

AA1000 Assurance Statement



28 June 2017

To: the stakeholders of UnitedHealth Group (UHG)

Independent assurance statement by Upstream Sustainability Services, JLL (“Upstream”) to the stakeholders of UnitedHealth Group (“UHG”) concerning the data used in its Carbon Disclosure Project (“CDP”) and associated sustainability information for the period 01 January 2016 to 31 December 2016.

SCOPE OF WORK

UnitedHealth Group engaged Upstream to provide independent assurance of energy (electricity and gas), corporate jet fuel, refrigerant leakage data and GHG emission factors relevant to its CDP. The engagement was Type 2 moderate assurance in accordance with the AA1000AS (2008) standard which consisted of:

- A. Providing moderate assurance against the AA1000 assurance standard of selected environmental data and the AA1000 sustainability principles (inclusivity, materiality and responsiveness);
- B. Providing an assurance statement suitable for public disclosure to support UHG’s disclosure against the requirements of the CDP.

RESPONSIBILITY

The management of UHG is responsible for the completion of the CDP and all statements and figures contained therein. Upstream’s responsibility was to complete the assurance process and preparation of this assurance statement.

METHODOLOGY

Upstream undertook the following assurance activities:

- 1) Interviewed David Black, the Senior Director of Portfolio Operations and Asset management for real estate services at UnitedHealth Group and Joe Galambos, Portfolio Energy Manager at JLL Energy and Sustainability Services about UnitedHealth Group’s sustainability principles and their development and implementation.
- 2) Discussed data, evidence and data issues with the data managers and users.
- 3) Conducted limited testing of selected data back to its source material (e.g. energy consumption invoices, meter read sheets, fuel purchase sheets).
- 4) Tested a limited sample of detailed GHG emissions data by recalculating the emissions from the energy data report used in the CDP
- 5) Reviewed internal and publicly available information relating to the principles of inclusivity, materiality and responsiveness.

LEVEL OF ASSURANCE AND LIMITATIONS

Upstream provided a moderate level of assurance which included desktop review, management and asset level data verification and evidence gathering from internal sources and third parties. The verification did not include financial data, technical descriptions of or information relating to buildings or other information not related to sustainability.

The scope of our data testing was limited to a sample of data from the calendar year 2016 for 301 sites varying from industrial warehouses, data centers, retail, hangars and clinical locations. Additional data and evidence was reviewed for 2 corporate jets, refrigerant leakage at 7 sites, diesel fuel consumption at 9 sites and GHG emission factors applied to energy and business travel, covering long, medium and short haul flights and rental cars.

A: EVALUATION OF UNITEDHEALTH GROUP'S ADHERENCE TO THE AA1000 ACCOUNTABILITY PRINCIPLES (AA1000APS 2008) OF INCLUSIVITY, MATERIALITY AND RESPONSIVENESS

Inclusivity - how the organization engages with stakeholders and enables their participation in identifying issues and finding solutions.

UnitedHealth Group has identified customers and employees as its key stakeholders. UnitedHealth Group is held accountable holistically to a subcommittee of its Board of Directors relative to its sustainability efforts. This committee seeks to be informed on a frequent basis, not just on the sustainability efforts of the real estate services alone, but from other departments such as Environmental Health and Safety, Social Responsibility and Enterprise Procurement as well. Therefore reporting on sustainability efforts within UnitedHealth Group takes on a collaborative nature, drawing various stakeholder perspectives together. The communication channels available to external stakeholders include direct communication through corporate communications and investor relations, the company website, the company intranet for employees, CDP and DJSI filings, and through UnitedHealth Group's Social Responsibility report. UnitedHealth Group leverages employee engagement efforts to help achieve stakeholder awareness of the company's sustainability efforts.

Materiality – how the organization determines the relevance and significance of an issue to itself and to its stakeholders

UnitedHealth Group has developed a holistic risk management and business continuity assessment process to identify material risks as they pertain to the health care services marketplace.

UnitedHealth Group has expanded their focus from predominantly energy and carbon intensity reduction goals previous years, to also include water efficiency and waste management goals this year. Motivated by industry trends (such as CDP encouragement) and through engagement with UnitedHealth Group's Social Responsibility team, UnitedHealth Group has set 3 year goals (2015 – 2018) for energy, water and waste, has initiated projects to improve efficiency, and is actively tracking performance against these targets. Efficiency/reduction targets for water and waste were set aligned with industry guidelines (LEED V4). Energy & GHG reduction targets were set based on the status quo of the portfolio, taking into consideration the improvements that have already been implemented, to be challenging but achievable.

UnitedHealth Group relies on their alliance partner, the JLL Energy and Sustainability team, to bring UHG information on market trends and risks. Risks identified to possibly have a material impact for UnitedHealth Group are discussed with relevant stakeholders, such as UnitedHealth Group's Enterprise Resiliency and Response team who constantly monitors weather conditions in geographies that impact business continuity and uses established processes and systems to avoid weather-related business interruption. The Enterprise Real Estate Services team engages with the Enterprise Risk Management team if a risk is considered to be high, to assess how the risk should be managed.

UnitedHealth Group plans to continue to manage investment, business continuity and pricing risks as impacted by climate change through its existing risk management practices, and adjust its business strategy accordingly.

Responsiveness – how the organization demonstrates that it responds to its stakeholders and is accountable to them.

Stakeholder concerns and environmental risks are reviewed and prioritized by UnitedHealth Group's sustainability committee. An Environmental Policy guides the efforts on responsiveness since 2009. This policy is under the general purview of the Public Policy

Strategies and Responsibility Committee of the Board of Directors. As part of the responsibilities under this policy, UHG frequently reports their progress to this committee, and as part of this reporting reviews their strategy and (multiyear) goals on an annual basis. UnitedHealth Group communicates environmental performance through regular internal and external (CDP, DJSI as well as customer) reporting throughout the year, and through its Social Responsibility report.

OBSERVATIONS & RECOMMENDATIONS

- UnitedHealth Group demonstrates a sustained commitment to stakeholder inclusivity. No changes in the key stakeholders have been identified by UHG in 2016. The stakeholder participation process has a collaborative nature, is embedded within day-to-day operations and is supported by employee engagement efforts to help achieve stakeholder awareness.
- The materiality determination process within UnitedHealth Group is continuous and fully integrated across the organization. Material issues are translated into multiyear sustainability objectives and used as a reference point for the implementation efficiency improvements on a site level.
- There are a range of well-developed methods and communication channels for UnitedHealth Group to respond to stakeholders and identified material issues.
- Though UnitedHealth Group demonstrates adherence to the AA100 principles of sustainability, there is scope to enhance inclusivity through a formal identification of key stakeholders, development of a stakeholder communication plan and a more formal documentation of issues raised by all stakeholders to feed into the materiality. As most of these activities are undertaken by UnitedHealth Group already, this would merely be a process of documentation.

B: EVALUATION OF THE RELIABILITY OF THE SPECIFIED SUSTAINABILITY PERFORMANCE INFORMATION AND ASSOCIATED DATA COLLECTION AND MANAGEMENT PROCESSES AND SYSTEMS.

Based on the scope of work described above, nothing has come to Upstream's attention that causes it to believe that the specified energy, corporate jet fuel, refrigerant leakage data and GHG emission factors of UHG's CDP is not fairly stated.

Data assured

Scope 1 GHG emissions: 15,681 metric tons CO₂e from natural gas, refrigerant leakage and jet fuel

Scope 2 GHG emissions: 173,329 metric tons CO₂e from electricity

Scope 3 GHG emissions: 59,398 metric tons CO₂e business travel

Year-on-year change in Scope 1 & 2 GHG emissions*

Year-on-year change in Scope 3 business travel emissions

*Diesel fuel was not included in the verification of Scope 1 emissions, however the proportion of diesel fuel emissions was deemed negligible in the assurance of year-on-year change.

OBSERVATIONS & RECOMMENDATIONS

- Systems and processes used to gather and hold data and evidence are well organized and most of them were readily available.
- Very good level of engagement and responsiveness with the different data managers.
- Data manager maintains good working relationships with the originators of the data.
- Continue to improve the transparency of the calculation methods used, by ensuring that all the required information is shared, particularly in regards to emission factor calculations.
- Continue to improve the collection and storage of primary evidence, by ensuring that datasets not managed via the online system are readily available.
- Continue to improve the quality of data reporting by considering the possibility of using a system that documents field logs or records for refrigerant maintenance in a readily available location.

INDEPENDENCE OF ASSURANCE

Due to our expertise and experience with non-financial information, sustainability management and social and environmental issues, we have the competencies required to conduct this independent assurance engagement. We are bound by the JLL Code of Business Ethics and are independent as defined by AA1000AS (2008). Whilst other JLL divisions provide managing agent and sustainability data services to UHG, Upstream did not participate in these activities or in preparing the sustainability information included in the CDP.

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