

# THE CARBON DISCLOSURE PROJECT GREENHOUSE GAS AND WATER VERIFICATION REPORT INCLUDING SOCIAL DATA

**Reporting Years:** 01 January 2022 – 31 December 2022

**Lucideon report number:** TS 26042023

**Company name:** DaVita Inc.

**Company address:** 2000 16th St.  
Denver,  
CO 80202  
USA

**Company representative:** Clayton DeLosier  
Senior Manager, Energy & Sustainability

**Contract Date:** 03 February 2023

## REPORT COMPLETED BY



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**Tony Summers**  
Lead Auditor

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## 1.0 INTRODUCTION

Lucideon CICS Limited is a private limited company with headquarters based in Stoke-on-Trent, UK and is an established leading verification & certification body with a long history of accreditation under the European and the United Kingdom Emissions Trading Schemes. Lucideon CICS Limited is a wholly owned subsidiary of the Lucideon Group, an international materials testing and consultancy company based in Stoke on Trent, UK.

Lucideon CICS was contracted by DaVita Inc. (the reporter) to undertake the actions necessary to provide limited assurance verification of their GHG emissions including social data for submission to the Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI), reporting under operational management control criteria, for the period 01 January 2022 to 31 December 2022. The verification was carried out against the requirements of ISO 14064-3 for organizational level reporting. This was Lucideon CICS fifth year verifying the CDP report of DaVita Inc.

The reporter retained Schneider Electric (3<sup>rd</sup> Party Consultants) to assist with compiling the 2022 CDP GHG inventory.

## 2.0 SUMMARY

### The Reporter

DaVita Inc. has developed a greenhouse gas inventory for reporting to CDP. For this engagement this report covers global operations within operational management control.

### Verification Approach

A verification plan was defined during an initial phase of Strategic Review and Risk Assessment to establish the verification process. The plan identifies which source types contribute to the overall inventory, and what documentation is to be reviewed to verify the GHG assertion.

After reviewing the reporter's summary draft Greenhouse Gas (GHG) data for 2022 Calendar Year Lucideon undertook the following activities:

- Held a Kick Off meeting by telecom on the 3<sup>rd</sup> April 2023 to discuss data collation (Appendix B)
- Reviewed the inventory management plans (IMP) (Appendix D)
- Reviewed preliminary supporting emissions data spreadsheets and worksheets (Appendix C)
- Developed a verification and sampling plan (Appendix A)
- Conducted verification activities
- Informed the reporter of any issues.
- Incorporated changes to the inventory by the reporter into the final verification review.
- Carried out an independent technical review of the calculations and verification report.

The verification plan was defined during an initial phase of Strategic Review and Risk Assessment to establish the verification process. The plan identifies the methodology for selecting data to be sampled taking into account a risk evaluation and describes which source types contribute the most to the overall inventory and what documentation is to be reviewed to verify the GHG assertion. The review focused on the top consuming sites for natural gas and electricity with a sample of smaller sites across scope 1 and 2, scope 3, water and social data was reviewed based on highest areas of risk.

Ultimately, Lucideon issued a positive verification opinion statement with qualifying comments on non-material limitations.

## Conclusions

Lucideon verified the reported emissions relating to DaVita Inc. and found this to be consistent with the requirements of ISO14064-3 and provides Limited Assurance that the emissions inventory for the reporting year CY2022 are verifiable and meet the requirements of the CDP.

A summary of all findings from this verification requiring actions from the reporter and their current status was provided to the reporter in separate communications. All required action items have been addressed. Items not addressed are non-material in nature and have been presented as non-material mis-statements or opportunities for improvement and listed in the recommendations in Section 6.0 if applicable.

### 3.0 VERIFICATION TEAM

The Lucideon Verification Team comprised:

- **Tony Summers** – Lead Verifier
- **Nikesh Mawji** – Data Analyst
- **John Ingham** – Independent Reviewer

All members of the Lucideon verification team have significant GHG verification experience with UK ETS, CDP, ISO 50001 and Sustainability Reporting (Renewables Obligation and Renewable Heat Incentive).

The GHG Lead Auditor, Data Analyst and the Independent Technical Reviewer confirm that there is no known associated conflict of interest with this engagement.

The DaVita Inc. team included:

- **Clayton DeLosier** – DaVita – Senior Manager, Energy and Sustainability
- **Erin Dickson** – DaVita – Sustainability Analyst
- **Camille Van Egmond** – Schneider, Senior Sustainability Associate
- **Anson Chang** – Schneider – Sustainability Consultant
- **Rachel Roy** – Schneider – Client Manager
- **Rachel Mountin** – DaVita, ESG Director
- **Michal Tesfamariam** – DaVita, Senior Analyst, Corporate Finance

### 4.0 SCOPE OF VERIFICATION ACTIVITIES

#### 4.1 Standards Used

The GHG inventory presented by DaVita Inc. and the verification thereof are undertaken in accordance with the following standards:

- Carbon Disclosure Project guidelines
- World Resources Institute and World Business Council for Sustainable Development, “The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard,” March 2004, revised May 2013
- ISO14064-3: 2006 ‘Specification with guidance for the validation and verification of greenhouse gas assertions’

The GHG inventory was verified pursuant to the requirements of ISO 14064-3.

## 4.2 GHG Reporting Boundaries

### Organisational and Geographical Boundary

Organizational boundaries are to be tested against the asserted operational control approach.

The geographical boundary for this engagement is global however it should be noted that waste and water data is US only.

### Source Stream Types

<b>Scope 1 Emissions</b>	<ul style="list-style-type: none"> <li>• Natural Gas</li> <li>• Propane</li> <li>• Number 2 Fuel Oil</li> <li>• Air Travel (Private Jet)</li> <li>• Fleet</li> <li>• Renewable Power – Onsite Owned</li> </ul>
<b>Scope 2 Emissions</b>	<ul style="list-style-type: none"> <li>• Purchased Electricity</li> <li>• Virtual Power Purchase Agreements</li> </ul>
<b>Scope 3 Emissions</b> (All Global with the exception of waste data)	<ul style="list-style-type: none"> <li>• Purchased Goods &amp; Services</li> <li>• Capital Goods</li> <li>• Fuel &amp; Energy Related Activities</li> <li>• Upstream Transport</li> <li>• Waste Generated in Operations – US only</li> <li>• Business Travel</li> <li>• Employee Commuting</li> <li>• Downstream Transport</li> <li>• Downstream Leased Assets</li> </ul>
<b>Utilities</b>	<ul style="list-style-type: none"> <li>• Water consumption – US only</li> </ul>
<b>Social Data</b>	<ul style="list-style-type: none"> <li>• Diversity indicators</li> <li>• Training and development inputs</li> <li>• Training hours</li> <li>• Training costs</li> <li>• Human capital ROI</li> <li>• Return on Employee Development Investment</li> <li>• Individual Performance Appraisal</li> <li>• Employee Turnover Rate</li> <li>• Trend of Employee Engagement</li> </ul>

## Emissions Factors

The following emissions factors are applied:

### Scope 1

- All combustion of fuels: US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013
- Private Jet miles - US EPA Climate Leaders - Commuting, Business Travel and Product Transport

### Scope 2 - Location-Based

- US EPA Emissions & Generation Resource Integrated Database (eGRID) 2023 (with 2021 data)
- International Energy Agency (IEA) - Emissions from Fuel Combustion 2022 - Year 2020

### Scope 2 – Market-Based

- Utility Emissions Factors Researched in 2022
- US EPA Emissions & Generation Resource Integrated Database (eGRID) 2023 (with 2021 data)
- International Energy Agency (IEA) - Emissions from Fuel Combustion 2022 - Year 2020
- RE-DISS Residual European Mix European Residual Mix 2021 v1

### Scope 3

- Purchased Goods & Services, Capital Goods, Upstream Transport, Employee Commuting, Downstream Transport: VitalMetrics CEDA 5
- Fuel & Energy related activities: DEFRA factors for Well to Tank (WTT) generation and transmission and distribution losses
- Waste: US EPA GHG Emissions Factor Hub 2022 dated 1<sup>st</sup> April 2022
- Business Travel: US EPA Emission Factors for Greenhouse Gas Inventories dated 1<sup>st</sup> April 2021 which is based on Defra / DECC's GHG Conversion Factors for Company Reporting.
- Business Car Travel: US EPA Climate Leaders GHG Inventory Protocol Guidance dated May 2008.

Emissions factors were checked back to source and confirmed as correct, calculations were also checked for accuracy.

All following Kyoto gases were reported:

- carbon dioxide (CO<sub>2</sub>)
- methane (CH<sub>4</sub>)
- nitrous oxide (N<sub>2</sub>O)

The following kyoto gases are currently outside the inventory boundary

- hydrofluorocarbons (HFCs)
- perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>)
- nitrogen trifluoride (NF<sub>3</sub>)

The reporter is not aware of any SF<sub>6</sub> or NF<sub>3</sub> from global operations.

## 4.3 Core Verification Activities

Lucideon held a Kick Off meeting by telecom on 3<sup>rd</sup> April 2023 with the nominated contacts of DaVita Inc. to cover the following:

- Introduction of the verification team
- Review of verification activities and scope
- Clarifications on data presented

- Explanation of assertion data
- Explanation of data processing activities
- Confirmation of verification schedule

Following the Kick Off meeting Lucideon reviewed the emissions inventory and calculations. Lucideon reviewed source data provided, performed independent sampling and calculations and compared the results to those in the GHG Results against supporting supplementary data. Where possible activity was sampled back to source data in line with an appropriate sampling plan.

Throughout the engagement, Lucideon have been in contact with DaVita Inc. to clarify any issues identified throughout the verification. Any issues outstanding have been listed within this report.

## **5.0 COMPLIANCE WITH STANDARDS**

Lucideon concludes that the inventories reported by DaVita Inc. were developed in compliance with the required reporting protocols specified in Section 4.1. This section describes the particulars of the findings.

### **5.1 Geographic and Organizational Boundary Review**

Lucideon assessed that the facilities included in the inventory to be consistent with those declared by the reporter and are consistent with previous year's reporting.

Lucideon assessed the reported sites to meet the operational criteria presented in the reporter's GHG Report.

#### **Completeness of Sources and Pollutants**

Lucideon assessed that the GHGs reported were properly evaluated.

#### **Exclusions, estimations and limitations**

- Scope 3 data – not all scope 3 data is global, water and waste data is US only.
- Scope 1 and 2 data - The Inventory Management Plan documents a detailed gap filling methodology which is applied to sites where data is not available however this is only applied where complete months of data are missing. Where sites have multiple supplies, individual invoices may be missing, and this would not be identified. Due to the magnitude of the errors likely to occur in relation to this issue it is not material in nature.
- Water consumption data has been reported however the emissions associated with water consumption and treatment have not been included - this is only reported as a consumption figure.
- The data inputs and the calculation methodologies used are deemed to be based on the best available information subject to the qualifying comments within this report

### **5.2 Review of Methodologies and Management System**

Based on review of the GHG inventory report and the verification activities Lucideon believes the data management procedures employed by DaVita Inc. are sufficiently robust for GHG data management. Lucideon sampled certain facility invoices, performed spot checks on operational data, and checked all calculations.

**5.3 Compliance with Key Principles**

<b>PRINCIPLE</b>	<b>COMPLIANCE</b>
<b>RELEVANCE</b>	Yes – the GHG emissions have been appropriately reflected
<b>COMPLETENESS</b>	Yes – GHG emission sources within the reporting year have been reported subject to the qualifications stated
<b>CONSISTENCY</b>	Yes – consistent methodologies have been used
<b>TRANSPARENCY</b>	Yes – GHG submissions and methodologies are transparent. Assumptions are disclosed
<b>ACCURACY</b>	Yes – use of primary data and calculation methodologies confirm robustness of approach subject to the qualifications stated

**5.4 Materiality**

**Material Misstatements**

Lucideon’s review found no material misstatements identified in the final data reported herein.

**Immaterial Misstatements**

As detailed within section 5.1 (exclusions and estimations) of this report, however, these issues are not considered to be material.



## Emissions Detail

Reported emissions are summarised in the following

**Table A: Reported CDP Figures – Location & Market Based**

	Assertion (CO <sub>2</sub> e, tonnes)	
	LOCATION BASED	MARKET BASED
<b>Scope 1 Direct</b>		
Natural Gas	54758.75	54758.75
Number 2 Fuel Oil	22.32	22.32
Propane	343.85	343.85
Transport – Air - International	945.35	945.35
Fleet	4519.00	4519.00
Renewable Power – Onsite owned	0	
<b>Scope 1 Direct Total</b>	<b>60589.27</b>	<b>60589.27</b>
<b>Scope 2 Indirect</b>		
Electric Power	211606.27	18561.01
<b>Scope 2 Indirect Total</b>	<b>211606.27</b>	<b>18561.01</b>
<b>Scope 3 Other Indirect</b>		
Purchased Goods & Services	611551.00	611551.00
Capital Goods	96772.37	96772.37
Fuel & Energy Related Activities	72950.74	72950.74
Upstream Transport	1827.02	1827.02
Waste Generated in Operations	48723.08	48723.08
Business Travel	16529.23	16529.23
Employee Commuting	20400.00	20400.00
Downstream Transport	1773.81	1773.81
Downstream Leased Assets	21271.56	21271.56
<b>Scope 3 Other Indirect Total</b>	<b>891798.81</b>	<b>891798.81</b>
<b>Total tCO<sub>2</sub>e</b>	<b>1163994.35</b>	<b>970949.09</b>

	Consumption	
	Units	Value
<b>Water - Total Combined Withdrawals</b>	<b>US Gallons</b>	<b>3,876,937,359</b>
<b>Water – Total Combined Discharges</b>	<b>US Gallons</b>	<b>3,905,891,792</b>

Social Data	Units	Value
Percentage of Facility Administrators and Managers that have been promoted internally	%	56%
Provide learning and development programs to more than 95% of teammates	%	99%
Number of teammates who participated in a DVU course in 2022	Number	16500+
Progress update to 2025 goal of 125,000 hours of volunteerism	Hours	26,900+
Average training hours per teammate in 2022	Hours	26.7
Number for people who participated in a Kidney Smart education class	Number	64,000+
Belonging score in 2022	%	81%
Teammate engagement score in 2022	%	78%
Percentage of Females on Board of Directors	%	30%
Percentage of ethnically diverse Board of Directors	%	20%
Percentage of females on US workforce	%	78%
Percentage of ethnically diverse US workforce	%	56%
Percentage of female leaders with profit and loss responsibility	%	53%
Percentage of ethnically diverse leaders with profit and loss responsibility	%	30%
Percentage of females leading dialysis centers	%	77%
Percentage of ethnically diverse leading dialysis centers	%	38%

## 6.0 CONCLUSION AND RECOMMENDATIONS

Lucideon concludes that DaVita Inc. reported assertions meet the CDP scheme requirements and may be verified subject to the comments in Section 5.1 above on exclusions, estimations and limitations as per the submitted verification opinion statement. The data and information supporting the GHG assertion were historical in nature.

On this basis Lucideon has the following recommendations:

- The Inventory Management Plan could be expanded to include social data aspects

Below is the reporting entity's information

<b>Reporter</b>	DaVita Inc.	
<b>Reporting period</b>	01 January 2022 – 31 December 2022	
<b>Industry Sector</b>	Kidney Dialysis Centers	
<b>Geographic Boundaries</b>	<b>Global</b> Scope 1 & 2 Scope 3 – Purchased Goods and Services, Capital Goods, Business Travel and Fuel & Energy Related Activities, Upstream Transport, Employee Commuting, Downstream Transport and Downstream Leased Assets	<b>US Only</b> Scope 3 – Waste Utilities - Water
<b>Organizational Boundaries</b>	Operational Control	
<b>GHG's reported</b>	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	
<b>Assurance Level</b>	Limited	

## Summary of Final Verified Emissions

Table B: Reported CDP Values

Scope Summary		
	Location Based tCO <sub>2</sub> e	Market Based tCO <sub>2</sub> e
Scope 1	60589.27	60589.27
Scope 2	211606.27	18561.01
Scope 3	891798.81	891798.81
<b>Total</b>	<b>1163994.35</b>	<b>970949.09</b>

Utilities Summary		
<b>Water - Total Combined Withdrawals</b>	<b>US Gallons</b>	<b>3,876,937,359</b>

Social Data	Units	Value
Percentage of Facility Administrators and Managers that have been promoted internally	%	56%
Provide learning and development programs to more than 95% of teammates	%	99%
Number of teammates who participated in a DVU course in 2022	Number	16500+
Progress update to 2025 goal of 125,000 hours of volunteerism	Hours	26,900+
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Percentage of ethnically diverse leaders with profit and loss responsibility	%	30%
Percentage of females leading dialysis centers	%	77%
Percentage of ethnically diverse leading dialysis centers	%	38%

## REPORT DISTRIBUTION

This report will be distributed to the client representative, the Lead Verifier and the Business Support Team (for archiving) unless otherwise specified.

## REPORT CONFIDENTIALITY

This report will not be disclosed to any third party. You are free to circulate it as required. However, if this report is circulated to a third party its entire contents must be included.

Signed:

Name: **Tony Summers**  
**Lead Verifier**

Name: **John Ingham**  
**Independent Technical Reviewer**

Date: **27/04/2023**

Date: **27/04/2023**

**End of Report**