

Independent Verification Statement

To the Board of Directors and Management of Discovery Limited

Discovery Limited (“Discovery”) engaged Verify CO₂ to conduct an independent third-party verification of the Group’s greenhouse gas (GHG) emissions inventory for the financial reporting period 01 July 2020 to 30 June 2021 (FY2021), as calculated and presented in the *GCX Analytics* online dashboard.

Discovery is a global integrated financial services organization operating in the healthcare, life assurance, short-term insurance, banking, savings and investment products as well as in wellness markets. Whilst the Group’s primary markets are South Africa and the United Kingdom where it owns and operates the financial services provider or insurer, through Vitality Group it has a global footprint in 30 international markets. Vitality Group offers corporate wellness products through Vitality USA, and through partnerships with leading global insurers in all other markets.

The verification was carried out in accordance with the International Standard **ISO 14064-3 (2006)**: ‘*Specification with guidance for the validation and verification of greenhouse gas assertions.*’

Intended users of this information are all Discovery stakeholders, including internal and external interested parties and the CDP.

Verification Objectives and Performance Criteria

The objectives of the verification were, by review of objective evidence, to:

1. Confirm that the FY2021 GHG assertion met with the specified criteria, and as such is accurate, complete, consistent, transparent and free from material error or omission.
2. Improve the credibility of Discovery’s GHG emissions disclosures in the FY2021 Integrated Annual Report and CDP 2022 submission.

The criteria against which the verification was undertaken were the principles and requirements of the WRI/WBCSD *GHG Protocol Corporate Accounting Standard*, 2nd Edition, 2004 (*GHG Protocol Corporate Standard*).

Verification Scope

Consistent with historical GHG reporting, the organisational boundary was defined based on **operational control** for Discovery’s global business activities.

The operational boundary included scope 1 and scope 2 GHG emissions globally, as well as the following scope 3 emissions for Discovery’s corporate office facilities in South Africa only:

- **Category 1:** GHG emissions from water supply and treatment
- **Category 5:** GHG emissions from waste generation

In conformance with **ISO 14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected, taking into consideration any structural/other significant changes since the previous reporting period;
- The appropriateness of the GHG quantification methodologies (including estimation methodologies), and emission factors applied;
- The completeness and integrity of the historical activity data used;
- The accuracy and consistency of the GHG emissions calculations;
- GHG reporting to ensure compliance with the requirements of the *GHG Protocol Corporate Standard*.

Level of Assurance and Materiality

- The verification activities provided **limited assurance** on the final GHG assertion. No site visits were done.
- A materiality threshold of 5% per emissions source was applied.

Roles and Responsibilities

Discovery was responsible for the preparation and presentation of the GHG data to Verify CO₂.

Verify CO₂ was tasked to form an independent opinion on Discovery's FY2021 GHG assertion regarding:

1. Conformance with the principles and reporting requirements of the *GHG Protocol Corporate Standard*;
2. Completeness and accuracy of the activity data and GHG emissions quantification.

Specific Exclusions from Reporting Boundary

The following small facilities were excluded from the reporting boundary on the basis of immateriality:

- **Discovery SA:** 1 Discovery Store (Century City); 2 Wellness Centres
- **Vitality USA:** New York office (81m²)
- **Partner Markets:** Singapore (20m² office)

Together, these sites would account for well below 5% of Discovery's global FY2021 scope 1 and scope 2 GHG emissions and these exclusions were therefore deemed **not relevant**.

GHG Assertion

After implementation of the necessary corrective action, Discovery's FY2021 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

FY2021: GHG Emissions	South Africa Tonnes CO ₂ e	UK Tonnes CO ₂ e	USA Tonnes CO ₂ e	TOTAL Tonnes CO ₂ e
Scope 1	1 025	312 ¹	0	1 337
Scope 2 (location-based)	28 022	47	180	28 249
Scope 2 (market-based) ²	28 022	70	179	28 271
Total Scopes 1 & 2 (location-based)	29 047	359	180	29 586
Total Scopes 1 & 2 (market-based)	29 047	382	179	29 608
Scope 3: Category 1 - Water	73	N/R	N/R	73
Scope 3: Category 5 - Waste	51	N/R	N/R	51*
Scope 3: Other Categories (not verified)	7 669	N/R	N/R	7 669
Total Scopes 1, 2 & 3 (location-based)	36 841	359	180	37 380
Total Scopes 1, 2 & 3 (market-based)	36 841	382	179	37 402
Outside of Scopes – HCFC R-22 ³	95	0	0	95

N/R = not reported

* = see Qualification below

100% of Discovery's reported scope 1 and scope 2 GHG emissions were verified, as well as the scope 3 emissions associated with municipal water consumption and waste generated in operations.

¹ Vitality UK purchased carbon offsets for 531,627 kWh natural gas consumption, thereby avoiding 109 tCO₂e in scope 1.

² Various contractual instruments are available in the UK and USA. For FY2021, the UK offices had switched to mostly 100% green energy (from a blend of sources including hydro, wind, solar, biomass and landfill gas) backed by UK REGOs or European GOs which met with the GHG Protocol's *Scope 2 Quality Criteria*. The UK and USA together represented 7.13% of Discovery's total FY2021 electricity consumption (28 845 MWh).

³ Fugitive GHG emissions of refrigerant gases not listed under the Kyoto Protocol are reported outside of the scopes.

Additional Data Points Verified for CDP 2022	SA	UK	USA	Discovery Ltd.
Purchased non-renewable electricity (MWh)	26 436	221	370	27 027
Purchased 100% renewable electricity (MWh)	0	1 466.6	0	1 467
Electricity generated & consumed on-site (MWh) (renewable)	351	0	0	351
Total electricity consumed (MWh)	26 787	1 687.6	370	28 845
Municipal Water Consumption (kl)	78 963	Not reported		78 963
Year-on-Year Change in emissions Scopes 1, 2 & 3				

Scope 3 - Category 5 Waste – SA only:

Waste Destination	Tonnes waste	Tonnes CO ₂ e
Landfill	33.76	43.78
Recycled/AWT ⁴	84.93	1.81
Incinerated	6.30	5.54
Composted	19.51	0.17
TOTAL	144.50	51.30

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature and methods used to determine, calculate, sample and estimate such data.

The assurance engagement did not include an examination of the derivation of GWPs, default emission factors, conversion factors, or other derived third-party information. Verify CO₂ did not conduct any work outside of the agreed scope, and our opinion is therefore restricted to the agreed subject matter.

Final Verifier Opinion and Qualifications

All material errors and non-conformances identified during the verification process were duly corrected.

On the basis of the **limited assurance** procedures followed in accordance with **ISO 14064-3**, using the requirements of the *GHG Protocol Corporate Standard* as criteria, there is no evidence that Discovery's FY2021 GHG assertion:

- Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
- Is not materially correct and a fair, complete and accurate representation of Discovery's GHG emissions data and information for the FY2021 reporting period, with the following qualification(s):
 - DFCs:** Electricity and water consumption was estimated based on broad assumptions. (FY2019 data for a small sample of sites was adjusted downwards to account for reduced occupancy during FY2021).
 - Scope 3:** GHG emissions associated with recycled, composted and incinerated waste are only indicative, as local emission factors were not applied and there was an unresolved query regarding incinerated waste.
 - GHG Reporting:** Aside from the FY2021 consumption data and GHG emissions calculations, no other information presented in the GCX Analytics dashboard was verified.



Signed: Kerry Evans
Lead GHG Verifier, Verify CO₂
Date: 16.09.2021

⁴ Discovery started an alternative waste treatment (AWT) project in FY2021 whereby general waste is diverted from landfill and used to manufacture building aggregate with zero waste impact (4 tonnes were diverted in FY2021).