

AA1000 Assurance Statement



To: the stakeholders of UnitedHealth Group

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 1 January 2018 to 31 December 2018.

SCOPE OF WORK

UHG engaged Upstream to provide independent assurance of energy (electricity, gas and diesel), water, waste, paper, corporate jet fuel, refrigerant leakage data, business travel and GHG emission factors relevant to its CDP submission. 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 Global Operations and Facilities Management for Real Estate Services at UHG and Joe Galambos, Portfolio Energy Manager at JLL Energy and Sustainability Services about UHG’s sustainability principles and their development and implementation.
- 2) Discussed data and evidence with the data managers and users.
- 3) Conducted limited testing of selected data back to its source material (e.g. energy consumption invoices, meter readings, 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 electricity, gas and water data from the calendar year 2018 for 270 sites varying from industrial warehouses, data centers, retail, hangars and clinical locations. Additional data and evidence was reviewed for 16 sites with diesel consumption, 39 sites reporting waste, corporate jet fuel, paper shredding and refrigerant leakage at 12 sites. GHG emission factors applied to electricity, gas, diesel, refrigerant leakage and business travel (covering long, medium and short haul flights and rental cars) were also reviewed.

A: EVALUATION OF UHG'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.

UHG has publicly commitment to being accountable to those on whom it has an impact or who have an impact on it, through its (updated) Environmental Impact Statement. Employees, customers, investors and suppliers have been identified as UHG's key stakeholders. It is clear that implementing UHG's sustainability strategy and reporting on sustainability efforts within UHG is a collaborative process, with a large group of internal stakeholders from across the organization continuously contributing. This form of engagement allows UHG to enhance the understanding of internal sustainability-related concerns. All employees are regularly engaged with and updated on sustainability through the variety of channels, such as the company intranet. External stakeholders are engaged through corporate communications, investor relations communications, the company website (including the Environmental Impact Statement), as well as CDP and DJSI filings. Engagement with investors has historically been ad-hoc, providing answers as questions came up. More recently, UHG has chosen to proactively engage with its investors, aiming to better understand and align the sustainability strategy with their core values. The development and implementation of the Environmental Policy is overseen the Public Policy and Responsibility Committee, a committee of the Board of Directors. The primary purpose of this committee is to carry out and perform the responsibilities and duties set forth in its Charter, including reviewing and recommending to the Board policies, positions and practices concerning broad public policy issues, including those that relate to responsible environmental practices.

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

UHG has in place a comprehensive risk management and business continuity assessment process to regularly identify and evaluate material risks as they pertain to the health care services marketplace. UHG also continuously relies on their alliance partner, the JLL Energy and Sustainability team, to provide information on market trends. This process allows UHG to analyze current trends and plan an appropriate response to them. The Environmental Impact Statement is updated annually to reflect the wider values and material issues of UHG's stakeholders. Energy, carbon, water efficiency and waste recycling continue to be material to UHG's real estate portfolio. UHG therefore incorporates comprehensive energy and sustainability management into its Enterprise Real Estate Services platform. The energy and sustainability management program inherently encompasses a climate change risk management process to assess the materiality of climate change risks and opportunities, in cooperation with UHG's Enterprise Resiliency and Response team. Beyond operational impacts experienced due to weather-related events, climate change has not been identified to be a material risk; and therefore, is not identified as a significant driver for business strategy. However, if materiality of climate-related risks from weather-related events increases, then we may formally integrate climate-related issues into our business strategy.

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

UHG's sustainability committee reviews stakeholders' sustainability concerns and environmental risks. The purpose of this review is to prioritize risks and establish an adequate response, which may require engagement with other relevant stakeholders. For instance, if a climate related risk is considered to be high, the Enterprise Real Estate Services team engages with the Enterprise Resiliency and Response team. The team's task is to constantly monitor weather conditions in key geographies and use established processes and systems to avoid weather-related business interruption. The Corporate Environmental Policy, introduced in 2009, and updated in 2018, serves as a guide to Enterprise programmatic alignment and responsiveness. This policy is under the general purview of the Public Policy Strategies and Responsibility Committee of the Board of Directors. In 2018, UHG introduced new 6-year (2019-2023) reduction targets in its most material areas of energy and carbon, as well as water efficiency and waste and recycling targets. External stakeholders are informed about UHG's sustainability efforts through corporate communications, investor relations communications, the company website (including the Environmental Impact Statement), as well as CDP and DJSI filings. UHG recognizes that stakeholder expectations have moved on and is becoming increasingly proactive in communicating sustainability related information. Some of the responses to environmental focus areas include raising employee awareness of environmentally sustainable practices, engagement with the supply chain to reduce its overall environmental impact and engagement with distribution partners to ensure efficient distribution and logistic practices.

Impact – how the organisation monitors and measures the effects of its behavior and performance on the economy, the environment, and the society.

UHG communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with best practice industry standards like CDP and DJSI. As part of the responsibilities under its Corporate Environmental Policy, UHG reports on sustainability performance to Public Policy Strategies and Responsibility Committee of the Board of Directors, which oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing climate-related issues. UHG has established environmental KPIs through their CDP Climate Change response, their Corporate Social Responsibility report and their Corporate Environmental Policy. In 2018, UHG completed the process of establishing new post-2018 goals (2019 – 2023) against which performance will be monitored. UHG seeks to align its construction and operational practices with LEED Guidelines allowing them to further measure and monitor its environmental performance.

OBSERVATIONS & RECOMMENDATIONS

- UHG demonstrates continuous efforts to ensure that all relevant stakeholders participate in its strategic response to sustainability. Stakeholders across the organization, from the Board of Directors to facilities managers, actively participate in UHG's sustainability efforts and there is a high level of collaboration between these stakeholders.
- UHG's process used to identify material issues is well-established, continuous and fully integrated across the organization. Material issues are translated into multiyear sustainability objectives and they guide the implementation of on-site efficiency measures. UHG engages with internal and external parties to ensure a comprehensive understanding of potential risks, and involves appropriate teams to support the prioritization of identified risks.
- UHG has a clear, consistently applied process to respond to material issues in place. Where required, relevant parties participate in establishing an adequate response to a material issue. There is a wide range of methods and communication channels for UHG to respond to stakeholders and identified material issues.
- UHG monitors and measures its impact on the environment in line with best practice industry standards, setting clear targets, and reporting on progress internally and externally in a transparent and regular manner.
- Although UHG demonstrates adherence to the AA1000 principles, there is scope to enhance the sustainability practices by:
 - Formally documenting the criteria used for determining the relevance of stakeholders and sustainability issues to UHG's strategic response to sustainability.
 - Monitoring and measuring the impact of UHG sustainability practices on society and the economy (beyond the environmental impact)

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 (electricity, gas and diesel), water, waste, paper, corporate jet fuel, refrigerant leakage data of UHG's CDP submission are not fairly stated.

Environmental data assured

Energy consumption (scope 1 & 2): 364,678 MWh

Water use: 0.743100 mio. m³

Total waste generated: 15,521 metric tons

Total waste used/recycled/sold: 8,475 metric tons

Total waste disposed: 7,046 metric tons

Paper recycling: 7,743 U.S. tons

GHG data assured

Scope 1 GHG emissions: 13,924 metric tons CO₂e from natural gas, refrigerant leakage, diesel and jet fuel

Scope 2 GHG emissions: 158,042 metric tons CO₂e (market-based) and 157,029 metric tons CO₂e (location-based) from electricity

Scope 3 GHG emissions: 136,514 metric tons CO₂e from business travel, and upstream leased assets (excluding GHG emissions from employee commuting and waste)

Year-on-year change in Scope 1, Scope 2, as well as Scope 3 GHG emissions

Year-on-year change in Scope 1 GHG emissions: -15.97%

Year-on-year change in Scope 2 GHG emissions (location based): +0.2%

Year-on-year change in Scope 3 GHG emissions (business travel): +20.11%

Year-on-year change in Scope 3 GHG emissions (upstream leased assets): -2.97%

OBSERVATIONS & RECOMMENDATIONS

- Systems and processes used to gather and hold data and evidence are well-established and efficient. In particular, the online platform used for managing electricity and natural gas data and evidence is efficient and easy to use which results in a clear, transparent audit trail. Most of the evidence was readily available.
- There was a very good level of engagement and responsiveness with, and between, different data managers and originators.
- There was an improved transparency in GHG emission calculations and updated emission factors were used.
- For data and evidence not stored on the online platform, continue to improve the collection and storage of primary evidence, in particular in relation to refrigerant leakage. Consider the possibility of using a standardized 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 submission.

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