

INDEPENDENT VERIFICATION STATEMENT

To the Board of Directors and Management of MMI Holdings Limited

Introduction

MMI Holdings Limited (hereafter “MMI”) commissioned GCX to perform an independent third party verification of its greenhouse gas (GHG) emissions inventory as calculated in-house for the calendar reporting period 01 January 2017 to 31 December 2017.

MMI operates in the Financials sector (sub-sector: Insurance) in South Africa, the UK, Gibraltar, Hong Kong, India and Mauritius, as well as in 11 other countries in Africa.

The verification was carried out in accordance with the International Standard ISO14064-3 (2006) ‘*Specification with guidance for the validation and verification of greenhouse gas assertions*’.

Intended users of this information are all MMI stakeholders, including internal and external interested parties and the CDP.

Verification Objectives and Performance Criteria

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

1. Confirm that the 2017 GHG assertion is: accurate; complete; consistent; transparent and free from material error or omission, in accordance with the criteria outlined below;
2. Improve the credibility of the GHG emissions disclosure in MMI’s CDP 2018 submission.

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

The organisational boundary was established using the operational control approach on MMI’s global business activities. The operational boundary covered all associated scope 1 and scope 2 GHG emissions sources, as well as selected scope 3 GHG emissions sources.

100% of MMI’s reported scope 1, scope 2 and scope 3 GHG emissions were verified.

In conformance with **ISO 14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected;
- The appropriateness of the quantification methodologies used (including any estimation methodologies) and the emission factors applied;
- The completeness and integrity of the activity data used;
- The accuracy and consistency of the GHG emissions and intensity ratio calculations;
- Conformance with the reporting requirements of the *GHG Protocol Corporate Standard*.

For CDP reporting purposes (question C10.2a), the following additional data points were also verified:

- Year-on-year change in GHG emissions (scope 1, scope 2 and scope 3);
- Year-on-year emissions intensity figures.

Level of Assurance and Materiality

- The level of assurance agreed was that of limited assurance; hence no site visits were conducted.
- A materiality threshold of 5% per emissions source was applied.

Roles and Responsibilities

MMI was responsible for the preparation and presentation of the GHG data to GCX.

GCX's task was to form an independent opinion on MMI's 2017 GHG assertion regarding:

1. Conformance with the principles and reporting requirements of the *GHG Protocol Corporate Standard*;
2. Completeness and accuracy of the GHG emissions quantification.

GHG Assertion

After implementation of the necessary corrective action, MMI's 2017 GHG emissions assertion consolidated using the **operational control** approach, was stated as:

2017 GHG Emissions	Tonnes CO ₂ e
Scope 1	1 591
Scope 2 (location- and market-based) ¹	47 068
Total Scopes 1 & 2	48 659
Purchased Goods & Services (Municipal Water)	159
Purchased Goods & Services (Printing Paper)	735
Business Travel (Flights & Car Hire)	8 464
Fuel & Energy-related Activities (T&D Losses)	4 264
Scope 3	13 623
Total Scopes 1, 2 & 3	62 282
Outside of Scopes – Fugitive Emissions (R-22 gas)	735

Specific Exclusions from Reporting Boundary

Operations in Ghana, Malawi, Tanzania and Zambia (7 small offices) were excluded due to data availability. Together these 7 offices account for less than 1% of MMI's global GLA.

Reporting on the following emissions sources was incomplete due to data availability:

Scope 1:

- Mauritius: Mobile fuel consumption (1 vehicle only).

Scope 2:

- Purchased electricity consumption for Nigeria (2 offices, less than 1% of MMI's global GLA).

Cumulatively, the above exclusions were deemed not material and therefore not relevant relative to MMI's global scope 1 and 2 GHG emissions.

¹ MMI consumed a total of 49,489 MWh during 2017 (South Africa: 46,383 MWh; Non-SA: 3,106 kWh). Contractual instruments are available in the UK, and since MMI has UK-based operations, dual scope 2 reporting is required. However, no contractual instruments were used during 2017, and so the location-based and market-based scope 2 emissions totals were the same.

Scope 3:

- Business Travel for some International offices (flights 3 and car rentals 7 countries);
- Municipal water consumption for 8 International countries;
- Paper consumption for the 2 offices in Mauritius.

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature 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.

GCX has not conducted any work outside of the agreed scope, and we therefore restrict our opinion to the agreed subject matter.

Final Verifier Opinion and Qualifications

All material errors and non-conformances identified during the verification process were duly corrected.

On the basis of the *limited assurance* procedures followed in accordance with *ISO 14064-3 (2006)*, using the requirements of the *GHG Protocol Corporate Standard* as criteria, there is no evidence that MMI's 2017 GHG assertion:

- 1) Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
- 2) Is not materially correct and a fair, complete and accurate representation of MMI's GHG emissions data and information for the 2017 reporting period, with the following qualifications:

Scope 2 - Purchased Electricity:

- Estimation was used where data was incomplete, which is subject to inherent inaccuracy.

Scope 3 - Municipal Water:

- Estimation was used where data was incomplete, which is subject to inherent inaccuracy.
- Consumption and GHG emissions may be under-reported due to some faulty meters.



Signed: Kerry Evans
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Date: 11.05.2018



Signed: Ohad Shachar
Technical Director, GCX
Date: 11.05.2018