Independent Verification Statement

To the Board of Directors and Management of Discovery Limited

Verify CO\textsubscript{2} was engaged to conduct an independent third-party verification of the greenhouse gas (GHG) emissions inventory reported by Discovery Limited (“Discovery”) for historical operations during the financial reporting period 01 July 2018 to 30 June 2019 (FY2019).

Discovery is a global integrated financial services organization. It operates in the healthcare, life assurance, short-term insurance, savings and investment products and in wellness markets across 19 countries through partnerships with leading global insurers. The Group’s primary markets are South Africa and the United Kingdom.

During 2018 Discovery moved +/-7000 employees from 5 separate sites in Johannesburg to its new headquarters at 1 Discovery Place. Similarly, employees from 2 sites in Cape Town were consolidated into new premises, Sable Park. In FY2019, Discovery also launched a new service offering in South Africa, Discovery Bank.

The GHG 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. This Verification Statement applies to the related information included within the scope of work described below.

Verification Scope

Consistent with previous 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 emissions from water supply and treatment;
- Category 5 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;
- The appropriateness of the GHG quantification methodologies (including estimation methodologies), and emission factors applied;
- The completeness and integrity of the activity data used;
- The accuracy and consistency of the GHG emissions and intensity ratio calculations;
- GHG reporting to assess compliance with the requirements of the GHG Protocol Corporate Standard.

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 use and waste generated in operations.

Verification Objectives and Performance Criteria

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

1. Confirm that the FY2019 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 the GHG emissions disclosure in Discovery’s FY2019 Integrated Annual Report, as well as in the Group’s CDP 2020 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).
Level of Assurance and Materiality

- The level of assurance agreed was that of **limited assurance**, hence no site visits were conducted.
- 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 FY2019 GHG assertion regarding:

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

Specific Exclusions from Reporting Boundary

The following Discovery facilities were excluded for FY2019 on the basis of irrelevance:

- Vitality Group International regional office in New York (81m²);
- Discovery Partner Markets (DPM) Asia office (20m²) in Singapore and home office in Australia.

Since the above exclusions (aggregated) would not exceed 5% of Discovery’s global FY2019 scope 1 and scope 2 GHG emissions, they were deemed not relevant.

GHG Assertion

After implementation of the necessary corrective action, Discovery’s FY2019 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

<table>
<thead>
<tr>
<th>FY2019: GHG Emissions</th>
<th>South Africa</th>
<th>UK</th>
<th>USA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>1 358</td>
<td>256</td>
<td>0</td>
<td>1 614*</td>
</tr>
<tr>
<td>Scope 2 (location-based)</td>
<td>32 888</td>
<td>590</td>
<td>439</td>
<td>33 917</td>
</tr>
<tr>
<td>Scope 2 (market-based)</td>
<td>32 888</td>
<td>879</td>
<td>388</td>
<td>34 154</td>
</tr>
<tr>
<td><strong>Total Scopes 1 &amp; 2</strong> (location-based)</td>
<td><strong>34 246</strong></td>
<td><strong>845</strong></td>
<td><strong>439</strong></td>
<td><strong>35 531</strong></td>
</tr>
<tr>
<td>Scope 3: Category 1 - Water</td>
<td>130</td>
<td>N/R</td>
<td>N/R</td>
<td>130*</td>
</tr>
<tr>
<td>Scope 3: Category 5 - Waste</td>
<td>273</td>
<td>N/R</td>
<td>N/R</td>
<td>273*</td>
</tr>
<tr>
<td>Scope 3: Other Categories (not verified)</td>
<td>25 788</td>
<td>N/R</td>
<td>N/R</td>
<td>25 788</td>
</tr>
<tr>
<td><strong>Total Scopes 1, 2 &amp; 3</strong> (location-based)</td>
<td><strong>60 437</strong></td>
<td><strong>845</strong></td>
<td><strong>439</strong></td>
<td><strong>61 721</strong></td>
</tr>
</tbody>
</table>
| Outside of Scopes – HCFC R-22 | 34         | 0 | 0   | 34

N/R = Not reported

* = See Qualification below

Additional Data Points Verified:

<table>
<thead>
<tr>
<th>Additional Data Points Verified for CDP 2020</th>
<th>SA</th>
<th>UK</th>
<th>USA</th>
<th>Discovery Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total electricity purchased (MWh)</td>
<td>31 623.2</td>
<td>2 306.4</td>
<td>773.5</td>
<td>34 703</td>
</tr>
<tr>
<td>Total electricity generated on-site (MWh) (renewable)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total electricity consumed (MWh)</td>
<td>31 623.2</td>
<td>2 306.4</td>
<td>773.5</td>
<td>34 703</td>
</tr>
<tr>
<td>Water Consumption (kl)</td>
<td>140 232</td>
<td>Not reported</td>
<td>140 232</td>
<td></td>
</tr>
</tbody>
</table>
Scope 3 - Category 5 Waste – SA only:

<table>
<thead>
<tr>
<th>Waste Destination</th>
<th>Tonnes waste</th>
<th>Tonnes CO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landfill</td>
<td>203.82</td>
<td>264.28</td>
</tr>
<tr>
<td>Recycled</td>
<td>232.64</td>
<td>4.97</td>
</tr>
<tr>
<td>Incinerated</td>
<td>3.69</td>
<td>3.24</td>
</tr>
<tr>
<td>Composted</td>
<td>63.24</td>
<td>0.63</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>503.39</strong></td>
<td><strong>273.13</strong></td>
</tr>
</tbody>
</table>

**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 FY2019 GHG assertion:

1. Has not been quantified and reported in conformance with the principles and requirements of the **GHG Protocol Corporate Standard**; and
2. Is not materially correct and a fair, complete and accurate representation of Discovery’s GHG emissions data and information for the FY2019 reporting period, with the following qualification(s):

   - **Scope 1**: Reporting on fugitive emissions from air-conditioning equipment may be incomplete as at the time of closing off the audit it was not confirmed that zero-usage reported for 11 out of the 15 sites with Discovery-controlled equipment was correct.

   - **Scope 3**: GHG emissions from municipal water usage and waste generation were incomplete, as data was not reported by Discovery’s non-SA facilities. Furthermore, the emissions associated with recycled, composted and incinerated waste are only indicative, as local emission factors were either not available or not used.

Signed: Kerry Evans  
Lead GHG Verifier  
Verify CO₂  
Date: 03.09.2019