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 2017 to 31 December 2017.

SCOPE OF WORK

UHG 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 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 data from the calendar year 2017 for 278 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 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.

Employees were identified as one of UHG’s key stakeholders. There is a framework in place used to engage with internal stakeholders. This form of engagement allows UHG to enhance the understanding of internal sustainability-related concerns. With regards to sustainability, the organization is held accountable holistically to the Public Policy Strategies and Responsibility Committee - a subcommittee of its Board of Directors. The responsibilities of this committee include reviewing and recommending to the Board policies, positions and practices concerning broad public policy issues, such as responsible environmental practices. The committee also oversees UHG’s Corporate Environmental Policy. 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. All employees are regularly engaged with and updated on sustainability through the variety of channels, such as the company intranet.

Customers were identified as a key external stakeholder. Customer expectations and market developments contribute to UHG’s decision-making in the area of sustainability. 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. In 2017, suppliers were also identified as a key stakeholder and UHG conducted a baseline assessment of sustainability efforts across the supply chain. The results of this baseline assessment will inform further steps in terms of supply chain engagement.

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. This process allows UHG to analyze current trends and plan an appropriate response to them. For instance, due to an increased number of extreme weather events in 2017, UHG decided to conduct a business resilience study in order to identify sites most likely to be affected by extreme weather, and plan for improving resilience accordingly. UHG has introduced 3-year (2015-2018) reduction targets in the areas of energy and carbon, as well as water efficiency and waste and recycling targets. Numerous efficiency measures have been implemented and these targets are on track to be achieved by the end of 2018. In 2017, UHG started a process of establishing new post-2018 goals. The new goals will be informed by the industry trends, peers and internal stakeholders.

UHG continuously relies on their alliance partner, the JLL Energy and Sustainability team, to provide information on market trends. Potential material risks identified are discussed with relevant stakeholders, such as UHG’s 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. UHG plans to continue to manage climate-related investment, business continuity and pricing risks through its existing risk management process, and adjust its business strategy as required.
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 risk is considered to be high, the Enterprise Real Estate Services team engages with the Enterprise Risk Management team in order to establish the way in which such risk should be addressed. There is also a Corporate Environmental Policy in place, introduced in 2009, which serves as a guide on responsiveness. 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 reports on sustainability performance to this committee, contributing to an annual strategy and target review. UHG communicates sustainability performance through regular, transparent internal and external reporting throughout the year.

OBSERVATIONS & RECOMMENDATIONS

- UHG demonstrates continuous efforts to ensure that all relevant stakeholders participate in its strategic response to sustainability. In 2017, the supply chain was identified as an additional key stakeholder and action was taken in order to understand the suppliers’ role in UHG’s sustainability strategy. 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.
- 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.

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, diesel data and GHG emissions of UHG’s CDP submission are not fairly stated.

Data assured
Scope 1 GHG emissions: 16,570 metric tons CO2e from natural gas, refrigerant leakage, diesel and jet fuel
Scope 2 GHG emissions: 191,640 metric tons CO2e from electricity
Scope 3 GHG emissions: 135,899 metric tons CO2e from business travel and leased assets

Year-on-year change in Scope 1, Scope 2, as well as Scope 1 and 2 GHG emissions
Year-on-year change in Scope 3 GHG emissions (business travel and leased assets)
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 emission factors 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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