

Mr Deon Viljoen

Financial Director
Discovery Limited
1 Discovery Place
Sandton
2146

28 October 2020

**Independent Auditor's Assurance Report on the Selected Sustainability Performance Information
in Discovery Limited's ESG Report**

To the Directors of Discovery Limited

We have undertaken a limited assurance engagement on the selected key performance indicators (KPIs) in respect of selected Global Reporting Initiative (GRI) indicators, as described below, and presented in the 2020 Environmental, Social and Governance (ESG) Report of Discovery Limited (the 'Company') for the year ended 30 June 2020 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the GRI indicators listed on the table below. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria as set out in **Annexure A**.

The selected GRI indicators to be published in the Report are set out in the tables below and are collectively referred to as the "selected sustainability performance information".

Limited assurance

No.	Selected Sustainability Performance Information	Unit of measurement	Business Unit	Page number or section
GRI indicators prepared in accordance with the GRI Guidelines				
1.	Composition of employees (gender, race and occupational level) <ul style="list-style-type: none"> Reporting of percentage historically disadvantaged South Africans (HDSA) in management positions - African, coloured and Indian at the relevant occupational levels Percentage of women in executive management 	Rates/Percentages	Discovery People: Employees	8
2.	Number of people with disabilities.	Number	Discovery People: Employees	8
3.	Turnover (Number and rate of new employee hires and turnover)	Number & Rate	Discovery People: Employees	7
4.	Absenteeism (% of working days lost to sick leave)	Rate	Discovery People: Employees	7
5.	Training time <ul style="list-style-type: none"> Total time spent on training and development as a company Average number of days of training for employees Annual average training hours per employee 	Number & Rate	Discovery People: Training & Development	9
6.	Total value of Political contributions	Number	Discovery Group Finance	10
7.	Communications and training on anti-corruption <ul style="list-style-type: none"> Total number and percentage of employees that have received training on anti-corruption 	Number & Rate	Discovery Compliance	
8.	Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies -current year <ul style="list-style-type: none"> Total number of confirmed cases of corruption, number of employees disciplined, and number of employees dismissed 	Number	Discovery Compliance	11
9.	Surveys measuring customer satisfaction	Rate	Discovery Health	7

Responsibilities of Directors

The directors of the Company are responsible for the selection, preparation and presentation of the selected sustainability performance information in accordance with the accompanying Discovery Limited reporting criteria.

These responsibilities include:

- the identification of stakeholders and stakeholder requirements, material issues and commitments with respect to sustainability performance; and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

Independence and Quality Control

We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code). We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing assurance engagements in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability performance information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000(Revised)), issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability performance information are free from material misstatement.

Assurance work performed

Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability performance information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability performance information has been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, recalculations and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability performance information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability performance information; and
- Evaluated whether the selected sustainability performance information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

Conclusion

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability performance information as set out in the Subject Matter paragraph above for the year ended 30 June 2020 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matter

Our report includes the provision of limited assurance on the selected sustainability performance information for the current year as indicated below. We were previously not required to provide assurance on these selected GRIs.

- Number of people with disabilities.

The following sustainability indicators were included in our prior year engagement letter but however, are now excluded during the period under review for the year ended 30 June 2020;

- EN-31 -Total Environmental protection expenditure;
- LA6-Injury rate and total number of work related fatalities;
- HR3-Total number of incidents of discrimination and corrective actions taken;
- SO5-Confirmed incidence of corruption and actions taken;
- SO7-Total number of legal actions for anti-competitive behaviour, anti-trust, monopoly practices and their outcomes;
- S08-Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations;
- PR7-Total number of incidence of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes;
- PR8-Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data; and
- PR9 -Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report.

The maintenance and integrity of the Discovery Limited's website is the responsibility of Discovery Limited's Directors. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of presentation on the Discovery Limited Website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability performance information to the directors of Discovery Limited in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Discovery Limited, for our work, for this report, or for the conclusion we have reached.

Nexia SAB&T
Aadila Aboobaker
Chartered Accountant (SA)
Registered Auditors
Director
28 October 2020

DRAFT

Annexure A

Discovery Limited GRI Indicators Criteria Definitions

GRI prepared in accordance with the GRI G4 Guidelines	Level of Assurance	Boundary	Definition & Criteria used
<p>Indicator 1: Composition of employees (gender, race and occupational level)</p> <ul style="list-style-type: none"> Reporting of percentage historically disadvantaged South Africans (HDSA) in management positions Percentage of women in executive management <p>(Part of G4-LA12)</p>	Limited	Discovery People: Employees	<p>GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines and also disclosure requirements of other stakeholders.</p> <p>Criteria used</p> <p>Report the percentage of employees per employee category in each of the following diversity categories:</p> <p>Gender All diversity groups Employee category</p> <ul style="list-style-type: none"> Top Management Senior management Professionally qualified Skilled technical Semi technical Unskilled
<p>Indicator 2: Number of people with disabilities.</p>	Limited	Discovery People: Employees	<p>Disclosure requirements of other stakeholders.</p> <p>Criteria used</p> <p>Report the average number of employees with disabilities from all diversity groups</p>
<p>Indicator 3: Turnover (Number and rate of new employee hires and turnover)</p> <p>(G4-LA1)</p>	Limited	Discovery People: Employees	<p>GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines.</p> <p>Criteria used</p> <p>Report the total number and rate of new employee hires during the reporting period, by age group and gender.</p> <p>Report the total number and rate of employee turnover during the reporting period, by age group and gender.</p>
<p>Indicator 4: Absenteeism (% of working days lost to sick leave)</p> <p>(Part of G4-LA6)</p>	Limited	Discovery People: Employees	<p>GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines.</p> <p>Criteria used</p> <p>Report of absentee rate over the total headcount.</p>
<p>Indicator 5: Training time</p>	Limited	Discovery People: Employees	<p>GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting</p>

GRI prepared in accordance with the GRI G4 Guidelines	Level of Assurance	Boundary	Definition & Criteria used
<ul style="list-style-type: none"> Total time spent on training and development as a company Average number of days of training for employees Annual average training hours per employee (G4-LA9)			Guidelines and also disclosure requirements of other stakeholders. Criteria used Report the average hours of training that the company's employees have undertaken during the reporting period, by: Gender Employee category <ul style="list-style-type: none"> Senior management Middle management Junior management Staff
Indicator 6: Total value of Political contributions (G4-S06)	Limited	Group Finance	GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines. Criteria used Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
Indicator 7: Communications and training on anti-corruption <ul style="list-style-type: none"> Total number and percentage of employees that have received training on anti-corruption (Part of G4-S04)	Limited	Compliance	GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines. Criteria used Total number and percentage of employees that have received training on anti-corruption, broken down by employee category.
Indicator 8: Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies - current year <ul style="list-style-type: none"> Total number of confirmed cases of corruption, number of employees disciplined, and number of employees dismissed (Part of G4-S05)	Limited	Compliance	GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines. Criteria used Report the total number and nature of confirmed incidents of corruption. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
Indicator 9: Surveys measuring customer satisfaction	Limited	Compliance	GRI Indicator prepared in compliance with the Global Reporting Initiative G4 - Sustainability Reporting Guidelines.

GRIs prepared in accordance with the GRI G4 Guidelines	Level of Assurance	Boundary	Definition & Criteria used
(G4-PR5)			<p>Criteria used</p> <p>Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about Discovery Health service</p>

DRAFT