

Independent Verification Statement

To the Board of Directors and Management of Discovery Limited

Discovery Limited (“Discovery”) engaged Verify CO₂ to conduct independent third-party verification of the Group’s greenhouse gas (GHG) emissions inventory for the financial reporting period 01 July 2021 to 30 June 2022 (FY2022), as calculated and presented in the *GCX Analytics* online dashboard.

Discovery is a global financial services organization operating in the healthcare, life assurance, short-term insurance, banking, savings and investment products and wellness markets. The Group’s primary markets are South Africa (SA) and the United Kingdom (UK) where it owns and operates the financial services provider or insurer. Through Vitality Group, a subsidiary based in the USA, together with partnerships with leading international insurers, Discovery can offer its Vitality corporate wellness and insurance products globally.

The GHG verification was carried out in accordance with the International Standard **ISO 14064-3** ‘*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 Objectives and Performance Criteria

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

1. Confirm that the FY2022 GHG statement met the specified criteria and is accurate, complete, consistent, transparent and free from material error or omission.
2. Improve the credibility of Discovery’s GHG emissions disclosures in the annual FY2022 Integrated Report and CDP submission.
3. Evaluate FY2022 global scope 1 and scope 2 GHG emissions (market-based) against FY2019 to determine if the GHG reduction targets were met (minimum 5% decrease with a 10% goal).

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

The operational boundary included the Group’s global scope 1 and scope 2 GHG emissions, as well as the following scope 3 emissions sources:

- **Category 1:** Purchased municipal water (Discovery corporate office facilities in SA only)
- **Category 3:** Fuel- and energy-related activities
- **Category 5:** Waste generation (Discovery corporate office facilities in SA only)
- **Category 13:** Downstream Leased Assets for sublet space at the Head Office in SA

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

- Completeness of the reporting boundaries selected, taking into consideration any structural/other significant changes since the previous reporting period.
- Appropriateness of the GHG quantification methodologies and emission factors applied.
- Completeness and integrity of the historical activity data used.
- Accuracy and consistency of the GHG emissions calculations.
- GHG reporting to assess 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.
- Where relevant, a materiality threshold of 5% per emission 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 FY2022 GHG statement 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.
3. Achievement of Discovery's global scope 1 and scope 2 GHG reduction target against FY2019.

Specific Exclusions from Reporting Boundary

There were no exclusions from either the organizational boundary or the measured operational boundary.

GHG Statement

After implementation of the necessary corrective action, Discovery's FY2022 GHG emissions statement consolidated using the **operational control** approach was stated as:

FY2022: 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	1 315	85 ¹	0	1 400
Scope 2 (location-based)	28 291	360	204	28 855
Scope 2 (market-based) ²	28 291	87	220	28 598
Total Scopes 1 & 2 (location-based)	29 606	445	204	30 255
Total Scopes 1 & 2 (market-based)³	29 606	172	220	29 998
Category 1 – Municipal Water	81	N/R	N/R	81
Category 3 – T&D Losses & WTT*	8 859	205	63	9 127
Category 5 - Waste & AWT ⁴	30	N/R	N/R	30
Category 13 – Leased Assets*	287			287
Scope 3: Verified	9 257	205	63	9 525
Scope 3: Other Categories (not verified)	13 649	0	0	13 649
Total Scope 3	22 906	205	63	23 174
Outside of Scopes – HCFC R-22 ⁵	61	0	0	61

* Not reported prior to FY2022

N/R = not reported

100% of Discovery's reported scope 1 and scope 2 GHG emissions and 41% of measured scope 3 emissions were verified.

¹ Vitality UK purchased carbon offsets for the 1,617,155 kWh natural gas consumed during FY22, thereby avoiding 330 tCO₂e.

² Various contractual instruments are available in the UK and USA. For FY2022, the UK offices used mostly 100% green energy (from a mix 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 8% of Discovery's total FY2022 electricity consumption (29174 MWh).

³ Scope 2: No residual mix emission factor is currently available for SA.

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 - 5.15 tonnes were diverted in FY2022 (4 tonnes in FY2021).

⁵ Fugitive GHG emissions of refrigerant gases not listed under the Kyoto Protocol are reported outside of the scopes.

CDP: Additional FY2022 Verified Information	SA	UK	USA	Discovery Ltd.
Purchased non-renewable electricity (MWh)	26 690	249	454	27 393
Purchased 100% renewable electricity (MWh)	0	1 614	0	1 614
Electricity generated & consumed on-site (MWh) (renewable via direct line)	167	0	0	167
Total electricity consumed (MWh)	26 857	1 863	454	29 174
Municipal Water Consumption (kl)	87 465	Not reported		87 465
Year-on-Year Change in emissions	Scope 1; Scope 2; Scope 1 & 2; Scope 3 (Water & Waste)			

Scope 3 - Category 5 Waste – SA only:

Waste Destination	Tonnes waste	Tonnes CO ₂ e
Landfill	19.00	17.90
Recycled/AWT	157.12	3.23
Incinerated	9.14	8.03
Composted	45.36	0.40
TOTAL	230.62	29.57

Inherent Limitations

There is an inherent limitation in verifying GHG data, which is subject to greater inaccuracy than financial data given the nature of 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.

Based on 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 FY2022 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 FY2022 reporting period, with the following qualification(s):
 - **GHG Reporting:** This Verification Statement provides assurance specifically for Discovery's FY2022 GHG statement above. The information presented on the GCX Analytics dashboard cannot be verified as the verifier has no control over post-audit changes that may be made on this platform.
 - **GHG Reporting:** FY2022 intensity ratios were not submitted for verification.
 - **GHG Quantification:** Estimation was used where data was not available (mostly June 2022).
- By FY2022 Discovery achieved a **16% decrease** in global scope 1 and scope 2 (market-based) GHG emissions against FY2019, thereby exceeding both the minimum 5% and ambitious 10% GHG reduction targets.



Signed: Kerry Evans

Lead GHG Verifier, Verify CO₂

Date: 30.08.2022