

# DISCOVERY LIMITED

Audit 2018

INDEPENDENT ASSURANCE REPORT ON SELECTED KEY  
PERFORMANCE INDICATORS

**Mr Deon Viljoen**

Financial Director  
Discovery Limited  
1 Discovery Place  
Sandton  
2146

4 December 2018

**Independent Assurance Discovery's Limited Assurance Report on Selected Global Reporting Initiative (GRI) Indicators**

*To the Directors of Discovery Limited*

**Report on Selected GRI Indicators**

We have undertaken a limited assurance engagement on selected Global Reporting Initiative (GRI) indicators, as described below, and presented in the 2018 Sustainability Report of Discovery Limited for the year ended 30 June 2018. This engagement was conducted by a multidisciplinary team of assurance specialists with relevant experience in sustainability reporting.

**Scope and Subject matter**

***Limited assurance***

We have been engaged to provide a limited assurance conclusion in our report on the following selected GRI's in respect of the Global Reporting Initiative (GRI) Standards, detailed in the scope of work below and on the GRI 2018 supplementary data on the website link. The selected GRI's described below have been prepared in accordance with Global Reporting Initiative (GRI) G4 Guidelines that accompanies the sustainability information on the relevant pages of the Report (the accompanying Discovery Limited reporting criteria detailed below).

Incorporating:



Chairperson: Ms N Medupe

Chief Executive Officer: Mr B Adam

\* a full list of directors is available on request

**B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice**

Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg

SAB&T Chartered Accountants Incorporated is an independent member firm of Nexia International

Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297



## Scope of limited assurance engagement

Category	Selected GRI Indicators	Scope of Coverage	Reporting criteria
Environmental	G4-EN8 Total water withdrawal by source.	Discovery Limited	GRI G4 Reporting Guidelines
	G4-EN31 Total environmental protection expenditure and investments by type.		
Social: Labour Practices and Decent Work	G4-LA1 Total number and rate of new employee hires and turnover by age group, gender and region.	Discovery Limited	GRI G4 Reporting Guidelines
	G4-LA5 Percentage of total workforce represented in formal joint management - worker health and safety committee that helps monitor and advise on occupational health and safety programs.		
	G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.		
	G4-LA9 Average hours of training per employee by gender, and by employee category.		
	G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category; and		
	G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		
Social: Human Rights	G4-HR3 Total number of incidents of discrimination and corrective actions taken.	Discovery Limited	GRI G4 Reporting Guidelines
Social: Society	G4-S04 Communication and training on anti-corruption policies and procedures.	Discovery Limited	GRI G4 Reporting Guidelines
	G4-S05 Confirmed incidents of corruption and actions taken.		
	G4-S07 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.		
	G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		
Social: Product Responsibility	G4-PR5 Results of surveys measuring customer satisfaction;	Discovery Limited	GRI G4 Reporting Guidelines
	G4-PR7 Total Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes;		
	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data; and		
	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		

## Directors' Responsibilities

The Social and Ethics Committee is responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying Global Reporting Initiative (GRI) Guidelines. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and 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 GRI's 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 practice 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. It is important to read the Report in the context of the Company's Group Procedure for sustainable development reporting definitions set out on the corporate website.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work has not included examination of the derivation of those factors and other third party or laboratory information.

## Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

Nexia SAB&T 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.

## Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the selected Global Reporting Initiative (GRI) indicators 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 (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected GRIs are free from material misstatement.

## Assurance work performed

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Discovery Limited's use of its reporting criteria as the basis of preparation

for the selected GRIs, assessing the risks of material misstatement of the selected GRIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected GRIs. 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. 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, 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;
- Reviewed the process that Discovery Limited has in place for determining material selected GRI's to be included in the Report;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected GRIs;
- 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 GRIs; and
- Evaluated whether the selected GRIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Discovery Limited.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Discovery Limited's selected GRIs have been prepared, in all material respects, in accordance with the accompanying Global Reporting Initiative Guidelines.

## Conclusion

### Limited Assurance Conclusion

#### Basis of Opinion conclusion and qualifications

- I. Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined above on page 4 in this report, nothing has come to our attention that causes us to believe that the selected GRI's as set out in the Subject Matter paragraph above for the year ended 30 June 2018 are not prepared, in all material respects, in accordance with the Global Reporting Initiative G4 Guidelines; and
- II. Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 30 June 2018, has not been prepared, in all material respects, in accordance with the Reporting Criteria except for the following qualifications:-

The G4-EN8 Total water withdrawal by source indicator where data was not available for about 7% of the value consumption was estimated, which is subject to inherent inaccuracy.

Furthermore we noted that there were no incidents reported for the following GRI indicators and therefore were not audited by Nexia SAB&T and included in the Sustainability report:-

- G4-S05 Confirmed incidents of corruption and actions taken;
- G4-S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes;
- G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations;
- G4-PR7 Non-compliance with regulations concerning marketing communications, and
- G4-PR9 Fines for non-compliance with laws and regulations concerning products and services.

### Other Matters

Our report includes the provision of limited assurance on the new selected GRI for the year. We were previously not required to provide assurance on these selected GRIs;

- G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.

The following GRI indicators were included in our prior year engagement letter but they were now excluded during the period under review for the year ended 30 June 2018;

- G4-EN23 Total weight of waste by type and disposal method;
- G4 S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified;
- G4 S06 Total value of political contributions by country and recipient/beneficiary.

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 GRI's 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.

**Yours faithfully**



**Nexia SABT**

Per: Ms Nondumiso Medupe  
Chartered Accountant (SA)  
Registered Auditors  
Director  
Date 4 December 2018