected to endorse the ISSB standards under the Sustainability Reporting Standards once consultation is concluded.

For detail on our application of the TCFD recommendations, refer to our application register on page 34.

Vitality UK's 2024 TCFD report.

After launching in 2017, the TCFD recommendations became foundational to climate-related disclosures globally, providing guidance, supporting educational efforts and monitoring companies' climate-related financial disclosure practices.

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Our phased approach to advancing our climate reporting

As part of our approach to advancing Discovery's climate-related disclosure, we align our reporting with the four pillars of the TCFD recommendations while applying the requirements of IFRS S2.

In PHASE 1, we established a foundation for climate-related financial disclosure against the TCFD recommendations by addressing key requirements in the governance and risk management pillars.

In PHASE 2, we focused on enhancements and additions to strategy, metric and target disclosure elements, which are especially useful to interested stakeholders.

With the refined use of climate-related scenario analysis, we are able to disclose our strategy's resilience under different climate-related scenarios under PHASE 3. As new data is produced and the science and research evolve, we will continue to integrate this information into our strategy and align our reporting.

Following the publication of the ISSB IFRS S2 standard, we conducted a gap analysis to identify disclosure requirements that require further consideration. While recognising the challenges associated with aligning to a new standard, we are committed to advancing our climate reporting and, in light of this, we used the insights from our gap analysis to implement measures that enhance our alignment to global reporting standards and regulatory guidelines.

PHASED ALIGNMENT TO GLOBAL REPORTING STANDARDS AND REGULATORY GUIDELINES

PHASE 1 FOUNDATION

G	Board oversight	✓
G	Management's role	✓
RM	Risk identification and assessment processes	✓
RM	Risk management processes	✓

PHASE 2 ENHANCEMENTS AND ADDITIONS

G	How the Board considers climate-related issues in reviewing capital expenditure, acquisitions and divestiture	✓
S	Material climate-related issues by sector and geography	✓
S	How these issues affected the business and strategy	✓
MT	Key metrics used to measure and manage climate-related issues over the past three years	✓
MT	Scope 1 and 2 GHG emissions disclosed over the past three years	✓
MT	Climate-related targets related to GHG emissions, timeframes and base year	✓
MT	KPIs used to assess progress against climate-related targets	✓

PHASE 3 ENHANCEMENTS AND ADDITIONS OF STRATEGY RESILIENCE

G	How the Board considers climate-related issues in reviewing and guiding strategy	✓
RM	Consideration of existing and emerging regulatory requirements related to climate change	✓
S	Timeframe (short, medium and long term)	✓
S	How material climate-related issues affect financial planning	✓
S	How climate-related scenarios inform strategy/financial planning	✓
S	Resilience of strategy to climate-related issues, including an indication of range	✓
S	Climate-related scenarios and associated time horizon(s) used	✓
S	Sensitivity to carbon pricing, if applicable	→
MT	How climate-related performance metrics are incorporated in remuneration policies	✓
MT	Methodologies used to calculate or estimate climate-related metrics	✓
MT	Scope 3 GHG emissions over the past three years	→
MT	Identification of climate-related targets as absolute or intensity based	✓
MT	Methodologies used to calculate or estimate climate-related targets	✓

KEY:

G Governance	✓ Disclosed
RM Risk management	✗ Not started
S Strategy	→ In progress
MT Metrics and targets	

Source: TCFD Illustrative implementation plan based on expert users' ratings, September 2020

Governance

Governance is essential to creating and preserving value. It ensures strategic decisions balance short-, medium- and long-term outcomes, aligning the interests of the Group, stakeholders and society.

THE FOLLOWING GOVERNANCE COMMITMENTS UNDERPIN THE PILLARS OF DISCOVERY'S CLIMATE CHANGE STRATEGY:

- ASSIGN Board and executive-level responsibilities for delivering on our climate change strategy
- ASSESS, MANAGE and publicly DISCLOSE climate-related risks and opportunities across the Group
- REVIEW the Group's capabilities, organisational structure and remuneration to achieve our climate ambitions and goals

Group governance for our climate change response

Climate-related governance is integrated into our established and wide-ranging governance structures, ensuring it is managed by the business in day-to-day operations and communicated to the Board. The Board considers trade-offs related to risks and opportunities in its decision-making, including decisions related to our response to climate change.

The Group Governance Framework further defines the governance structures and interrelationships that are in place for the Group, its composites and its subsidiaries.

For more information, on Discovery's governance structures, refer to our Governance Report.

GROUP BOARD

SOCIAL AND ETHICS COMMITTEE | RISK AND COMPLIANCE COMMITTEE | AUDIT COMMITTEE | REMUNERATION COMMITTEE | NOMINATIONS COMMITTEE | ACTUARIAL COMMITTEE

GROUP EXECUTIVE COMMITTEE

ESG EXECUTIVE COMMITTEE

GROUP CLIMATE AND ENVIRONMENT STEERING COMMITTEE

Every year, each Board committee reviews and updates their Terms of Reference, which are then submitted to the Board for approval. These Terms of References formalise our committees' responsibility for governing climate-related risks and opportunities as part of the Group's response to climate change.

BOARD RESPONSIBILITIES AND KEY ACTIVITIES

GROUP BOARD

- Oversight of Discovery's response to climate change, which is championed by the Group Chief Executive
- Approved the strategic direction, policies and recommendations for managing environmental issues, including energy, waste, water, climate change and biodiversity
- Oversight of the development and rollout of climate-related products, services and investments
- Monitored developments related to Discovery Green, including product updates, business plans and key risks
- Received training on developments in climate-related reporting, as well the Prudential Authority's guidance notices on climate-related governance, risk management and disclosures for insurers and banks
- Met with the Prudential Authority and Financial Sector Conduct Authority on topics like the impact of climate change on stress and scenario testing, and broader sustainability-related risks and trends
- Approved the Group's climate-related public disclosures

SOCIAL AND ETHICS COMMITTEE — SEC

- Ensured the Group's climate change strategy and objectives are in place
- Reviewed Discovery's performance against its climate change strategy, as well as the Group's climate-related risks and opportunities
- Oversight of the metrics and targets – including any changes, if required – related to energy, water and waste, and monitors progress against these
- Monitored the implementation of the Group's climate change programmes – including our net-zero programme
- Reviewed and recommended the Group's Climate Report to the Board for approval
- Oversaw the development of Discovery's Net-zero Transition Plan
- Met at least four times this year and reported to the Board every quarter

AUDIT COMMITTEE — AC

- Reviewed and approved public disclosures in external financial reporting, including the Integrated Annual Report and Group Annual Financial Statements
- Received updates on the Group's approach to non-financial reporting, including sustainability and climate-related disclosures, and consideration of these against industry-leading standards and emerging trends
- Considered the non-financial assurance processes that are in place to support the Group's disclosure obligations

REMUNERATION COMMITTEE — RC

- Oversight of the Group scorecard, which includes both financial and sustainability performance measures, linking climate-related targets and executive remuneration, as well as subsequent awards

RISK AND COMPLIANCE COMMITTEE — RCC

- Oversight of the management of climate-related risks and opportunities across the Group, and monitored mitigation plans to manage identified risks
- Reviewed any climate and other environmental risk metrics and whether any breaches were appropriately addressed
- Reviewed climate and other environmental risks reports
- Oversaw regulatory developments monitored by the Group's Compliance function
- Recommended the Group's Own Risk and Solvency Assessment to the Board for approval, which included qualitative climate risk scenarios
- Met at least four times this year and reported to the Board every quarter

The committee is supported by the Group Chief Risk Officer, who ensures:

- Risk management policies and frameworks adequately allow for climate-related financial and non-financial risks and opportunities
- Climate-related risks and opportunities are identified, assessed, monitored and managed in line with these policies and frameworks, at a business and Group level
- Exposure to climate-related risks and opportunities is adequately included in internal, regulatory and public reporting

NOMINATIONS COMMITTEE — NC

- Ensured the Board has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively

ACTUARIAL COMMITTEE — ACT

- Oversight of the Group's Head of Actuarial function, who evaluated and provided advice on stress, sensitivity and scenario testing as part of Discovery's Own Risk and Solvency Assessment

MANAGEMENT RESPONSIBILITIES AND KEY ACTIVITIES

GROUP EXECUTIVE COMMITTEE

- Formulated and implemented Group strategies, policies and risk management plans, which included integrating climate change issues into the Group's business model and strategic priorities, and driving the delivery of the stated operational, strategic and innovation goals
- Chaired by our Group Chief Executive, oversaw development and implementation of the objectives of the Group's climate change strategy
- Provided updates to the Social and Ethics Committee quarterly and to the Board as necessary

ESG EXECUTIVE COMMITTEE

- Drove the implementation of the ESG strategy across the Group
- Oversight of climate-related transformation initiatives, including corporate targets, employee incentives, research and development, and budget considerations
- As a subcommittee of our Group Executive Committee, provided updates to the Social and Ethics Committee periodically on all relevant aspects of ESG

GROUP CLIMATE AND ENVIRONMENT STEERING COMMITTEE

- Supported senior management in developing and implementing the Group's climate change strategy
- Managed and drove climate-related transformation, which included monitoring Discovery's initiatives to reduce its carbon footprint
- Ensured alignment with TCFD recommendations and considered developments in global reporting standards, including ISSB standards
- Convened monthly at a Group level, and comprised representatives from several business functions, including the Group Chief Risk Officer and Head of Investor Relations and ESG, as well as Vitality's Chief Sustainability Officer
- The Group Chief Risk Officer, as the executive sponsor of this steering committee, reported to the Group Executive Committee as necessary on climate-related issues, risks and opportunities

We also have teams and processes in place to ensure we remain updated on existing and emerging regulatory requirements related to climate change in the key markets where we operate, including those from international policy bodies. This extends to supervisory requirements in Discovery's South African, UK and US markets, as well as legal developments that may affect our partners. We consult internal and external subject matter experts for support on key issues. Any potential impacts on the Group's business activities are reported to the Board periodically.

OUR GOVERNANCE PROCEDURES AND CONTROLS

Discovery has a Group-wide Combined Assurance model in place that addresses our significant strategic, sustainability, financial, operational and compliance-related risks – including those related to climate.

Our Combined Assurance model integrates management's efforts with those of our internal and external assurance providers to ensure Discovery's material risks are assured efficiently and that suitable controls exist to mitigate these risks to an acceptable level. This is achieved by:

- Linking risk management and assurance activities
- Providing the basis for identifying any areas of potential assurance gaps and resource duplication
- Informing the Board, Audit Committee and Risk and Compliance Committee of the combined assurance status
- Providing an integrated assurance service and enhancing accountability
- Ensuring an adequate and effective risk-control environment that aligns with the risk appetite and the integrity of risk-related reports for better decision-making

The Group's three lines of defence governance model further strengthens the Board's governance oversight and clearly separates business management from governance and control structures.

1 Our **first line of defence** comprises business management, who is responsible for the day-to-day management of risks and controls within our operations, as well as delivering the strategy and optimising business performance within our agreed governance and risk framework.

2 The **second line of defence** comprises risk management functions, compliance functions and actuarial functions. These functions operate independently from day-to-day management and provide a level of assurance to the Board on the adequacy and effectiveness of the overall risk management system.

3 The **third line of defence** comprises the Group's assurance functions, including Group Internal Audit, external audit and other assurance providers, and provides an independent and balanced view of the effectiveness of the first- and second-line functions.

Refer to page 20 of our Governance Report for more information on our combined assurance model.

Board competence on climate-related issues

The Nominations Committee reviews the Board members' skills and knowledge based on their previous and current experience on other boards and in other roles, and oversees the Board's performance assessment, its committees and Non-executive Directors. We leverage the diversity of our Board members' skills and experience, as they enable us to address climate-related issues.

The Board not only draws on its own skills and knowledge, but also leverages the specialised knowledge and experience of our subsidiary boards. By actively engaging with subsidiaries, the Board ensures alignment across the Group. This approach strengthens our governance framework and enhances decision-making at Group level, while ensuring our subsidiary boards are able to meet the challenges and opportunities in their markets.

We continually assess the training and development requirements of our Board and provide training on key issues as needed. In FY2025, this included training on Discovery's Own Risk and Solvency Assessment process, regulatory developments and developments in climate-related reporting. In the UK, updates on sustainability were presented at each board meeting around key market developments, with a particular focus on regulatory change, supporting climate fluency. Given the important and evolving nature of environmental matters and related reporting standards, we will continue to focus on training for the Board and its committees in this regard. The Board and its committees may engage with subject matter experts or independent advisers as needed.

Employee capacity building on climate-related issues

Our employee capacity-building initiatives equip our people with the essential knowledge and skills to drive behaviour change from within the business. Furthermore, these initiatives strengthen our first line of defence by enabling employees to identify and manage climate-related risks in their daily roles.

During the year, initiatives included:

- Launching a training module for South African employees on the Group Environmental Policy, climate change, energy, water and waste, as well as Discovery Green
- Rolled out a carbon emissions e-learning course to our Sustainability taskforce and other key employees and senior management involved in climate-related matters and reporting
- Updating our employee network with communication and resources on climate change, including practical tips and challenges to motivate our employees to partner in our environmental journey
- Using a Green Screen – a visual communication channel – at 1 Discovery Place to create awareness and educate our employees, visitors and clients on our environmental sustainability commitment and initiatives
- In the UK, our Green Champions continued to play a vital role in promoting sustainability by regularly sharing their experiences and initiatives through internal communication platforms. They meet at least quarterly to share ideas for employee engagement

Refer to page 16 for details on our engagements with external bodies to stay informed on climate-related developments and best practice.

We continually assess the training and development requirements of our Board and provide training on key issues as needed. In FY2025, this included training on Discovery's Own Risk and Solvency Assessment process, regulatory developments and developments in climate-related reporting.

Governance of climate-related matters in the UK

Vitality UK, a business composite and intermediate holding company of the Discovery Group, has a constituted Board that operates autonomously and independently of the Discovery Group Board. Minutes of these constituted Board meetings are tabled at Group Board meetings to ensure monitoring and alignment with the Group's Strategic Framework.

Reporting to the Discovery Group structure for its climate change response, Vitality UK's Board and executives are responsible for identifying, assessing, managing and disclosing climate-related risks and opportunities as well as meeting regulatory requirements.

The Vitality UK Sustainability Committee, chaired by the Chief Sustainability Officer, develops and continues to evolve the UK's sustainability strategy, while monitoring and overseeing the delivery thereof. Committee members represent several business functions, including People, Property and Facilities, Risk, Finance, Sourcing, Vitality Programme, Distribution and Marketing. These functions own the necessary actions and work closely with the sustainability team to set and meet their targets. The Sustainability Committee reports to the Vitality UK Executive Committee, and the committee Chairperson provides quarterly updates to the Vitality UK Board on climate-related risks and opportunities. The Vitality UK Chief Sustainability Officer's feedback to the Group Executive Committee forms a key part of the quarterly Group Chief Executive report to the Board. The responsibilities of our Chief Sustainability Officer also extends to our Vitality Global operations.

Since 2023, Vitality UK has been required to disclose climate-related financial information in line with Streamlined Energy and Carbon Reporting and TCFD recommendations. These governance structures support compliance with these requirements and ensures alignment to the Group's climate change strategy and response.

Climate change governance is guided by the regulator, the Prudential Regulation Authority (PRA), through their Supervisory Statement (SS3/19), the Financial Conduct Authority, the UK Department for Business, Energy and Industrial Strategy and Association for British Insurers. We continue to monitor the government's consultation on UK Sustainability Reporting Standards S1 and S2, which is expected to consolidate the existing climate-related financial disclosures legislation and closer align with ISSB standards, as well as the PRA's CP10/25.

Risk management

Discovery's well-established and mature Enterprise Risk Management (ERM) Framework, underpinned by a comprehensive set of risk policies, frameworks and guidelines, ensures we effectively embed processes and procedures to manage risk appropriately. We incorporate climate-related risks into our ERM Framework, considering the various time horizons over which climate change could impact our business, in alignment with TCFD guidance.

For more information on our ERM Framework, refer to our Integrated Annual Report.

Our risk management process

Our overarching climate-related risk management process remains unchanged from FY2024. Our risk taxonomy sets out the Group's universe of risks, which includes climate change and other sustainability-related risks. We determine our risk appetite for climate change risk categories and then avoid, mitigate, transfer or accept accordingly.

We manage climate-related risks and opportunities through a structured process to identify, assess, treat, report and monitor exposures and potential value-creation areas. This approach is guided by our risk management strategy, implemented in line with our risk policies, frameworks and guidelines.

Our risk management process integrates areas of opportunity, which vary depending on the regions, markets and industries where we operate. By identifying climate-related opportunities in this way, we can leverage our data capabilities and intellectual property to develop innovations that deliver on our purpose – to make people healthier and enhance and protect their lives.

Refer to page 24 for examples of climate-related opportunities.

As risk management is a dynamic process, we will continue to refine our approach to climate change risks and opportunities.

OUR RISK MANAGEMENT PROCESS AS APPLIED TO CLIMATE-RELATED RISKS AND OPPORTUNITIES IS DETAILED BELOW.

1 IDENTIFY

We identify climate-related risks through our ongoing risk management process, including involving subject matter experts to brainstorm risks and risk responses using the ERM Framework's tools. This work includes identifying risks within our governance structures and considering risks identified by the consultants and trade bodies we work with.

To effectively identify climate-related risks, we follow the TCFD's guidance, focusing on transition and physical risk categories. These risks are then tailored to our business context through our risk taxonomy, which sets out key risk classes including strategic, business, credit, market, liquidity, insurance, operational, technology and regulatory risks.

2 ASSESS

We assess the identified risks qualitatively and quantitatively, where data is available. Risks are assessed over short-, medium- and long-term time horizons, and are categorised as current or emerging. Each risk is rated and prioritised based on likelihood of occurrence and potential impact on Discovery at a Group and business entity level. Emerging risks are further evaluated based on our influence over materialisation and the velocity at which they are likely to materialise.

The nature of the risk will determine whether we aim to accept or avoid it, and our appetite for risks we accept is higher than for risks we aim to avoid. We consider a risk's rating from an inherent and residual perspective, where residual ratings take established mitigation measures into account. We check residual risk ratings against risk appetite statements to determine if ratings are within Discovery's appetite.

For more information on the Group's top risks and their classification based on severity, refer to our Integrated Annual Report.

We assess risk in line with best practice and as our understanding of the risk develops. The Group also uses stress and scenario analyses to help identify and quantify risks to assess the resilience of our climate change business strategy. We aim to align our stress and scenario analysis to best practice.

3 TREAT

We identify risk treatment actions and controls to manage risks in line with our risk appetite. These actions are implemented and managed at business and Group levels.

4 REPORT

We continually review, challenge and report on climate-related risks to the appropriate governance forums as part of the risk management cycle through our formal risk registers. Any breaches to the Group's risk appetite are escalated and reported in line with our governance structures. Business risk profiles are reported to each business executive committee and the Group Risk and Compliance Committee. In addition, we include risks and scenario results in our Own Risk and Solvency Assessment (ORSA) reports that are provided to the Board and the relevant regulators.

5 MONITOR

We monitor climate change risks by tracking our progress in implementing the relevant risk treatment actions and developments in internal and external business environments. This includes progress against the climate change strategy and other treatment actions identified. Our climate change risk indicators continue to evolve, with certain metrics available and reported on appropriately while other measures are still being investigated.

Our assessment of climate-related risks

Given the control and management actions identified in our risk management process, climate change risk remains within Discovery's risk appetite. Actions include implementing our climate change strategy, which includes our Net-zero Transition Plan; bolstering the procurement process (including third-party engagement and outsourcing procedures); leveraging reinsurance to reprice, reserve and transfer risk; and improving public disclosures.

Our assessment indicates transition risks will have a higher impact than physical risks in the short term. However, we have already observed the effects of physical risks within our short-term insurance business. As part of our ORSA process, we conduct specific climate change scenario analyses to assess the impact of transition and physical risks. While the effects of physical risks, such as increased claims or interruptions to our business operations, are expected to arise beyond the business planning time horizon, we continue to consider their potential impacts and necessary mitigating actions.

We invest resources and implement initiatives to continually reassess climate change risk as the industry's understanding of climate change matures. Accordingly, our assessment of climate change risk may shift over time.

For details on the potential impact of climate-related risks, refer to page 18.

Climate-related developments

Our policies and frameworks are reviewed periodically, and our risk and opportunity profiles are reviewed and updated regularly. This ensures we consider factors relevant to the unique and evolving challenges of climate-related matters.

Discovery is committed to meeting relevant requirements everywhere we operate. We continually monitor and consider existing and emerging regulatory requirements related to climate change in our key markets and remain up to date with relevant local regulatory developments and global practices. This ensures we remain compliant in a dynamic regulatory environment and contribute to local and global efforts to respond to climate-related risks and opportunities by adapting our strategies, business models and financial planning.

We actively participate in policy and framework consultations on climate change and sustainability-related matters where appropriate, including through collective industry submissions and with our regulators. All input we provide in this regard undergoes appropriate approvals to ensure any views put forward are consistent with Discovery's policies and our Group climate change strategy.

OUR PARTICIPATION AND ENGAGEMENT WITHIN KEY AREAS, INCLUDES:

NATIONAL AND INTERNATIONAL ENGAGEMENT ON CLIMATE CHANGE

- Maintained active membership of the National Business Initiative (NBI) in South Africa, contributing to several strategic platforms, including the NBI CEO Initiative, NBI Membership Council, Advisory Committee for Environment and Society and the Just Transition Pathways working group, and the Science Based Targets Network SA Engagement Strategy Working Group
- Participated in the FSCA's Green Fintech Market Study, which examined the risks, drivers and opportunities in South Africa's evolving green fintech landscape and its implications for the financial sector
- Participated in a World Bank-led survey on transition planning preparedness to share insights on aligning business activities with climate and environmental goals, including net zero emissions from South African financial institutions
- Submitted input on national climate policy through the NDCs advocacy process coordinated by the NBI, World Wildlife Fund (WWF) and Alliance for Climate Action SA

CLIMATE-RELATED REGULATORY AND LEGISLATIVE DEVELOPMENTS

- Conducted an internal assessment of the Climate Change Act, which came into effect in July 2024, and assessed potential risks and opportunities
- Adhered to the SA Department of Forestry, Fisheries and the Environment's National Greenhouse Gas Emission Reporting requirements
- Completed a regulatory change analysis of the Prudential Authority's 2024 guidance notices on climate-related governance, risk management and disclosures for insurers and banks, and developed Board-level training on the guidance for insurers
- Noted the UK PRA release of CP10/25, a consultation on proposed updates to Supervisory Statement 3/19 on managing climate-related risks. The PRA invited Vitality to respond directly, with an industry response also submitted by the Association of British Insurers (ABI)
- Reviewed South Africa's inaugural Climate Change Adaptation Response Plan for the coastal sector, published in June 2025. The plan outlines strategic adaptation measures to strengthen coastal resilience and protect ecosystems, communities and local economies
- Submitted comments on the South African Reserve Bank's consultation paper on a proposed climate change policy and regulatory framework for the national payment system. The paper outlined measures to manage climate-related risks for payment institutions and financial market infrastructures
- Commented on the Advertising Regulatory Board's draft Sustainability Code, developed to combat greenwashing in advertising through clearer definitions and guidelines for environmental claims such as compostability, recyclability and carbon neutrality

OUR PARTICIPATION AND ENGAGEMENT WITHIN KEY AREAS, INCLUDES:

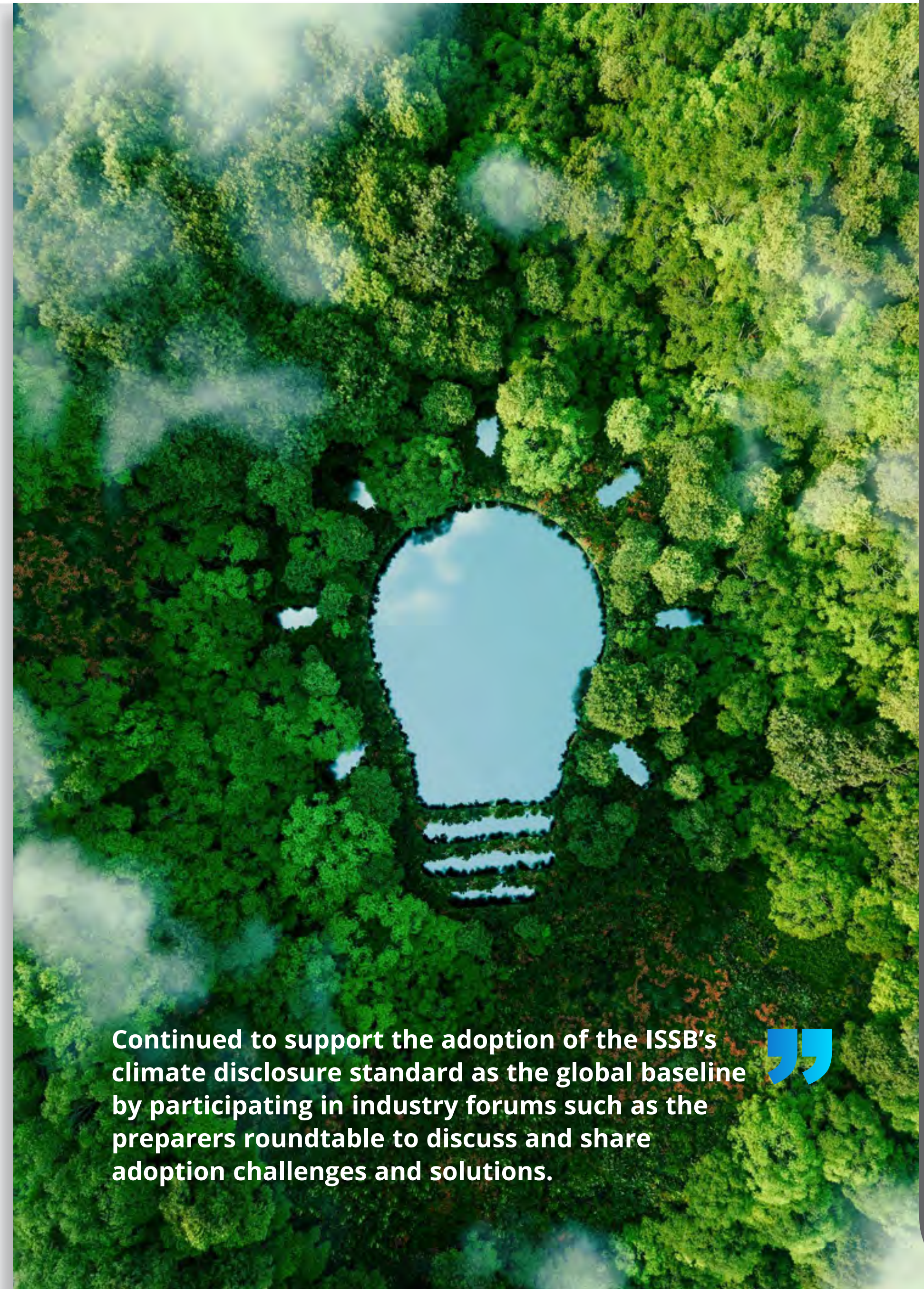
CLIMATE-RELATED FRAMEWORKS AND REPORTING

- Continued to support the adoption of the ISSB's climate disclosure standard as the global baseline by participating in industry forums such as the preparers roundtable to discuss and share adoption challenges and solutions
- Continued to be a signatory to the UNEP FI PSI and submitted our annual disclosure
- Continued to be a signatory to the PRI and incorporate ESG issues into our investment decision-making and ownership practices through our asset managers in line with the PRI's principles and objectives

INDUSTRY FORUMS

- As a member, Vitality UK engaged with the ABI and the Independent Hospital Provider Network (IHPN) on net zero challenges between insurers and healthcare providers, and engaged in the ABI's net zero working and steering groups and participated in the industry climate change working group
- Maintained representation on SAIA's climate change forum, a platform for industry discussions and knowledge transfer on topical climate-related matters impacting the industry. The forum covers regulatory developments, reporting and disclosure frameworks and emerging climate issues
- Maintained membership of the Association of Savings and Investment South Africa (ASISA), which represents the industry on various national working groups – in which we participate where possible – including the Climate Change Forum
- Contributed to the WWF Business Network as a member to support its work, including hosting a session at 1 Discovery Place in collaboration with the Sustainability Institute and the Embedding Project on integrating insights from the Living Planet Report into business environmental strategies
- Participated in knowledge sharing sessions as a member of the Alliance for Climate Action SA
- Represented in the Actuarial Society of SA's climate change committee, which aims to provide climate change support to actuaries within their businesses and consulting practices. In 2025, the committee published a climate change toolkit for retirement fund actuaries to guide the inclusion of climate risks in fund governance and decision making

For details on the climate-related context and regulatory landscape in which we operate, refer to page 5.



Continued to support the adoption of the ISSB's climate disclosure standard as the global baseline by participating in industry forums such as the preparers roundtable to discuss and share adoption challenges and solutions.

Strategy

As a financial services provider, Discovery recognises that climate change presents both systemic risks and strategic opportunities across our operations, products and investments. This section details how actual and potential climate-related risks and opportunities impact our business.

Our climate change strategy outlines our commitments to achieving net zero by 2050 or sooner. As we continue this journey, we increasingly understand the climate-related risks and opportunities we face. We continue to stay abreast of developments and methodologies around scenario analysis for our business, considering challenges regarding quantifying financial implications, the availability of business-relevant data and tools, and ensuring scenarios are decision-useful in a business context.

Current assessments confirm the Group's climate-related risks remain within appetite, based on our latest understanding and information. As such, our current response to transition and physical risks does not require significant deviation from our strategic and financial planning.

Our climate change strategy outlines our commitments to achieving net zero by 2050 or sooner. As we continue this journey, we increasingly understand the climate-related risks and opportunities we face.

Climate-related risks

Discovery considers climate-related risks and opportunities across all relevant time horizons and integrates them into our risk management and strategic planning frameworks. Our approach distinguishes between two core categories of climate-related risk, transition and physical risks, which may impact various parts of our business, from insurance claims experience and the valuation of assets under management to client behaviour and regulatory exposure. Our Group strategy considers the materiality of these impacts and climate-related opportunities in the sectors, products and geographies in which we operate.

TRANSITION RISKS

Transition risks arise from the transition to a low-carbon economy. These include policy changes that either restrict activities contributing to adverse climate effects or promote adaptation strategies. These risks could also manifest in legal, market, reputational and technology areas during the transition phase.

PHYSICAL RISKS

Physical risks are acute and chronic physical climate change effects, including extreme weather events, high rainfall and flooding, high temperatures, drought and rising sea levels. Physical risks can also include operational risks.

We categorise our risks and opportunities as short term (less than one year), medium term (one to five years), or long term (beyond five years), and these terms are aligned to our Group strategic and planning time horizons. Due to the inherent uncertainty of climate-related risks, projecting their timing and impact is challenging. Transition risks are expected to emerge sooner, yet we have already observed the effects of physical risks within our short-term insurance business. We continuously conduct internal and external environmental scanning and will adapt our strategies as new developments arise.

Throughout our climate reporting journey, we consider the impact of climate-related risks on strategy, financial planning and financial performance. Our current approach to managing transition and physical risks largely aligns with our strategic and financial planning. In product development, for example, product changes and innovation are integrated into our strategic approach and are considered on a regular basis as we respond to risk, client, business and operating environment needs. The impact of climate-related risks and opportunities on financial performance is not disclosed in our Annual Financial Statements as it is not considered material in terms of International Financial Reporting Standards. We continue to work with the Group Finance function to ensure we consider and address climate-related risks and opportunities in our financial reporting as they evolve.

The pages that follow outline the potential risks to Discovery, as well as their impact and our related actions.

RISK RATING: Very high High Medium Low

TIME FRAME: Short term Medium term Long term

TRANSITION RISKS

POLICY RISKS

ST MT

Our global presence and ongoing expansion expose us to a variety of regulatory environments, with varying levels of maturity across the jurisdictions in which we operate. We recognise the potential transition risk related to carbon taxes and sectoral emissions targets and both the direct and indirect effect it may have on our strategy and business operations.

The growing pressure to achieve carbon neutrality and net zero is accelerating regulatory momentum. While several major economies and corporations reversed or softened climate commitments recently, in South Africa, a move towards mandatory climate disclosure is under consideration. Similarly, the UK has confirmed it will use the ISSB standards as the basis for future UK Sustainability Reporting Standards.

Key mitigating actions

- Implementation of energy efficiency measures and other initiatives to reduce our fossil fuel consumption
- Continual monitoring and evaluation of legislative and regulatory developments

Potential operational and strategic impact

- Increased climate and nature-related disclosure requirements
- Rising expectations across our value chain, driven by evolving global policy and regulatory shifts

Potential financial impact

- Implementation costs to meet regulatory requirements
- Increased implementation costs to meet regulatory requirements, and carbon tax
- Increased cost of goods and services due to global policy

LEGAL RISKS

MT LT

Globally, climate-related litigation is on the rise, often initiated by citizens, corporations and non-governmental organisations against governments and major carbon-emitting organisations. The Global Climate Litigation Report: 2023 Status Review indicates that while the overall number of climate-related litigation cases continues to grow, the pace has slowed, indicating a more focused approach to strategic litigation. These cases are increasingly targeting corporate accountability, transparency and the enforcement of environmental regulations, with significant implications for the broader international legal landscapes.

Key mitigating actions

- Implementing our climate change strategy, through which we are strengthening strategic clarity, delivery and accountability
- Ensuring robust governance, due diligence and a disclosure framework is in place that considers potential risk exposures

Potential operational and strategic impact

- Increased stakeholder concern or reputational scrutiny
- Exposure to climate-related litigation

Potential financial impact

- Increased costs and/or reduced demand for products and services resulting from fines and judgments
- Increased costs for crisis management and potential legal expenses

REPUTATIONAL RISKS

ST LT

Growing public awareness of climate change is driving higher expectations for businesses to play a positive societal role, with scrutiny on their actions influencing stakeholder behaviour and making sustainability, including a climate response, crucial to a business's licence to operate and thrive.

Discovery's climate change strategy publicly commits us to achieving climate-related goals. The interdependencies of these goals, compounded by local challenges like energy reform in South Africa and reliance on the decarbonisation of other sectors and our suppliers, impact our ability to deliver on our commitments, which poses reputational risk.

Key mitigating actions

- Ongoing investment in research and development of products and services that extend our Shared-value model into the environmental space
- Implementing and regularly refining our climate change strategy – including our Net-zero Transition Plan – to ensure real-world impact
- Working with third parties and suppliers to align expectations and improve emissions visibility across our value chain

Potential operational and strategic impact

- Reputational harm and shifts in client preferences if we are perceived as not acting responsibly and aligning with our core purpose
- Pressure to demonstrate alignment and leadership within our ecosystem

Potential financial impact

- Reduced revenue from decreased demand for products and services
- Decreased access to capital
- Increased costs for crisis management and potential legal expenses

RISK RATING: Very high High Medium Low

TIME FRAME Short term Medium term Long term

TRANSITION RISKS *continued*

MARKET RISKS

MT LT

Because client behaviour is influenced by increased public awareness of climate change, there is market risk related to not responding with product offerings that meet client expectations and support our growth ambitions. Climate change could affect product demand in several ways – primarily through relevant product offerings, affordable insurance and investment returns.

Increasing weather-related events could drive up claims costs, making insurance premiums unaffordable in high-risk regions and potentially reducing product availability and sector growth.

Furthermore, climate change could potentially impact economic growth and investment returns. Investments in carbon intensive companies or those with sub-par ESG performance risk losing value or becoming stranded assets unless they have robust transition plans in place.

Key mitigating actions

- Developing innovative products that are competitively positioned and climate-relevant
- Implementing risk-based pricing and preventive measures to manage claims costs
- Managing our exposure to carbon-intensive investments and engaging asset managers on decarbonisation through our Responsible Investment Policy and Net-zero Transition Plan

Potential operational and strategic impact

- For our short-term insurance business (Discovery Insure), potential knock-on impact of repricing due to increased claims for climate-related events
- Shifts in consumer behaviour towards low-carbon products and services and related competitive pressure from new market entrants

Potential financial impact

- Increased costs for climate-aligned product innovation and offerings
- Revenue loss or gain from demand for services due to shifting consumer preferences
- Forgone returns from high emitting or ESG underperforming investments

Refer to our 2025 Sustainability Report for more information our responsible investment approach and an overview of our assets under management.

TECHNOLOGY RISKS

ST LT

The increasing reliance on digital infrastructure, data processing and cloud-based services contributes to higher energy consumption and emissions across the financial services industry. As climate-related regulations and expectations intensify, there is growing pressure to transition to lower-emissions technologies, improve energy efficiency and address the climate impact of technology-related Scope 1, 2 and 3 emissions.

This includes emissions associated with the use of data centres, server rooms, laptops and other equipment. While some technologies are becoming more energy efficient, the adoption of emerging technologies like AI may increase energy demand.

Key mitigating actions

- Measuring and tracking our energy use, and implementing energy efficiency and renewable energy initiatives
- Engaging with suppliers to assess downstream climate risks and prioritise sustainability performance before contracting
- Measuring and managing Scope 3 emissions, including those from suppliers' data centres and software providers and use of AI, by engaging with material technology partners on their sustainability strategies and identifying opportunities to reduce or mitigate emissions as part of our Net-zero Transition Plan

Potential operational and strategic impact

- Increased need to transition to low-emissions and energy-efficient technologies
- Greater complexity in assessing supplier sustainability strategies and managing third-party emissions – particularly hard-to-measure technology emissions

Potential financial impact

- Increased costs associated with sustainable technology investment and implementation
- Loss of value or use from the early retirement of carbon-intensive or inefficient assets

Refer to our metrics section on page 27 for detail on our GHG emissions, resource and energy source efficiencies and employee engagement.

RISK RATING:
Very high High Medium Low

TIME FRAME
Short term Medium term Long term

PHYSICAL RISKS

The impact of physical climate risks is increasing globally, affecting Discovery's primary markets. These risks are broadly categorised as acute and chronic. Physical risks affect operations, supply chains, insurance portfolios and client health – potentially leading to rising claims, repricing and pressure on the affordability and accessibility of insurance over time.

Climate-related physical risks pose a business continuity threat. Refer to our Integrated Annual Report for more information on operational resilience risk, including concerns around infrastructure.

ACUTE AND CHRONIC RISKS

MT LT

Acute risks are event-driven and include extreme weather events. In South Africa, there has been a rise in the frequency and severity of hailstorms in Gauteng and flooding in KwaZulu-Natal, Eastern Cape and the Western Cape, contributing to elevated insurance claims across the industry. Internationally, regions like the UK and China have faced multiple extreme heatwaves. Recent climate patterns have contributed to rising systemic risks, with reinsurers responding by increasing deductibles and, in some cases, premiums. While not an immediate concern, widespread repricing in response to heightened weather volatility could affect product affordability and challenge the traditional insurance model.

Chronic risks refer to gradual shifts in weather patterns, such as rising temperatures, air pollution and sea level rise. These may lead to increased mortality and morbidity due to respiratory issues, heat-related illness and vector-borne diseases like malaria. Reduced physical activity, mental health challenges and strain on water and food supply may also arise.

Key mitigating actions

- Applying traditional insurance mitigation tools, including underwriting, repricing, reinsurance, reserving and capital processes
- Using geospatial analysis to assess climate risks and pricing implications for high-risk areas
- Monitoring trends to continually understand the impacts of climate change on mortality and morbidity rates
- Leveraging our personalised Vitality model to support client adaptation to the potential health implications related to chronic risks

The terms over which we apply these mitigation strategies depend on the nature of the product and our risk appetite. While physical risks, particularly chronic risks and their impact on claims experience, are generally longer term in nature, we continue to monitor these risks to ensure our mitigation actions are appropriate.

Potential operational and strategic impact

- Increased short-term insurance claims from hailstorms, flooding and wildfires, particularly affecting motor and property policies, as well as life and health claims linked to accidental deaths, injuries and disease exposure
- Poor air quality, rising temperatures and related impacts on water and food supply and the prevalence of infectious disease may increase mortality, morbidity and the incidence of chronic and acute conditions, affecting claims experience, product design and risk forecasting in our life and health insurance portfolios
- Increased demand for insurance could drive higher healthcare provision costs
- Higher claims volumes may place pressure on operational capacity and require increased resourcing to manage elevated claims activity, including enhanced data analytics capabilities

Potential financial impact

- Increased claims costs
- Increased capital requirements to absorb the financial impact of rising claims volatility and systemic weather events
- Greater investment in climate data and analytics, including geospatial analysis

Refer to the opportunities section from page 24 for how our businesses are identifying and innovating to mitigate risk.

Refer to our 2025 Sustainability Report for detail on how we are supporting disease prevention and healthy behaviour change.

RISK RATING: Very high High Medium Low

CLIMATE-RELATED RISK EXPOSURES

The impact of these risks depends on the sector, product and geographical location. The Group's main climate-related exposures are as follows:

GENERAL INSURANCE BUSINESS

Discovery Insure is a personal lines business, and with its exit from the commercial insurance market (in which it operated as Discovery Business Insurance) in August 2024, its exposure to commercial insurance risks has reduced.

The business experienced reduced weather-related claims during the year. Our Gauteng clients are mainly exposed to increases in flooding and hailstorms. In the Western Cape and in KwaZulu-Natal, our clients have increased exposure to rising sea levels, and clients in KwaZulu-Natal and the Eastern Cape experienced deadly and damaging floods during the year. Damaging storms coupled with poor infrastructure (particularly drainage) further exacerbates the severity of the damage and our claims experience. The Western Cape is at risk of increased droughts that could escalate the risk of fires.

The business is also impacted by the hardening of the reinsurance market, which has led to increased reinsurance costs and higher deductibles.

LIFE (SA AND UK) AND HEALTH (UK) INSURANCE BUSINESSES

Limited exposure

There is currently no observable impact of climate-related risks on morbidity or mortality rates experienced by our businesses. However, climate risk factors are incorporated in our long-term modeling through stress testing and scenario analysis. While our current models do not indicate a material impact, the long-term nature of climate risks makes quantification challenging at this stage. We continue to monitor and refine our approach.

DISCOVERY BANK (SA)

Limited exposure

Discovery Bank is not a commercial bank, and does not finance infrastructure or other projects nor participate in commercial lending activities. It only lends to retail clients, with the book being self-funded through retail deposits. The bank's home loan offering exposes it to physical risks, which we mitigate through compulsory building insurance. The exposure is currently limited and will be monitored as the book grows.

HEALTH BUSINESS (SA)

No claims exposure

Discovery Health operates as the administrator for Discovery Health Medical Scheme, and other restricted medical schemes, and does not have claims exposure. However, we will conduct research to assess the impact on the medical scheme environment.

OTHER BUSINESSES WITHIN THE GROUP (INCLUDING VITALITY GLOBAL)

Limited exposure

We continue to monitor our exposures, which will be disclosed in future as necessary.

For details on emerging risks and research as they relate to health, refer to our Sustainability Report.

For details on our progress in modelling impacts, refer to the scenario analysis section on page 23.

Scenario analysis

Scenario analysis aims to understand how a business might perform under different hypothetical future climate states, thus enhancing strategic decisions and improving strategic resilience. Through climate-related scenarios, a business can build an understanding of how the physical and transition risks of climate change, and related opportunities, might plausibly develop in different ways and how the business might be impacted over time.

Discovery is quantifying the impact of climate change risk on its entities through climate change scenario analysis. This is a complex exercise given the uncertainty and long-tail nature of the risks linked to climate change. We have also started considering how these risks are interlinked, and we are investigating different qualitative scenarios linked to scenarios set out by the Network for Greening the Financial System (NGFS) as well as guidance from the University of Exeter.

ALIGNING CLIMATE SCENARIOS WITH STRESS TESTING AND SCENARIO CATEGORIES

Discovery's enterprise suite of stress tests and scenarios collectively covers the spectrum of risks presented by the three climate scenarios outlined below, ensuring comprehensive risk management under various future climates. Each climate scenario outlined has specific stress test emphases: Scenario 1 tests balanced resilience without extreme stresses, Scenario 2 focuses on physical catastrophic impacts and Scenario 3 emphasises financial and reputational shocks from a late transition.

CLIMATE SCENARIO	PHYSICAL RISK FOCUS (Scenarios and single-factor stresses with drivers linked to claims risk)	TRANSITION RISK FOCUS (Scenarios and single-factor stresses with drivers linked to economic risk)	REPUTATIONAL RISK FOCUS (Scenarios and single-factor stresses with drivers linked to reputational risk)	FINANCIAL IMPACT IS Income statement FP Statement of financial position
SCENARIO 1: **Orderly transition (Net zero by 2050)** ***Moderate physical risk, moderate transition risk*** (~1.5°C warming; net-zero CO_2 by ~2050)	**Moderate physical risk:** Some increase in extreme weather events and related claims, although impacts are likely to be less severe given global emissions-reduction efforts. Discovery considers stresses to the claims rates and loss ratios, but overall physical impacts are manageable and gradually escalating. Discovery adjusts underwriting, pricing models and reserves under this scenario, but expect fewer "worst-case" claims losses than in Scenario 2.	**Moderate transition risk:** Climate policies are rolled out smoothly, avoiding economic shocks. Economic-linked stresses in this scenario assumes an orderly shift – for example through steady carbon pricing and innovation – which gradually affects the macroeconomic environment. We do not simulate a severe recession, but assess business financials under policy costs (such as carbon tax impacts on expenses and shifting investment portfolios). In this scenario, the transition is a drag, not a collapse.	**Moderate reputational risk:** Discovery must meet decarbonisation targets and adapt business accordingly. The suite of single-factor stresses focuses on failure to meet commitments or being perceived as lagging. Under an orderly transition, meeting climate goals can enhance our reputation; falling short could moderately harm it. We model loss of business or customer trust if, for example, our progress toward net zero lapses – although this risk is controllable with proper action.	IS Carbon taxes and compliance investments moderately increase expenses (narrowing margins slightly); implementation costs related to our Net-zero Transition Plan. FP Decarbonisation initiatives related to our Net-zero Transition Plan require capital expenditure but avoid asset write-offs; overall financial position remains stable since severe climate losses are averted.
SCENARIO 2: **Current policies continue** ***High physical risk, low transition risk*** (~3°C warming by 2100; emissions peak ~2080)	**High physical risk:** Extreme climate events and steadily rising claims rates are the primary concern. This scenario is approximated under extreme mortality and catastrophe scenarios, and extreme single-factor claims stresses. These stresses and scenarios approximate the impact of severe weather events, natural disasters and increases to claims rates to ensure we can absorb spikes in claims and damages. With limited transition-driven disruption, risk in this scenario is largely physical.	**Low transition risk:** With limited new climate policies in the near term, there is no major economic shock expected from climate regulation. Discovery does not expect a climate-triggered recession in this scenario. However, we apply single-factor stresses to test the impact on new business volumes and lapses that apply if insurance becomes unaffordable due to higher claims rates over time.	**Moderate reputational risk:** In the short term, reduced policy pressure lowers the immediate risk of reputational damage. However, prolonged inaction could erode reputation over time if stakeholders perceive Discovery unresponsive to mounting climate threats. Our stresses and scenarios consider risks like public criticism or partnerships misaligned with climate goals, deeming these less likely under current policies than in a rapid transition scenario.	IS Elevated claims payouts erode underwriting profits (potentially causing losses in extreme years); however, there is the ability to apply traditional mitigation actions to reduce this risk, including repricing. An overall absolute reduction in profit trajectory and growth may be expected if insurance becomes unaffordable and new business volumes reduce or lapses increase. FP Greater reserves and reinsurance are required for retained business; some assets in high-risk areas may lose value or become uninsurable.
SCENARIO 3: **Delayed transition** ***Low physical risk, high transition risk*** (<2°C warming; emissions peak ~2030)	**Low physical risk:** Physical risks track higher until 2030 but decline over time as strong action caps warming below 2°C. Discovery continues to run claims-related stresses and scenarios, although the long-term frequency of extreme events is lower than in Scenario 2. While late-century physical risk is much reduced and claims stresses are more moderate, we test resilience up to 2030 given the potential for notable early impacts.	**High transition risk:** A delayed, abrupt policy surge after 2030 induces a significant economic shock, akin to a climate-driven recession in our general economic downturn scenario. We approximate steep carbon pricing, rapid shifts in asset values, and market volatility. This tests the Group's resilience to a sudden drop in economic activity and asset quality due to an accelerated transition – including a potential market downturn, higher inflation and credit losses as industries adjust – and ensures capital and contingency plans are in place for a disorderly transition.	**High reputational risk:** Delayed transition leads to intense scrutiny when the transition occurs. Businesses perceived as unprepared or not proactive could face public and investor backlash. Our stresses and scenarios simulate reputational harm – such as accusations of greenwashing or lagging on climate commitments – and test impacts like client attrition and policy lapses. Scenario 3 has the greatest such risk, where delayed action may trigger stakeholder penalties, reinforcing the importance of early, visible climate leadership.	IS A policy shock can trigger recessionary conditions – lower revenue and higher credit losses hit earnings. FP Rapid asset repricing may force write-downs of carbon-intensive exposures and strain capital buffers to cover sudden losses.

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Climate-related opportunities

Efforts to mitigate and adapt to climate change present diverse opportunities across the regions, markets and industries where we operate. Discovery capitalises on these by leveraging our model and capabilities to develop innovations that deliver on our purpose – to make people healthier and enhance and protect their lives.

INTEGRATING CLIMATE-RELATED CONSIDERATIONS INTO OUR OPERATIONS AND VALUE CHAIN

We are implementing energy efficiency and savings initiatives to reduce our carbon footprint. We also aim to align our business decisions and policies with a net-zero future – including integration of climate-related considerations into risk management, investments and interactions with partners and other stakeholders.

SUSTAINABLE PROCUREMENT PRACTICES

Our Group Procurement Policy accommodates sustainability-related criteria and ensures our procurement evaluations prioritise an optimal combination of quality, price and sustainability. Furthermore, the policy sets out that – as a United Nations Global Compact (UNGC) signatory – we aim to conduct business with suppliers that align their business practices to the 10 principles of the UNGC as set out in either a policy or a company statement signed by directors of the supplier company. Our supplier engagement approach supports our aim of reducing the carbon footprint of both our business and our suppliers, thereby embedding our Shared-value model thinking into our supply chain.

In the UK, our supply chain emissions are heavily affected by our hospital providers and the carbon intensity of the healthcare sector, which contributes around 5% of global GHG emissions. Our supplier engagement framework and materiality analysis prioritises partners that are critical to reducing these emissions as we collaborate to understand and mitigate the emissions linked to our demand. This strategy is designed to reduce the carbon footprint of both our business and our suppliers. Our Supplier Code of Conduct clearly outlines the ESG expectations of all our suppliers and partners. We engage with our industry body, the ABI, and the industry body of our healthcare providers, the IHPN, towards improving best practice for decarbonisation in the private healthcare industry.

This year, we are publishing our Scope 3 emissions for the UK for the first time. We have improved our methodology particularly for our Scope 3 category 1 (purchased goods and services) emissions by using supplier-specific emissions factors for 23% of procurement spend, enabling more accurate reporting and clearer visibility into supplier decarbonisation.

Supplier engagement was deepened during the year through participation in the ABI Net-zero Steering Group, our inaugural Supplier and Partner Conference in addition to our Supplier Awards, and targeted engagements with IT providers on the environmental impact of AI.

RESPONSIBLE INVESTMENT

Discovery aims to act in its beneficiaries' best long-term interests as an asset owner and institutional investor. We are a signatory to the Principles for Responsible Investment and seek to incorporate ESG issues into investment practices as required by our Group Responsible Investment Policy.

As a large portion of Discovery's discretionary funds are invested in cash and fixed income investments, it is not always possible to directly influence the climate change policies of these portfolios. Where we have significant equity exposure (through the unit-linked funds in which our clients invest), we work closely with our asset managers to enhance our ESG approach and incorporate achievable climate change objectives through proxy voting and engagement in equity holdings. This may include compliance with environmental legislation; efficient use of resources; pollution prevention and biodiversity conservation; and prevention of or adaptation to climate change. Carbon emissions data at the required level may be difficult to acquire for unit trust or index-tracked investments. However, we have started to analyse Discovery-managed funds as we have access to this data and can influence action.

Our Net-zero Transition Plan further details our approach and methodology to identify and account for Scope 3 financed emissions. Given our long-term goal of achieving net zero by 2050, we established medium-term targets to support our journey, supported by our asset manager engagement plan and a focus on companies committed to setting science-aligned targets.

For details on our responsible investment approach refer to our Sustainability Report.

SUSTAINABLE INSURANCE

We continue to be a signatory to the UNEP FI PSI as part of our ongoing commitment to sustainability and leadership. We are working towards applying the four principles for sustainable insurance into practice and playing our part in strengthening the insurance industry's contribution to sustainable development as risk managers, insurers and investors. We submitted our annual disclosure to the UNEP FI in FY2025.

Our Net-zero Transition Plan further details our approach and methodology to identify and account for Scope 3 financed emissions.

EXTENDING OUR SHARED-VALUE MODEL TO PROVIDE CLIMATE-RELATED SOLUTIONS

Our research and development initiatives focus on understanding and mitigating transition and physical risks and capitalising on opportunities associated with climate change. Products, services and initiatives that demonstrate our risk-informed development and partnership approach include:

Discovery Health and **VitalityHealth (UK)** are pioneers in using **digital solutions in healthcare**, enabling clients to access and manage care online and to reduce unnecessary travel which, in turn, reduces emissions. Reducing the need to print documents and increasing the number of claims that can be completed end-to-end online will support our reduction of Scope 3 emissions. This will be balanced with the need to continue providing the right care, at the right time, in the right way, to our clients.

Discovery Insure's **Pothole Patrol initiative**, in collaboration with the Johannesburg Road Agency and Avis Southern Africa, identifies and prioritises potholes to be repaired. This helps increase road safety and efficiency.

Discovery Insure's **Fire Force** is a robust fire response network that saves lives in Johannesburg by **responding to two fire incidents daily** on average.

Discovery Invest offers the **Discovery global megatrends fund** that provides access for our clients to **invest in global megatrends**, including technological advancement, environmental sustainability, the future of healthcare and the new-age consumer.

Discovery Bank has championed environmentally friendly principles aligned with its predominantly digital model; a strategy that minimises environmental impact. Discovery Bank surveyed its home loan clients to determine awareness of and interest in sustainable home solutions, including renewable energy products, and identify areas for value-added services.

Through Vitality Drive, Discovery Insure incentivises **good driving behaviours** like not speeding and avoiding harsh breaking, which **results in lower carbon emissions.**

Vitality Health International Africa offers a Vitality Malaria Benefit to reduce the high incidences of malaria. The disease is preventable and treatable, but variations in climatic conditions, such as temperature, rainfall patterns and humidity, have a profound effect on malaria transmission.

Vitality, our behaviour-change platform, combines insights from behavioural economics, clinical science, driving habits and personal financial management to **guide and incentivise people to cultivate better behaviours.** By understanding the correlations between behaviour and outcomes, Vitality addresses areas that have the biggest potential to change risk outcomes over the long term, including risks related to climate change.

Refer to the make people healthier section of our 2025 Sustainability Report for more information.

In the UK, **we partner with Carbon Footprint, a quality assurance standard-certified carbon offset provider**. We fund a range of projects that are internationally verified and adhere to globally recognised and leading standards, such as the Verified Carbon Standard, Gold Standard Verified Emission Reduction and Certified Emissions Reductions.

In the UK, we are actively seeking opportunities to **collaborate with partners to drive better, more sustainable choices.** We incentivise and reward our clients for making healthier lifestyle choices through Vitality. Initiatives include:

- **Facilitating circular tech use:** When members upgrade their Apple Watch through Vitality, they can trade in their previous device for reuse, receiving enhanced trade-in value. This promotes the reuse of electronic devices and helps reduce e-waste
- **Rewarding low-waste habits:** Members are rewarded with a stamp when they bring a reusable cup when redeeming their hot drink at our coffee partner, helping to reduce single-use waste and support more sustainable daily habits
- **Supporting responsible consumption:** Vitality includes access to environmentally conscious lifestyle offers, such as booking hotels with sustainability initiatives and recipe boxes which are ethically and sustainably sourced, empowering members to make decisions that align with planetary health

We also **work with advisers in the UK** to share our experiences, support them in their sustainability journey and help them meet the rising expectations of businesses. During the year, we launched a **sustainability thought leadership programme** to support advisers in understanding the link between sustainability, health and insurance. Topics ranged from the intersection of sustainability, health and insurance to broader themes of environmental responsibility, climate action and ethical business practices.

DISCOVERY GREEN

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

Discovery Green was designed to incentivise sustainable behaviour and provide renewable energy solutions to businesses by 2027. It addresses critical challenges in South Africa's electricity supply, which is heavily reliant on fossil fuels, by facilitating electricity wheeling. With new power wheeling frameworks expected from Eskom, Discovery Green will enable access to renewable energy nationwide.

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

- **Green Saver:** maximises savings by optimising renewable energy generation and consumption
- **Green Guarantee:** enables businesses to achieve 100% renewable energy use, significantly reducing carbon emissions
- **Green Flex:** offers businesses the chance to take their first step in renewable energy with a 40% coverage solar product, with a clear strategy towards maximising future coverage

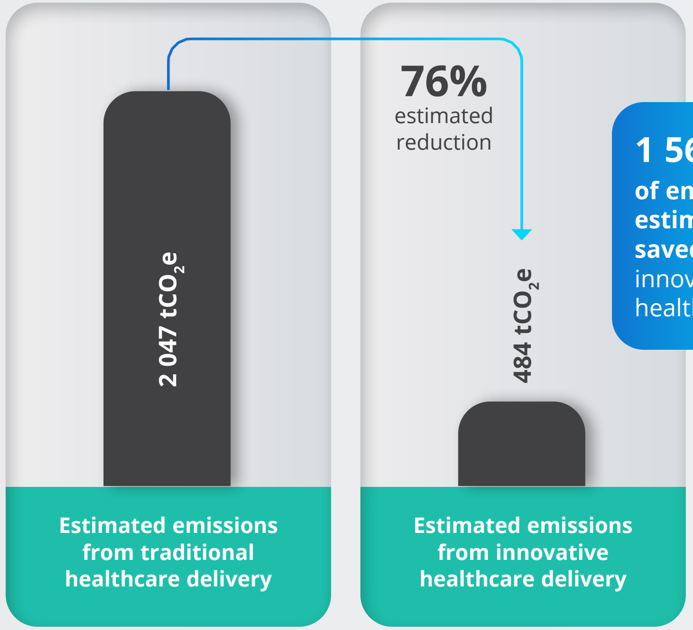
Discovery Green, in partnership with Sasol, launched Ampli Energy, a month-to-month renewable energy product, empowering SMMEs and smaller corporates previously excluded from electricity wheeling.

1 Discovery Place accounts for around **64%** of the Group's overall emissions, and Discovery Green is projected to supply the premises with 100% renewable energy by 2027.

For details on Discovery Green's progress during the year and insight into its process, refer to our Sustainability Report.

MEASURING THE CLIMATE IMPACT OF INNOVATIVE HEALTHCARE JOURNEYS

As part of our commitment to advancing sustainable healthcare, we have begun quantifying the estimated reduction in emissions of our innovative healthcare journeys – including digital pathways, hospital-at-home admissions and home-based nurse visits – compared to traditional care delivery. Our analysis highlights the dual value of these innovative journeys: they extend access to care for more people while reducing the climate impact of healthcare delivery.



1 563 tCO_2e of emissions estimated to be saved through innovative healthcare delivery

By exploring the emissions footprint of our healthcare journeys, we aim to deepen our understanding of our organisational footprint, as well as the emissions of the broader healthcare industry and the potential to transition towards more efficient models of care. Our work in this area underscores both our leadership in digital and innovative healthcare models and our commitment to shaping a healthcare system that is more accessible, efficient and sustainable.

Metrics and targets

Climate-related commitments

Discovery is committed to reducing our environmental impact and improving our environmental performance as an integral part of our business strategy. Our three absolute climate-related goals drive progress, ensuring we reduce GHG emissions and support the transition to a low-carbon future.

The below graphic reflects our goals during this reporting year, and it will be updated and refined as we achieve our targets and milestones on our journey to net zero.

SHORT-TERM GOAL
Annual reduction against our 2019 baseline

Reduce Scope 1 and 2 emissions cumulatively by 25.2% for FY2025 (26 851 tCO$_2$e) and 35.1% for FY2026 (23 307 tCO$_2$e) against a 2019 baseline of 35 897 tCO$_2$e (aligned to science-based methodology*)

Publish our transition plan to achieve net-zero GHG emissions by 2050 or earlier

MEDIUM-TERM GOAL
Carbon-neutral operations by 2027

Achieve carbon neutrality in our SA and US operations by 2027 and in our UK operations by 2025 (Scope 1 and 2 emissions)

Adopt additional near-term science-aligned targets and targets for material Scope 3 sources

LONG-TERM GOAL
Achieve net zero by 2050 or earlier

- Extend beyond Scope 1 and 2 to include all GHG emissions across the organisation
- Collaborate with strategic partners to enable a low-carbon future

* *Based on a 1.5°C scenario of a 42% absolute reduction against our baseline by 2030*

SPECIFIC COMMITMENTS SUPPORTING OUR EMISSIONS TARGETS INCLUDE:

Achieving **Green Star accreditation** for all SA-based buildings by 2026

Maintaining **ISO 14001:2015 certification** for 1 Discovery Place and our Cape Town offices in FY2025

Replacing **100% of 1 Discovery Place's power supply with renewable energy** by 2027 through a wheeling agreement via Discovery Green

Implementing a **science-aligned target framework** in line with global scientific pathways to keep temperature increases below 2°C and ideally below 1.5°C

Discovery has invested significantly in lower-carbon operations and recognises opportunities for further reduction in Scope 2 and 3 emissions categories. We continually improve the measurement, monitoring and reporting of our emissions data. This includes monthly reports with detailed insights into energy and emission trends, improving data quality and closing data gaps, stakeholder engagement strategies, and project progress.

We have made progress in measuring our Scope 3 emissions and established near-term targets that address material Scope 3 sources. Our Net-zero Transition Plan details our ambition to become a net-zero business by 2050 or earlier, along with our near-term and long-term targets and implementation plans. We will continue updating and refining the plan as the market develops and our processes and data mature. The transition plan will be implemented within the framework of our climate change strategy. Our climate-related commitments and performance are detailed on the following pages.

For more detail, refer to our Net-zero Transition Plan online.

REDUCING SCOPE 1 AND 2 EMISSIONS AGAINST OUR 2019 BASELINE

In partnership with an advisory firm, we developed a detailed emissions reduction roadmap for 2023 to 2030, based on our business-as-usual emissions trajectory and various science-aligned reduction methodologies. In FY2022, we introduced short-term climate targets to drive annual emissions reductions in line with the Paris Agreement guidance and global scientific pathways to limit temperature increases to below 1.5°C. Our annual Scope 1 and 2 reduction targets support our medium-term goal of achieving carbon neutrality by 2027.

KEY DEVELOPMENTS SUPPORTING THIS GOAL

- **Reduced Scope 1 and 2 emissions** by 31.2% (24 694 tCO_2e) for FY2025 against the 2019 baseline, exceeding our target of 25.2%
- **0.141 GHG emissions intensity ratio and 0.2097 energy intensity ratio** for our South African operations (FY2024: 0.157 / 0.2088) based on square metre of building floor space
- Our rooftop solar installations continue to help us reduce our reliance on the grid and generators, contributing **4.7% of the Group's energy needs from renewable resources (FY2024: 4%)**
- Adopted the **Domestic Grid Generation Emissions Factor (DGGEF)** for more accurate Scope 2 emissions reporting
- Reduced electricity consumption at our data centre by **15.8%** through **operational efficiencies**
- Improved **energy efficiency** across operations through heating, ventilation and air conditioning (HVAC) and lighting upgrades, battery energy storage at our data centre, enhanced metering and optimised hybrid working arrangements
- Submitted an **energy savings opportunity scheme (ESOS) action plan** to the UK Environmental Agency and began implementing energy-saving measures to reduce office emissions
- Achieved 2 star **FitWel® accreditation** – a leading global standard for healthy buildings – at our London and Bournemouth offices in the UK
- Sourced **100%** of our Vitality UK-occupied offices' **electricity from renewable sources, and 100% of our nurses' fleet uses hybrid vehicles**
- **Achieved ISO 14001:2015 certification** – a leading environmental management systems standard – at our Cape Town head office and maintained certification at 1 Discovery Place, and plan to implement the ISO 50001 (energy management) standard at our Gqeberha office
- 1 Discovery Place is **six Green Star-rated**, signifying world leadership in green building standards

For more details on our GHG emissions, see page 31.

CARBON NEUTRAL BY 2027

Discovery's climate-related goals are based on a review of our operations and audits of our baseline energy consumption and GHG emissions. Our short-term energy efficiency initiatives, outlined alongside, are central to reducing emissions and supporting our medium-term goal of achieving carbon neutrality by 2027. We aim to mitigate absolute Scope 1 and 2 emissions across the Group and neutralise any residual emissions through the minimal use of high-quality carbon offsets.

Achieving our Group carbon neutrality goal by 2027 will be enabled through a pivot towards self-generated renewable energy. Following the launch of Discovery Green in 2023, we made a strategic decision to delay the procurement of renewable energy from third-party providers in favour of leveraging our own platform. While this shift delayed the sourcing of renewable energy for our South African operations, it strengthens our ability to sustainably meet our long-term energy needs and positions us to contribute meaningfully to the growth of South Africa's renewable energy sector.

Our roadmap to carbon neutrality in 2027 relies on achieving our annual reduction targets, implementing additional efficiency measures and transitioning to renewable energy. A wheeling agreement with Discovery Green will ensure 1 Discovery Place is powered by 100% renewable energy by 2027. While current regulations limit wheeling to this site only, we are exploring future opportunities to extend wheeling to additional properties as regulations evolve. Given that nearly 95% of our emissions arise from South African operations, these remain the primary focus of our carbon reduction efforts.

For more detail on Discovery Green, refer to page 26.

KEY DEVELOPMENTS SUPPORTING THIS GOAL

- **Resource and energy source efficiencies** contributing to our carbon neutral goal are outlined on page 27 under our short-term goal. These interventions will optimise energy efficiencies until 2030, after which efficiency gains will be challenging as further adjustments will only bring marginal benefits
- **Vitality UK achieved carbon neutrality** (Scope 1 and 2) in 2025 as planned, reducing operational emissions by 70% since FY2019. We purchased carbon credits to offset 513 tCO_2e of our UK Scope 1 and 2 emissions through projects aligned with health, wellbeing and biodiversity, including reforestation in Ghana, a clean drinking water project in Eritrea and improved cookstove distribution in Rwanda
- **Discovery Green is on track to provide renewable energy** to 1 Discovery Place in 2027
- Continued ongoing energy efficiency initiatives and investigated a **carbon offsetting policy**

NET ZERO BY 2050 OR EARLIER

Our journey to achieve net zero by 2050 or earlier is supported by our short-term and medium-term goals and our work to gain a comprehensive understanding of our Scope 3 emissions, which forms part of our larger initiative to assess our overall emissions.

To support our net-zero goal, we established a net-zero programme to drive structure, oversight and accountability across the Group. A dedicated steering committee ensures oversight of focused workstreams, enabling data-driven target setting and embedding of reduction initiatives in the business. A key output of this work is our Net-zero Transition Plan, which outlines the actions required to achieve our long-term decarbonisation goals.

Our net-zero programme is guided by a clear set of objectives that span both operational and value chain emissions. For **Scope 1 and 2** emissions, our focus is on developing robust near-term and long-term reduction strategies and implementing key initiatives to drive measurable emissions reductions. For **Scope 3** emissions – including financed emissions, emissions from Vitality programme partners and emissions associated with Discovery Insure and Discovery Bank – we are working to establish a reliable baseline, improve data quality and measurement over time, and engage meaningfully with asset managers, partners and suppliers. Our strategy also includes targeting reductions in high-impact areas, exploring mitigation opportunities beyond our direct value chain, and deepening our understanding of emissions in complex ecosystems such as healthcare in the UK.

We continued to strengthen our emissions data governance and reduction strategy during the year through the formulation of our Net-zero Transition Plan.

We continued to strengthen our emissions data governance and reduction strategy during the year through the formulation of our Net-zero Transition Plan. Working with strategic advisers, we undertook a detailed data mapping and emissions boundary exercise to ensure the completeness, accuracy and regular tracking of our emissions data. We also developed science-aligned trajectories for year-on-year emissions reductions through to 2050.

Discovery is committed to formalising science-aligned emissions reduction targets and registered with the Science Based Targets initiative (SBTi) during the year, to explore the target submission and validation process for our near-term goals. The SBTi published guidance for financial institutions at the time of finalising this report, and our teams are reviewing these materials to better understand the requirements before making further decisions on the submission of targets.

To support transparent performance tracking, we are implementing a data analytics platform to provide near real-time monitoring of Scope 1, 2 and relevant Scope 3 emissions across our operations and broader value chain. The platform will enable disaggregated, activity-level tracking to improve accountability and performance management.

Refer to our Net-zero Transition Plan for more detail.

Discovery's Scope 3 carbon emissions for FY2025 totalled 28 587 tCO_2e (FY2024: 27 255 tCO_2e). The greatest opportunities for reductions are in Scope 2 and 3 emissions categories, which increase as we gain an understanding of our Scope 3 emissions, set targets and a baseline and start to report on them.

Our Scope 3 boundary has been limited to select categories to date and will continue to evolve as we implement our Net-zero Transition Plan.

KEY DEVELOPMENTS SUPPORTING THIS GOAL

- Finalised our **Net-zero Transition Plan**
- Notable **progress in our Scope 3 analysis** during the year included:
  - Mobilising our net-zero programme by putting in place the governance and workstreams required to drive implementation
  - Developing and implementing an asset manager engagement plan
  - Developing and implementing a Vitality partner engagement plan and emissions measurement plan
  - Developing a financed emissions measurement plan
  - Establishing FY2024 as the baseline year for Scope 3 emissions, which were independently verified and included in the Net-zero Transition Plan
  - Maturing our methodology to include supplier-specific emission factors in the UK from government-based emission factors to enhance measurement accuracy and specificity of emissions, reflecting real-world decarbonisation efforts over time
  - Investigating the classification and inclusion of healthcare emissions in SA that are beyond our value chain, by engaging with Discovery Health Medical Scheme to better understand data availability
- Revised our **sustainability scorecard for suppliers**, which is being rolled out to improve data quality beyond spend-based metrics

For more details on our GHG emissions, see page 31.

For more information on the relevance of Scope 3 categories and the quality of data, see page 31.

Enabling the achievement of our climate-related goals

We direct our efforts towards supporting measures across our operations that enable progress towards our climate-related targets. These include employee engagement initiatives, efforts to reduce waste and travel-related emissions and the integration of sustainability performance into executive remuneration. These measures are essential to embedding climate action across the Group and fostering behavioural change from within.

Our responsible investment practices, sustainable insurance commitments and sustainable procurement practices are detailed on page 24.

ENGAGING OUR EMPLOYEES

We continually engage with employees on climate-related issues to drive behaviour change from within the business. During the year, we:

- Rolled out an environmental training module to all South African employees. The module will be updated to reflect the Group's Net-zero Transition Plan
- Hosted a number of World Earth Day activations in the UK to highlight our sustainability journey and engage employees across Vitality
- Increased the frequency of sustainability-related content in the UK's weekly newsletter, reinforcing awareness and action
- Launched a new electric vehicle salary sacrifice scheme partner to support lower-emission commuting in the UK
- Ran a campaign with our UK carpooling partner to promote their new employee app and increase engagement

REDUCING WASTE TO LANDFILL

All our main offices in South Africa – 1 Discovery Place, Cape Town, KwaZulu-Natal and Gqeberha – have received net zero waste to landfill accreditation from the Green Building Council of South Africa. We continue to work towards maintaining this accreditation.

During the year, we recycled 90% of the Group's waste, with 8% going to landfill. While waste forms a small part of our impact from an emissions impact point of view (54tCO_2e), reducing landfill waste to zero has other benefits, including reducing pollution, GHG emissions and demand for raw materials; conserving natural resources; and protecting ecosystems and wildlife.

Since August 2024, we have been conducting a comprehensive waste audit across all UK sites to assess the type, source and volume of waste generated. The findings will provide a valuable benchmark to support collaboration with landlords, partners and suppliers in identifying waste reduction and improvement opportunities and driving innovation in our sustainability practices.

REDUCING TRAVEL, ESPECIALLY AIR TRAVEL

We recognise that air travel significantly contributes to our carbon footprint. As a global business, air travel is often required, and we are focusing management efforts on reducing travel by making use of digitally enabled office working practices and offsetting emissions from unavoidable flights as a final mitigation.

While employee commuting is a Scope 3 activity, it makes up a significant portion of our emissions. Reductions in employee commuting and business travel form part of our hybrid working policies and Travel Policy. These initiatives will be supported by ongoing internal campaigns that empower our people to reduce their emissions.

ALIGNING EXECUTIVE REMUNERATION TO SUSTAINABILITY-RELATED METRICS AND TARGETS

Discovery links executive remuneration to sustainability-related metrics and targets, including specific indicators related to the environment, that are assessed annually. This strengthens leadership accountability and responsibility in advancing the Group's climate-related commitments.

Our single incentive plan measures performance over the short and long term and considers management performance at a Group, business and individual level. The Group performance scorecard for FY2025 includes a sustainability measure for climate, specifically focusing on a reduction in Scope 1 and 2 greenhouse gas emissions from the 2019 base year, with a 2% weighting. In addition, overall performance against ESG ratings agencies is assessed as a performance measure.

For details on our executive remuneration, refer to our Remuneration Report.

Climate-related performance

Overview of our performance against energy, water and waste:

	Unit	Trend	FY2025	FY2024	FY2023	FY2022	FY2021
Energy							
Energy consumption – total	MWh	↓	**33 081**	36 244	37 107	35 180	33 722
Fuels	MWh	↓	**6 271**	7 686	8 868	5 998	5 057
Purchased electricity (renewable and non-renewable)	MWh	↓	**25 540**	27 408	27 750	29 015	28 503
Electricity generated and consumed on-site (renewable via direct line)	MWh	↑	**1 270**	1 150	489	167	162
Energy intensity*	MWh/sqm	↑	**0.210**	0.209	n/a	n/a	n/a
GHG emissions intensity*	tCO_2e/sqm	↓	**0.141**	0.157	n/a	n/a	n/a
Water							
Water withdrawal – SA	Kilolitre	↑	**89 711**	88 603	92 240	87 465	78 963
– UK	Kilolitre		**10 361**	–**	–**	–**	–**
Waste* **							
Weight of waste – SA	Tonne	↑	**503**	474	447	231	145
– UK	Tonne		**42**	–**	–**	–**	–**
% Waste recycled – SA	%	↓	**91**	92	92	88	72
– UK	%		**72**	–**	–**	–**	–**
% Waste to landfill – SA	%	↑	**6**	4.5	5	8	23
– UK	%		**26**	–**	–**	–**	–**

* *Energy intensity is calculated as total fuel, electricity and heating consumption within the organisation divided by floor area (sqm). Emissions intensity is calculated as Scope 1 and Scope 2 GHG emissions divided by sqm. The gases included in the emissions calculation are CO_2, CH_4, N_2O, HFCs and HCFCs*

** *Not reported*

*** *Remaining % waste not recycled or sent to landfill was incinerated*

Group water and energy consumption and waste generation have fluctuated over the years due to COVID-19-related lockdowns in FY2021 and employees subsequently returning to the office due to a shifting hybrid working model. Energy consumption decreased as energy efficiency initiatives were implemented, coupled with a reduction in loadshedding, and subsequently offset through our solar installations and supply.

Our GHG emissions

We calculate and collect GHG emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition). Our emissions are calculated based on operational control and reported separately for our operations in SA, the UK and the US, reflecting the primary geographies in which the Group operates. These regions are also representative of the composite structure under which the Group operates and reports its financial results against: Discovery South Africa (SA) and Vitality UK and Vitality Global (including the US)). Where actual data was not available, estimation methods were used. Historic emissions may be restated as needed to reflect updates in activity data or changes in methodology, such as the use of the DFFE's updated national grid emissions factor (GEF 2022) to quantify SA Scope 2 emissions. For target assessment purposes, FY2024 Scope 2 emissions have been restated using the same data source (GEF 2021). Our base year remains 2019. Discovery does not currently make use of an internal carbon price.

SCOPE 1 AND 2 EMISSIONS

Scope 1 emissions include fuel used in company vehicles, diesel for backup generators and fugitive refrigerant emissions. Scope 2 emissions include purchased electricity, including landlord-supplied utilities and electric vehicle charging.

We apply IPCC AR5 100-year global warming potentials, with region-specific emissions factors where possible. For FY2024, we updated our factors for fuel combustion in South Africa and included on-site solar generation at 1 Discovery Place and other premises where Discovery benefits exclusively from the environmental attributes. We report Scope 2 emissions using both location-based and market-based methods.

SCOPE 3 EMISSIONS

We are refining methodologies to measure our Scope 3 emissions and navigating challenges like data availability. We do not engage in all activities linked to Scope 3 categories and our methodologies and bases of calculation are at varying stages of maturity. The maturity of our reporting across each relevant category will develop as we expand our scope for inclusion and our operational control.

The table below details the Scope 3 categories we report on currently and will work to report on in future.

UPSTREAM ACTIVITIES	Relevance	Data quality score
1 Purchased goods and services		
Healthcare emissions (UK)	Dark red	Orange
Vitality reward partners	Orange	Orange
Other purchased goods and services	Yellow	Orange
2 Capital goods	Yellow	Orange
3 Fuel- and energy-related activities	Yellow	Light green
4 Upstream transportation and distribution	Green	Yellow
5 Waste generated in operations	Light green	Light green
6 Business travel	Yellow	Green
7 Employee commuting	Orange	Light green
8 Upstream leased assets	Yellow	Yellow

DOWNSTREAM ACTIVITIES	Relevance	Data quality score
9 Downstream transportation and distribution	N/A	N/A
10 Processing of sold products	N/A	N/A
11 Use of sold products	N/A	N/A
12 End-of-life treatment of sold products	N/A	N/A
13 Downstream leased assets	Green	Green
14 Franchises		
Franchises	Light green	Green
Vitality Global partners	Yellow	Yellow
15 Investments		
Investments	Dark red	Yellow
Other banking activities	Dark red	Dark red
Insurance activities	Orange	Dark red

	Green	Light green	Yellow	Orange	Dark red
Relevance	Low				High
Data quality	High				Low

N/A N/A

ASSURANCE

GHG emissions data is collected with the support of third-party consultants. Limited assurance is conducted annually by Verify CO_2 in accordance with ISO 14064-3. The FY2025 verification covered all Scope 1 and 2 emissions and selected Scope 3 categories, including emissions from the UK. A 5% materiality threshold per emission source was applied, and the verifier confirmed that the final statement is free from material misstatement and presents a true and fair representation of Discovery's emissions for the period.

Verify CO_2's independent verification statement is available on our website.

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SCOPE EMISSIONS (tCO_2e) AT 30 JUNE

			SA[4]	UK	US	FY2025	% Change	FY2024	FY2023	FY2022	FY2021	FY2019 (Base year)
SCOPE 1, 2 AND 3 – Scope 1 and 2	**Scope 1**	Mobile combustion	946	62	–	**1 008**		942	951	864	696	1 262
		Product use: Refrigerant gases (Kyoto Protocol)	726	1	–	**727**		508	313	320	255	62
		Stationary combustion[1]	183	127	–	**310**		750	1 221	543	492	486
	Scope 2	Purchased electricity (location-based)[2]	22 378	441	76	**22 895**		25 716	27 145	28 862	28 569	33 929
		Purchased electricity (market-based)	22 378	192	79	**22 649**		25 378	26 801	28 606	28 280	34 087
	Total Scope 1 and 2 (location-based)		24 233	631	76	**24 940**	(11%)	27 916	29 630	30 589	30 012	35 739
	Total Scope 1 and 2 (market-based)		24 233	382	79	**24 694**	(10%)	27 578	29 286	30 333	29 723	35 897
Scope 3		1. Purchased goods and services[3]	964	4	–*	**968**		244	137	149	142	264
		3. Fuel- and energy-related activities	6 889	192	15	**7 096**		7 359	8 764	9 183	–*	–*
		4. Upstream transport and distribution	129	–*	–*	**129**		139	178	83	64	146
		5. Waste generated in operations	54	6	–*	**60**		43	42	30	51	277
		6. Business travel	5 217	–*	–*	**5 217**		6 180	4 182	872	512	5 615
		7. Employee commuting	13 575	–*	–*	**13 575**		11 669	13 868	11 974	7 011	19 936
		8. Upstream leased assets: Data storage	230	n/a	n/a	**230**		138	–*	–*	–*	–*
		13. Downstream leased assets: Purchased electricity	830	n/a	n/a	**830**		915	682	287	–*	–*
		14. Franchises	482	–*	–*	**482**		568	613	652	–*	–*
	Total		**28 370**	**202**	**15**	**28 587**	5%	**27 255**	**28 466**	**23 230**	**7 780**	**26 238**
Total Scope 1, 2 and 3 (location-based)			52 603	833	91	**53 527**	(3%)	55 171	58 096	53 819	37 792	61 977
Total Scope 1, 2 and 3 (market-based)			52 603	584	94	**53 281**	(3%)	54 833	57 752	53 563	37 503	62 135
Out of scopes	Out of scopes	HCFCs (R-22) and Biogenic (biofuels)	11	4	–	**15**		10	80	61	95	34
	Total		11	4	–	**15**	50%	10	80	61	95	34
Total (location-based)			**52 614**	**837**	**91**	**53 542**	**(3%)**	**55 181**	**58 176**	**53 880**	**37 887**	**62 011**
Total (market-based)			**52 614**	**588**	**94**	**53 296**	**(3%)**	**54 843**	**57 832**	**53 624**	**37 598**	**62 169**

** Not reported*
n/a Not applicable to geographic location
1 SA experienced no loadshedding in FY2025, leading to a 73% drop in diesel use. However, this reduction is offset by a rise in fugitive gas emissions
2 Various contractual instruments are available in the UK and US. For FY2025, the UK offices used mostly 100% green energy (from a mix of sources backed by UK REGOs or European GOs) which met with the GHG Protocol's Scope 2 Quality Criteria. In addition, SA saw a 10% increase in solar rooftop PV generation from the previous year due to full 12-month generation from 1 Discovery Place and Gqeberha office coming online. No residual mix emission factor is currently available for SA. The location and market-based emissions are therefore identical for SA. In the UK, gas heating consumed at leased premises in multi-tenanted buildings (Bournemouth, London, Better Health and Chicago offices) was categorised as Scope 2 in accordance with the GHG Protocol's Scope 2 Guidance
3 We report on purchased goods and services to the extent that data is available. Purchased goods and services includes water, paper and cloud data storage. Co-located data storage is included under Category 8: Upstream leased assets
4 The Eskom emission factor used in FY2024 was 3% lower than the previously published Eskom factor

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Looking ahead

We recognise the urgency of climate action and the need for tangible and ambitious commitments to help restore and protect the environment. Our core purpose aligns with our goal of maintaining an environment that enables and sustains good health, and we are committed to creating real-world impact by leveraging our assets and capabilities and incentivising appropriate and environmentally conscious behaviours across our value chain.

As a purpose-driven organisation rooted in our value of being a force for good, we are committed to protecting our planet through responsible energy, water and waste management and consumption while exploring solutions to reduce our long-term impact.

We recognise the importance of climate change and broader sustainability issues impacting our business and the communities in which we operate. To enable the effective disclosure of climate-related risks and opportunities, we will continue to enhance our reporting practices in line with the ISSB standards.

We endeavour to:

- Understand, assess and respond to climate-related risks and opportunities, including how these factor into strategic business decisions and financial planning, while reporting on related financial impacts
- Continually encourage environmental-related employee engagement, awareness and training to drive behaviour change from within the business
- Continue engaging on climate change policy and interventions
- Comply with all relevant regulatory requirements and other compliance obligations
- Continuously assess, report on and update our goals to ensure we adhere to the latest science-aligned recommendations for business and industry transformation
- Achieve carbon neutrality in our South African and US operations by 2027 and maintain carbon neutrality in the UK (Scope 1 and 2 emissions)
- Roll out our Net-zero Transition Plan while ensuring our methodologies, projections and strategies remain accurate and appropriate
- Continually monitor and reduce our direct environmental impact, including GHG emissions, by improving our energy efficiencies, water usage and waste management
- Leverage rooftop solar installations to meet the Group’s energy needs through renewable resources
- Maintain zero waste-to-landfill accreditation for Discovery SA
- Work to better understand supply chain-related risks and impacts, and engage with suppliers on environmental-related challenges and mitigation
- Monitor, research and assess the link between climate change and biodiversity and enhance our understanding of nature-related risks and opportunities

TCFD application register

The TCFD's recommendations are structured around four thematic areas that are supported by recommended disclosures to enhance the assessment of climate-related risks and opportunities and improve climate reporting. The table alongside provides a cross-reference to our application of these recommendations within this report. We are continually working to advance in our climate reporting journey as outlined on page 9.

Refer to the TCFD recommendations for further details.

TCFD pillars	TCFD recommended disclosures	Relevant chapters and sections in this report
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities.	A Describe the board's oversight of climate-related risks and opportunities.	Group governance for our climate change response – Page 11. Board responsibilities and key activities – Page 12.
	B Describe management's role in assessing and managing climate-related risks and opportunities.	Group governance for our climate change response – Page 11. Management responsibilities and key activities – Page 13.
RISK MANAGEMENT Disclose how the organisation identifies, assesses, and manages climate-related risks.	A Describe the organization's processes for identifying and assessing climate-related risks.	Our risk management process – Page 15. Our assessment of climate-related risks – Page 16.
	B Describe management's role in assessing and managing climate-related risks and opportunities.	Our risk management process – Page 15. Climate-related developments – Page 16. Our regulatory landscape – Page 6.
	C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk management – Page 15.
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	A Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate-related risks – Page 18. Climate-related opportunities – Page 24.
	B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate-related risks – Page 18. Climate-related opportunities – Page 24.
	C Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Scenario analysis – Page 23.
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.	A Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate-related commitments – Page 27. Enabling the achievement of our climate-related goals – Page 30.
	B Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Our GHG emissions – Page 31.
	C Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate-related commitments – Page 27. Climate-related performance – Page 30. Aligning executive remuneration to sustainability-related metrics and targets – Page 30.

Discovery

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