

Inspiring Lifelong Well-Being

2014–2015 Corporate
Social Responsibility Report



Humana®

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Letter from Our President and Chief Executive Officer

When we focus on making people healthier, Humana's business thrives. As a wellness company, Humana's goal is to improve the health and well-being of people in the communities we serve.

Humana's corporate social responsibility (CSR) efforts — in which we strive to make our associates, members and communities healthier and to run our company in an environmentally sustainable and ethical way — are particularly important to us. Our CSR endeavors help us become a healthier company now and will help us thrive together for years to come.

I'm excited to share with you our fourth CSR report that highlights our 2014 and 2015 CSR efforts. We have high expectations for ourselves, and our many stakeholders do, too. With this report, we aim to tell our stakeholders about our sustainability strategies, performance and goals.



This report shares what Humana is doing to promote good health, ethical standards, and environmental sustainability across the country. Also within it are stories of the many people who are doing their own good work while working alongside us.

This report shares what Humana is doing to promote good health, ethical standards, and environmental sustainability across the country. Also within it are stories of the many people who are doing their own good work while working alongside us — the associates who volunteer their free time in their communities, the members who make use of new programs and services to get healthier, the suppliers who pledge to take care of the environment, and more. This report illustrates how far all of them, and we as a company, have come in our CSR efforts.

Over the past two years, we continued to take a comprehensive approach to sustainability while looking for new opportunities to make an impact. In 2015, Humana announced our Bold Goal: to make the communities we serve 20 percent healthier by the year 2020 because we make it easy for people to achieve their best health. This community-centric goal demonstrates a hallmark of our CSR strategy, which is to identify and address the needs of communities where we can make a positive difference. We started in San Antonio, and with the help of local partners, we have already made measurable progress there. With these successes in mind, we began to expand the work we're doing in San Antonio, and will continue to do so in the next few years. In 2015, we took this concept to six other communities: Louisville, Ky.; Knoxville, Tenn.; New Orleans; Baton Rouge, La.; Tampa, Fla., and Broward County, Fla. We are encouraged by our Bold Goal and our progress thus far.

Environmental sustainability is another area where we have sought to focus our efforts to achieve bigger, positive impacts. We took a close look at our environmental sustainability efforts last year and learned that our stakeholders want to see more from us in the areas of healthcare waste management and the reduction of our associates' commutes.

From our headquarters in Louisville to our offices in cities around the country, we're laying the groundwork for good work nationwide. We are partnering with individuals, communities and community groups, as well as clinicians, vendors, regulators, and not-for-profit organizations, to empower them to make real change on their own.

In reading this report, you'll see the progress we've made on CSR and the direction in which we're headed. We welcome your feedback on how we're doing in setting and meeting CSR goals and how we can help make people and their communities healthier.

Bruce D. Broussard
President and Chief Executive Officer





About Humana

Since our founding 55 years ago, Humana has made it our mission to help people along their health and well-being journeys. Over time, as the health needs of individuals and communities have changed, we have expanded that mission. We've evolved into a company that delivers integrated healthcare through a broad portfolio of medical clinics and other facilities. We believe that our company has an opportunity and, in fact, a responsibility, to address the lifelong health and well-being challenges that people and communities across the United States face.

Humana is headquartered in Louisville, Ky., and employs approximately 50,000 associates across the United States (including those who work for subsidiaries, such as Humana At HomeSM). We are a leading health and well-being company and provide a wide range of health insurance options and wellness services focused on making it easy for people to achieve their best health with clinical excellence through coordinated care. Our strategy integrates care delivery, the member experience, and clinical and consumer insights to encourage engagement; behavior change; proactive clinical outreach; and wellness for the millions of people we serve across the country. We embrace innovation and opportunities to collaborate — with our associates, our members, employer-customers, not-for-profit organizations, regulators, and others — to go beyond that which is expected.

Our product and service offerings are as diverse as the individuals and communities we serve. The desire to lead a healthy life is universal, but the needs of communities and individuals vary; Humana's business segments fulfill their unique needs by offering products and services that reflect an integrated approach to lifelong well-being.

Markets we serve

As of December 31, 2015, Humana's business units are arranged in three reportable segments: Retail, Group and Healthcare Services.

- **Retail:** This segment consists of Medicare benefits that are marketed to individuals or directly via group accounts, as well as individual commercial fully insured medical and specialty health insurance benefits, including dental, vision, and other supplemental health and financial protection products. This segment also includes the company's contract with the Centers for Medicare and Medicaid Services (CMS) to administer the Limited Income Newly Eligible Transition (LI-NET) prescription drug plan program and contracts with various states to provide Medicaid, dual eligible, and Long-Term Support Services (LTSS) benefits. These contracts are collectively referred to as state-based contracts.
- **Group:** This segment consists of employer group commercial fully insured medical and specialty health insurance benefits, including dental, vision, and other supplemental health and voluntary insurance benefits, as well as Administrative Services Only (ASO) products. In addition, the Group segment includes health and wellness products (primarily marketed to employers) and military services business, primarily the TRICARE South Region contract.
- **Healthcare Services:** This segment includes services offered to the company's health plan members and to third parties, including pharmacy solutions, provider services, home-based services, and clinical programs, as well as services and capabilities to advance population health.

Humana is a publicly traded Delaware Corporation that is listed on the New York Stock Exchange and trades under the ticker symbol: HUM. Humana's operations are in the United States and Puerto Rico.

How we work

At Humana, we view collaboration as essential to building a vibrant society that acknowledges and includes multiple viewpoints. Therefore, we work with and through a vast network of people and organizations that seek to achieve shared goals of lifelong health and well-being. Included are our associates, members, employer customers, suppliers, not-for-profit organizations, and the community at large.



HUMANA'S VALUES



INSPIRE
health



CULTIVATE
uniqueness



RETHINK
routine



PIONEER
simplicity



THRIVE
together

SELECT ORGANIZATIONAL DATA	2014	2015
Total revenues	\$48.5 billion	\$54.29 billion
Operating costs	\$7.6 billion	\$7.3 billion
Income tax payments	\$1.0 billion	\$1.2 billion
Community investments	\$10.1 million	\$12.6 million
Number of associates (employees)	Approx. 57,000	Approx. 50,100
Associate wages and benefits	\$4.4 billion	\$4.36 billion
Payments to providers of capital (dividends + interest payments)	\$315 million	\$359 million
PAC disbursements and corporate political contributions	\$1.2 million	\$420,750*
Economic value retained (i.e., net income)	\$1.1 billion	\$1.3 billion
Total assets	\$23.5 billion	\$24.7 billion

Note: All numbers have been rounded.

*Represents disbursements for January 2015–June 2015

Supply chain snapshot

Humana relies on a large group of suppliers to support our business. Most of the suppliers are U.S. based with a few based abroad, primarily in India, Canada or South Africa. Our suppliers provide us with a variety of goods and services, ranging from products like medical devices, pharmaceuticals and office equipment, to services, such as IT, facilities management, advertising, marketing, legal and contingent labor.

Number of Humana's suppliers

2014



2015

4,573

4,162

Procurement spend

2014



2015

\$22.4b

\$29.9b

Spend with international suppliers

2014



2015

\$40.4m

\$31.4m

Spend with domestic suppliers

2014



2015

\$22.4b

\$29.9b

Our approach to CSR

Healthy People, Healthy Planet, Healthy Performance

We exist to improve member health and community health. However, we cannot achieve deep and lasting gains in member health or community health without our other CSR commitments. Our *Healthy Planet* efforts, for example, help us avoid potential harmful health effects of unmanaged emissions and hazardous materials. Our *Healthy Performance* efforts, which address ethics and compliance; governance; workplace diversity and inclusion; supply chain diversity; and product responsibility, help us build and maintain trust among our stakeholders.

Material CSR issues

We base our CSR priorities on our stakeholders' needs, and we prioritize the endeavors that need more attention.

Healthy People

Member health
Community health and well-being
Community engagement
Public policy impacts
Philanthropy



Healthy Performance

Ethics and compliance
Product responsibility
Fair labor practices
Inclusion and diversity
Associate training & development
Supply chain management



Healthy Planet

Climate change
Waste & toxins
Emissions
Energy use



Above all else, Humana has the privilege to serve as a convener. We're in a unique position to bring groups — that may not collaborate otherwise — together to find common ground, brainstorm new solutions and refocus our priorities.

This web of internal and external influencers, or stakeholders, represents Humana's fuel for progress. Through continued collaboration with them, we create value for our associates, members and the planet.



Collaborating for Healthy People



At Humana, we strive to help people live healthier lives, and we recognize that health is a collaborative process. So we're collaborating in all areas of our business — with our associates, our members, our employer-customers, our healthcare provider partners, and the communities we serve.

The Bold Goal

We've set a goal for ourselves: to make the communities we serve 20 percent healthier by 2020. We know that people's health is directly linked to the habits of those around them, the structure of their communities, their environment, and the performance of the healthcare system as a whole. To achieve our Bold Goal, we must improve all of those areas.

At Humana, we see opportunities to improve our country's healthcare system; to offer more people affordable access to care; to make it easier to eat healthily and exercise; and to engage individuals in taking responsibility for their own health improvement. We have already started addressing opportunities for improving health among our associates and our members through our services and our provider and community partners.

In 2015, we identified more than 58.4 million opportunities for "gaps-in-care" health improvements, including 380,000 opportunities to impact drug safety and 5 million opportunities to increase medication adherence. To date, our Humana Chronic Care Program members have experienced more than 1 million more days at home than they would have experienced had they not enrolled in the program. And our Medicare Advantage members in accountable-care relationships have a four percent lower hospital inpatient admission rate than Medicare beneficiaries in traditional fee-for-service settings.



In 2015, Humana's wholly owned subsidiary, Transcend Insights®, helped its partners identify more than

58.4 million opportunities for care improvement, including:



More than **380,000** opportunities to impact drug safety



More than **5 million** opportunities to increase medication adherence



Humana Chronic Care Program members experienced **more than 1 million** more days at home than had they not enrolled in the program



Medicare Advantage members have a **four percent lower** hospital inpatient admission rate than traditional fee-for-service Medicare

Healthy Days measurement

To achieve our Bold Goal, we first needed to identify a health-focused approach to measure our progress.

After reviewing the options, Humana determined that the Centers for Disease Control and Prevention (CDC) instrument known as “Healthy Days” was the tool that best suited our needs. The CDC developed the Healthy Days instrument to measure population health through the assessment of individuals’ perception of their health. The Healthy Days survey asks people about general, self-rated health and recent days of physical health, mental health and activity limitations.

Using the Healthy Days questions, Humana worked with population health experts to develop our survey methodology. To measure progress against our goal of making communities 20 percent healthier, we decided to survey a statistically valid, random sample of members from our major medical lines of business where we have influence over members’ health.

Humana conducted surveys to establish Healthy Days baselines for members, and we will continue to measure the health of our communities annually through 2020 using this methodology. We will then measure our progress toward the goal by the reduction in unhealthy days from the baselines.

Our Bold Goal empowers us to learn and innovate in an effort to impact health on a grand scale. We consider the first years of the program to be learning years, where we work with specific populations to generate new insights and discoveries on how to improve health and reduce unhealthy days.

Bold Goal communities

Humana’s Bold Goal centers on communities because health happens in the communities where we live.

We identified communities where we can have a great impact on health, and those are communities where Humana has large member populations. We began with San Antonio and identified six additional locations: Louisville, Ky.; Knoxville, Tenn.; New Orleans; Baton Rouge, La.; Tampa, Fla., and Broward County, Fla. Together, these communities represent approximately two million Humana members — 14 percent of our membership — as of the end of 2015.

Our first step in all of the Bold Goal communities was to listen to our stakeholders. We met with community leaders, health leaders and other stakeholders. We held town halls in each location with our Chief Medical Officer and community health leaders, including physicians, to learn about their key health issues and barriers to health.

We’ve learned a great deal through this process. In San Antonio, more than 100 diverse representatives from community groups and Humana attended our first Clinical Town Hall. Community attendees asked that Humana not start new projects, but instead, work with them on that which they were already doing in the community. We listened, and made partnering with community groups the focus of our work there.

In Knoxville, Tenn., we learned that food deserts make it harder for residents to eat well. In San Antonio, hot summers make it difficult for people to exercise regularly.

Based on what we’ve heard, we are identifying groups and leaders who are committed to improving health outcomes, and we’re bringing those people together to collaborate in innovative ways. We have identified signature partners, such as food banks, faith-based organizations and retail grocers, to work with us in each community. We have also developed local health advisory boards in each community. These groups of 25 and 50 members in San Antonio and Tampa Bay respectively do the heavy lifting to drive progress in their communities.

To learn more about Humana’s Bold Goal, please read our [2016 Bold Goal Report](#).

San Antonio

In 2014, Humana placed significant focus on greater San Antonio, where Humana has been a big part of the business community for 35 years. In the San Antonio area, we employ more than 1,000 associates, and we have the potential to impact more than 500,000 Humana members and beneficiaries and see more than 165,000 visitors at our medical clinics.

In July 2014, Dr. Sandra Delgado, a San Antonio resident who is the Chief Medical Officer for Humana's Government Business, led a town hall where approximately 200 community participants and clinicians discussed barriers to health. The outcome of that session was the establishment of the San Antonio Health Advisory Board (SAHAB), a group of local clinicians and community leaders who are committed to working with Humana to improve the health and well-being of San Antonians.

We identified San Antonio's largest grocer H-E-B as our signature partner there. With H-E-B, we started the My Health My Way partnership. This collaboration addresses a number of barriers that keep people from eating well in San Antonio: cost, convenience, and culture.

Our health outreach began with our associates; H-E-B offered them store tours and healthy cooking demonstrations, as well as access to dietitians. When we asked our associates who attended about the experience, 100 percent of the 82 respondents said it changed the way they thought about food. The program was a success with our associates, so we've expanded it to Humana members and the patients of our physician partners in the San Antonio community.

We're also working closely with the community to create a Health Information Exchange that ties together the electronic record-keeping systems of physicians, which allows us to identify patient care needs in real time. And we're engaging paramedics in a Mobile Integrated Health solution that will help prevent unnecessary ER visits and hospitalizations. With the Mayor's Fitness Council, we are working on solutions to get people more physically active. These are just a few of the many ways we are lifting up health in San Antonio with our SAHAB partners.

In the San Antonio area:



We employ more than **1,000 associates**



We have the potential to impact more than **500,000 Humana members and beneficiaries**



We see more than **165,000 visitors** at our medical clinics



Associates + Humana

Our push for healthy workplaces and healthy communities — and our commitment to the Bold Goal — begins in our own workplaces. We strive to create workplaces that allow our associates to increase and maintain their social, financial, and community well-being. We also create opportunities for them to team up with local organizations to become health leaders in their own communities.



Associate well-being

In order to serve members the best we can, we first have to serve our associates, who face the same challenges as our members. Humana places great importance on associates' health and well-being and regularly gets high marks for its health and well-being efforts across the company.

In a recent survey of more than 37,000 associates, 86 percent said they believed their leader at Humana cared about their well-being, and 87 percent said Humana was committed to creating a work environment that contributes to the health and well-being of associates.

Associates can participate in a number of health initiatives, including:

- Health rewards programs, HumanaVitality® and Humana's WOW! Working on Well-being Account!®
- On-site and virtual well-being focused learning opportunities
- Company-funded contributions to health savings accounts for healthy associates and those actively working to improve their health
- Volunteer matching opportunities and a volunteer hours tracking system
- Paid time off for volunteerism
- Employee assistance program

We continue to regularly monitor associates' participation in such programs as our 401(k) program and annual completion of a Health Risk Assessment.

Associate champions

Our Bold Goal to make the communities we serve 20 percent healthier by 2020 isn't only about our communities; it's about our associates, too.

We've charged associates with being leaders in implementing the Bold Goal. They are, after all, the ones who best understand what their communities need. Our associates are getting out into the communities, sharing stories about what we're doing, and leading pilot programs with community members.

For example, associates in Knoxville, Tenn., recently met with community leaders and went into people's homes to talk to them about health issues and to hear their stories. Our associates who participated said it was some of the most meaningful work they've done in their careers.

Humana volunteers

Humana associates embrace volunteerism as a tangible way to impact the health and well-being of their communities. These grassroots efforts embody Humana's purpose and values and represent meaningful connections between Humana associates and community organizations. The Humana Volunteer Network makes it easy for our associates to find volunteer opportunities. Associates can visit the website to search and sign up for local volunteering opportunities and track their volunteer hours.

Through a variety of resources, Humana supports associates in making time to contribute to the causes that they care about. In 2015, Humana launched a Volunteer Time Off (VTO) program, which gives associates eight hours of paid time off per calendar year to volunteer with any organization that supports community health and well-being. More than 13,000 associates used nearly 89,000 VTO hours in 2015. Our associate volunteerism goes beyond work hours. Thanks to Humana Volunteer Network tracking, we know that more than 12 percent of associates volunteered and tracked more than 176,197 hours in 2014. And, the number of Humana associates volunteering in 2015 jumped significantly — almost 33 percent of associates volunteered and tracked more than 300,000 hours.

We also encourage charitable donations by associates. Eight percent of our associates (a participation rate on par with the Fortune 500 average) participate in Giving Together—our associate matching gift program.

That participation resulted in **\$960,000 in total associate contributions for 2015**. We seek to raise associate participation to 12 percent and contributions to \$1,100,000.



Make a Difference Day

Humana volunteers participated in Make a Difference Day in October 2015. In total, more than 1,500 associates volunteered and tracked almost 8,400 hours.

Humana teams held 40 Make a Difference Day events, in which 572 associates participated; they tracked more than 1,800 volunteer hours. Another 970 associates participated in Make a Difference Day on their own and tracked 6,550 hours.

Associates who logged their hours in the Humana Volunteer Network became eligible to win Humana Foundation grants to the nonprofits where they volunteered. Two associates each won \$2,000 grants, and two teams each won \$3,000 grants. One of the winning teams was Unidos, Humana's Hispanic Network Resource Group (NRG). Unidos associates regularly volunteer with La Casita Center, a nonprofit organization that uses a multifaceted approach to provide services to the Hispanic community in Louisville, Ky. The center also works to enhance cross-cultural understanding.



Volunteer of the Year

Each year, the Humana Foundation gives a Volunteer of the Year Award to one Humana associate who demonstrates ongoing dedication to his or her community. The winner is selected from those associates who log at least 150 volunteer hours in the Humana Volunteer Network between January 1 and November 1. The winner can designate a \$10,000 grant from the Humana Foundation to the nonprofit where he or she volunteers. In 2015, Audrey Webster was honored as our Volunteer of the Year after logging 212 hours in the Humana Volunteer Network.

Audrey, who works as a Medical Records Retrieval Specialist at Humana, volunteers in the women's facility at The Healing Place, an addiction recovery center in Louisville. Audrey has a personal connection to The Healing Place where she teaches alcoholism recovery classes.

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Audrey's story in her own words:

I began my career at Humana in 2013 as a limited-term employee in Open Enrollment. I was fortunate when I became a full-time Humana associate as a Customer Care Specialist in 2014. In 2016, I began a new role where I travel around Kentucky gathering requested medical records as a Medical Records Retrieval Specialist. I love being a Humana associate and was overwhelmed and humbled when I received the 2015 Humana Volunteer of the Year Award from our CEO Bruce Broussard. I received the award for having logged more volunteer hours than many Humana associates that year. The nonprofit where I volunteer, The Healing Place of Louisville, was rewarded with a \$10,000 grant from the Humana Foundation.

I volunteer at The Healing Place because The Healing Place saved my life in so many ways. It was there for me when I was suffering from the disease of alcoholism and hit rock bottom. They took me in, fed me, clothed me, and taught me a new way to live, and for those gifts, I am eternally grateful. It is because of the lessons taught to me at The Healing Place that I have the privilege of working for Humana. I teach recovery classes on a regular basis and chair a panel meeting every Friday evening. I give back to The Healing Place because it is my passion. When I give back it makes my heart and soul smile. It makes me a better person and a better employee as well.

I used my paid time off for volunteering hours very quickly, and I thank Humana so much for allowing us to have the opportunity to give back to our community. I know that some people think that they don't make a difference in the world, but I feel that together, we all make a difference — one project at a time. I encourage everyone to give back and find their passion. I know I get back way more than I give when I volunteer. I will continue to do so and will continue to reach out to other recovery centers all over Kentucky in my spare time.

I have two sons, both of whom are married, one granddaughter, and another on the way. I love to travel and see the world. My glass is always half full, never half empty, and I hope to meet some of you as we travel the road of Happy Destiny together one day at a time.

Audrey Webster

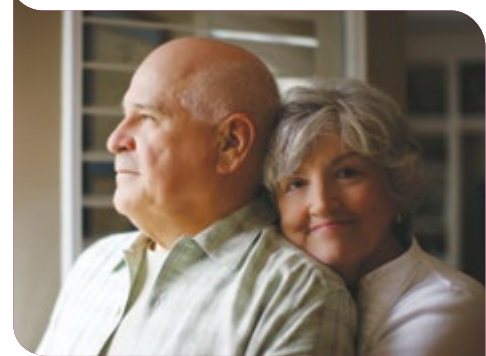




Members + Humana

At Humana, we offer members a broad product portfolio, including individual Medicare; Medicare Advantage; commercial and employer-sponsored insurance plans; medical care; home care and wellness coaching; pharmacy benefit management; prescription drug plan offerings; clinical care services; and insights and analytics that enable us to create personalized health experiences.

We act as a partner in our members' healthcare journeys, and it's through this collaboration that we can help them achieve their best health and well-being.



Six actions that take little effort, but offer big health gains:



Drink water



Focus on breathing



Focus on posture



Get up and move



Go outside for some fresh air



Stretch

Using technology to improve health

Humana helps our members make informed decisions about their health in ways that meet the modern demands of life on the go. In 2015, Humana launched Cue, a free app designed for the iPhone and Apple Watch.

Cue is available to everyone, not only Humana members. It reminds users to take small, easy steps throughout the day to make — and maintain — lifelong health improvements. It focuses on six actions that take little effort but offer big health gains: drink water; focus on breathing; focus on posture; get up and move; go outside for some fresh air; and stretch.

Within its first month of launching, users took more than 30,000 positive actions based on its reminders to take the first steps toward better health. Cue users were able to focus on their health with popular reminders like “get up and move around,” “drink water” and “focus on your posture.” Employer groups with highly engaged Cue users experienced a medical cost savings thanks to positive actions.

Humana also uses technology called APIs (application programming interfaces) to help consumers access their electronic health records from wherever they are.

In 2015, the Digital Accelerator Awards, sponsored by Apigee, recognized Humana for revolutionizing healthcare delivery with our use of APIs. The awards praised Humana for identifying what members need, keeping member data secure, and using big data to better understand lifestyle decisions and ultimately keep our members healthier. For example, we analyze member claims and overlay geographical and behavioral data to identify regional differences in healthcare quality and assess our members’ lifestyles to provide them with better care.

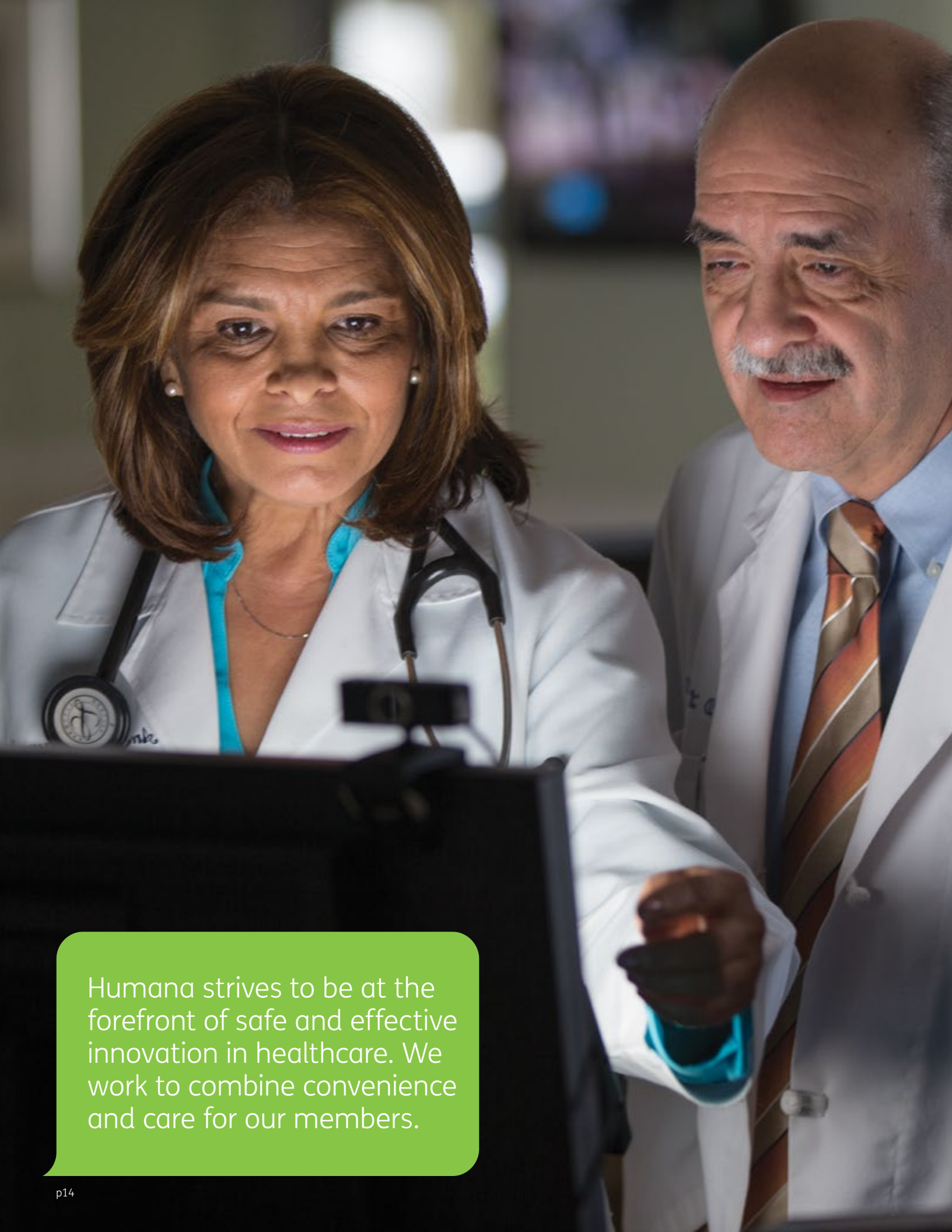
Humana At Home

As America’s healthcare system evolves, one of the most dramatic trends is structured around keeping people at home. For senior citizens, this doesn’t only mean living in their own homes longer; it can mean living longer, too.

Humana At Home, a division of Humana, combines cutting-edge technologies with trained caregivers to offer everything from around-the-clock health monitoring to making sure the light bulbs get changed and refrigerators are set to the correct temperature.

Humana At Home designates personal care managers to stay in regular contact with members. That regular contact helps members stay healthy and avoid unnecessary visits to the doctor. People who receive Humana At Home services live longer and go to the hospital less. In fact, in 2015, members who received Humana At Home care management had 44 percent fewer hospitalizations and 26 percent improved odds of two-year survival than those who were eligible, but did not receive service.

When a healthcare plan is structured around helping people remain independent at home, rather than in the hospital, the economic impact to America’s overall healthcare system can be dramatic. Humana At Home is an example of how this system is working for the economy, but more important, it’s extending lives.



Humana strives to be at the forefront of safe and effective innovation in healthcare. We work to combine convenience and care for our members.

A caregiver story

When a Care Manager, Kristin, first met Humana At Home member, “Elmer,” he had a very limited support system. Elmer lived alone, and his son worked two jobs and could see him only a few times a month. Elmer relied on a small Social Security check to buy necessities.

At the time Kristin met him, Elmer was having trouble paying past medical bills. He also didn’t have enough food in the house and had lost weight.

Within four months, Kristin had signed Elmer up for Meals on Wheels and Minnesota’s food stamps program, so that he had enough food to get back to his normal weight. Kristin encouraged him to eat more often and more nutritiously. She connected him with Humana’s OTC (over the counter) program to help him get some of the basic medical supplies that he’d been struggling to afford.

Kristin also helped him enroll in [Allina Health’s Partners Care Program](#), which wrote off \$7,000 in past medical bills that Elmer couldn’t afford to pay. When Kristin discovered that Elmer fell into the prescription drug coverage gap (often called the Medicare “donut hole”), she helped him apply for “Needy Meds” to pay for inhaler medication, which he otherwise would have had to go without for six months.

Elmer, who still lives in the home where he was born, continues to be monitored by Humana At Home professionals. Their proactive care allows him to live happily and healthily at home.

Senior Skip Day

On October 8, 2015, Humana hosted our first Senior Skip Day. This celebration of seniors wasn’t for students; it encouraged people ages 62 and older to get moving and to enjoy the outdoors with friends and family.

The event coincided with the 100th anniversary celebration of America’s National Park System. On that day, seniors could access more than 400 National Park Service sites for free. Activities organized at the Great Smoky Mountains National Park and Biscayne National Park, for instance, hosted more than 3,500 participants. Seniors also had the unique opportunity to obtain a voucher for a free, lifetime pass to participating National Park Service sites.

Humana pilots telemedicine programs

Humana strives to be at the forefront of safe and effective innovation in healthcare.

We work to combine convenience and care for our members. Humana has started rolling out telemedicine pilot programs, using technology to quickly connect members and care providers. Telemedicine apps use video and photo capabilities to help doctors diagnose conditions and discuss treatment plans with patients. These programs are especially helpful when members cannot immediately visit their primary care physicians, such as on weekends or during travel, or when waiting to see a specialist is prohibitive.

Humana began our telemedicine pilot programs in January 2015, giving 10 MetCare and Continucare Centers in Florida dermatology telemedicine capabilities. When a patient visits a doctor at these centers and has a dermatological concern, a center staffer sends images to a remote dermatologist who responds with a diagnosis and recommendations for care within an hour.

In July 2015, Humana launched similar psychiatry telemedicine capabilities at a Partners In Primary Care (PiPC) center in San Antonio and then expanded the capability to five additional area locations. Members with behavioral health needs at these centers make an appointment to connect with a remote psychiatrist via video.

Telemedicine pilot programs also allow members to connect to physicians from home. In July 2015, Humana rolled out a pilot program for members with individual plans in Georgia and Michigan. The program allows members to use smartphone apps and websites to discuss common ailments with physicians. The program gives members another option to visiting an urgent care center or emergency room when a visit to a primary care physician is not possible. Similar direct-to-consumer telemedicine pilot programs were rolled out for a select group of Humana associates and Florida employer-customers in 2015. As a result of early successes, Humana is exploring opportunities to expand telemedicine.



Communities + Humana

To make our members healthier, Humana is working with the communities where they live to reduce barriers to good health and promote positive change for all residents.

Wounded Warrior football in Phoenix

Humana celebrated Super Bowl weekend 2015 by helping the [Wounded Warrior Amputee Football Team](#) take on some NFL greats in Phoenix. In the annual, charity flag football game, retired NFL players compete against a team of Army, Navy, Marine Corps and Air Force veterans who use prosthetic devices for everyday activities.

The goal of the game is to raise awareness and funds for wounded warriors and their families. Humana donated \$250,000 to benefit the Wounded Warrior football team, as well as several other disabled veteran organizations around Arizona. The Warriors won, 58-21.



Helping homeless veterans in southern Nevada

Humana had the opportunity to sponsor an unorthodox clothing drive in Las Vegas in April 2015.

The clothing drive, dubbed “[Strip on the Strip](#),” was a 5K run/walk down Las Vegas Boulevard, also known as “The Strip.” Participants in the Humana-sponsored event took clothes off as they ran, and those clothes were donated to veterans’ organizations.

“Participants wear as much as they can to start the race, and they peel off their extra clothing at each distance marker,” Dixon Keller, Humana’s Market Director in Las Vegas, explained. “The event promotes health and wellness, as well as bringing in clothing and money to help veterans.”

In addition, area [Humana Guidance Centers](#) served as drop-off points for clothing donations.

Building playgrounds in Green Bay

At the start of the 2015 school year, Humana associates joined members of the Green Bay Packers to build and refurbish playgrounds for the Green Bay, Wis., community. NFL players Don Barclay, Justin Perillo, Jayrone Elliott and Lane Taylor joined 25 Humana associates to build a new playground and refurbish existing equipment at Kennedy Park on the city’s east side. The team completed the build in just six hours, providing the community with a safe place for kids and families to play together.





The Humana Foundation

The Humana Foundation was established in 1981 as Humana's philanthropic arm. Located in Louisville, Ky., the foundation seeks to improve community health and well-being through support of nonprofit partners that promote healthy behaviors, health education and access to health services. Since 1975, Humana and the Humana Foundation have provided approximately \$270 million to worthwhile initiatives around the country and overseas.

The foundation also supports Humana associates who volunteer through [three recognition award programs](#):

- **Volunteer of the Year:** Given to the associate who demonstrates consistent commitment to his or her community by volunteering at least 150 hours between January and November; the recipient receives the opportunity to designate a \$10,000 Humana Foundation grant to the organization where the associate volunteers.
- **Spirit of Philanthropy:** A distinction given to a group or department of associates that displays exceptional commitment to the community through volunteerism; awardees are given the opportunity to select a nonprofit organization for a \$25,000 grant from the Humana Foundation.
- **Dollars 4 Doers:** A drawing that gives associates who log at least 12 hours each quarter in the Humana Volunteer Network a chance to win a \$4,000 grant for a nonprofit organization where they volunteer



The Humana Foundation funded 71 grants in 2015. Grantees included:

- **Tulane University's Goldring Center for Culinary Medicine:** Pilot program that studies how to promote healthy cooking and eating among minorities who reside in food deserts in New Orleans
- **Up2Us Sports' Coach Across America program:** Provides trained coach-mentors to local organizations to expand sports-based youth development programming in underserved areas in New Orleans and Tampa, Fla.
- **Morningside Ministries' mmLearn.org website:** An interactive, web-based service offering education and support to those caring for older adults across the country
- **New Roots' Veggie Rx program:** Partners with local health clinics to write free "prescriptions" for fruit and vegetables for families at risk of obesity, diabetes and high blood pressure in Louisville, Ky.
- **The Peer Leadership Center at The Depression and Bipolar Support Alliance:** Trains peer support specialists nationwide to assist their peers in coping with mental illness
- **Diabetes Prevention Programs (DPP):** A yearlong program developed by the CDC to provide prediabetics with diabetes awareness and education in Tampa, Fla.; Kansas City, Mo.; New Orleans and Baton Rouge, La.; and parts of South Florida

New Roots

Since 2009, Karyn Moskowitz has been helping people eat healthy foods through New Roots, an organization that provides access to fresh food for Louisville, Ky., residents who live in food deserts.

New Roots created Fresh Stop markets. These markets bring the kind of produce you'd usually find in a farmers market to food deserts using a co-op model. Families pool their money and Supplemental Nutrition Assistance Program (SNAP) benefits to purchase in bulk from local farmers. Then, each family picks up their share of the produce at one of 12 Fresh Stop markets.

The Humana Foundation first partnered with New Roots in 2013 to support a program at Wellington Elementary, a health and fitness magnet elementary school in Louisville, with which the foundation was partnering with at the time. "We were pulled in as a way to start a conversation about food access and food justice," Karyn said. It was the beginning of a beautiful partnership.

Our giving, by the numbers



71
grants funded in 2015
(excluding matching gifts)

\$960K

donated through matching
gift programs in 2015



\$377K

of the total provided in 2015 went to
programs with a focus on minorities

\$13.5M

contributed to college scholarships
for children of Humana associates
through the Humana Foundation
Scholarship Program since 1991



\$270M contributed by Humana
Foundation and Humana since 1975



\$12.6M

donated by Humana Foundation
and Humana in 2015

Approximate allocation of funding:



- Health and wellness
- Education
- Civic and cultural

Veggie Rx

In 2014, the Humana Foundation awarded New Roots funds to launch a program called Veggie Rx.

The program has doctors “prescribe” shares of Fresh Stop produce for families facing food insecurity and chronic diseases like diabetes and high blood pressure. “The Humana Foundation has been such an incredible partner,” Karyn said. “It’s not just the money, but they ask us what we need along the way.”

In addition to giving New Roots a grant, the Humana Foundation connected New Roots with Humana associate volunteers who helped the organization use metrics to measure progress, as well as think about how to replicate its successful model. “So now, we’ve expanded our goal,” Karyn said. New Roots plans to develop a strategy for expanding into new cities. The Humana Foundation and volunteers from Humana’s Network Resource Groups are also helping New Roots develop new curriculum for training physicians and other community leaders to encourage healthy eating.

New Roots has been growing. They counted 1,200 families as shareholders in 2015, which was double their 2014 membership. Approximately 75 percent of those families are identified as having limited resources and, yet, they pooled \$90,000 to buy fruits and vegetables last year.

The best part is that New Roots’ growth is improving people’s health in significant ways. Allen is a cancer survivor who has diabetes and other chronic health problems that prevent him from working. He originally went to food pantries, but they could not provide him with the foods he needed to keep his diabetes under control. His doctor referred him to New Roots, and his blood sugar levels have since stabilized. Plus, he is now a huge fan and active volunteer of New Roots.

Humana Communities Benefit

Humana Communities Benefit (HCB) is a charitable giving program that awards a \$350,000 signature grant over a three-year period to a nonprofit organization in each eligible location every year.

Funded by the Humana Foundation, these multiyear grants are intended to provide a transformational impact on nonprofits that lower barriers to health and well-being in the communities they serve. The 2015 program focused on Fort Lauderdale, Fla., Knoxville, Tenn., and New Orleans. In the fall of 2015, three finalists in each city were highlighted on the HCB website, and the public had an opportunity to weigh in on which projects most deserved the grant. The online community vote accounts for a portion of the finalists’ total score when the top three organizations present to a panel of judges from the community. These were the 2015 winners:

- **The Urban League of Broward County’s (Fla) Living Well program** pursues multiple strategies to inform and empower individuals who have been diagnosed with or are at-risk for diabetes, as well as their caregivers, with tools and resources to improve their health and well-being.
- **Interfaith Health Clinic** in Knoxville is creating a Healthy Lifestyle Classroom to teach patients about local resources for affordable fresh fruits and vegetables and cooking healthy meals. The clinic also holds wellness classes and provides peer-to-peer support groups for ongoing sustainability.
- **Daughters of Charity Services of New Orleans** is establishing a Diabetes Prevention Program that helps at-risk individuals avoid developing diabetes and serves as a critical resource in improving participant health and well-being through a supportive and holistic approach.

Since the HCB program launched in 2003, the Humana Foundation has awarded nearly \$10 million to nonprofits in 15 U.S communities.





Physicians + Humana

Physicians and other healthcare providers are dedicated to the health and well-being of their patients, and they're finding Humana is a strong partner – working behind the scenes – on a number of important initiatives that help them improve their patients' health.

A critical piece of moving the needle on health is helping physicians transition to value-based care. Already, Humana has partnered with more than 45,000 primary care physicians who have transitioned to value-based reimbursement models. We're working closely with those physicians and their clinical staffs to maximize their time with their patients, identify those patients who are most in need of proactive care management and incorporate best practices seamlessly into current workflows.

To hear what physicians are saying about transitioning to value-based care, visit our [Making Sense of Value-based Care](#) site.

Transcend and Transcend Insights

We believe patients and members are best served by a healthcare system that focuses on quality health and well-being, and we want to help physicians transition from the traditional, reactive fee-for-service reimbursement model to one that is progressive, proactive and value based.

Humana's goal is to have 75 percent of our individual Medicare Advantage members in the care of physicians using a value-based, quality-focused practice model by the end of 2017. In 2015, we took a bold step toward this goal with the launch of two new organizations: Transcend and Transcend Insights.

Transcend

Transcend is a national organization that offers practice-management services to help physicians transition from fee-for-service to value-based care and reimbursement models. It can support medical practices of any size and anticipate and meet the needs of a value-based practice. Formerly known as the Humana Management Services Organization, Transcend also offers resources in care coordination; financial risk management; clinical integration; and patient engagement – all to support the physicians' efforts to improve the patient experience and care outcomes.

Transcend Insights

Transcend Insights is a population health company and a wholly owned subsidiary of Humana that helps health systems, care teams and patients transition from reactive, episodic care to planned, proactive care focused on long-term wellness.

Transcend Insights uses a sophisticated technology platform that provides a variety of measurements, dashboards and performance metrics to support physicians and their clinical staffs in their efforts to improve quality of care and patients' health. One such application, HealthLogix Populations™, provides actionable performance measurement charts and dashboards to help health system executives and care teams quickly evaluate quality and utilization metrics and compare performance across an entire care community. Another, HealthLogix Care, a tablet and web-based application, provides physicians and care teams with a single, comprehensive view of a patient's clinical claims and wellness data at the point of care. And finally, myHealthLogix, is a patient engagement tool that connects care teams with their patients to enable a more coordinated approach to care.

In 2015, Transcend Insights' enterprise solutions helped its partners analyze more than 7 billion clinical data points on 14.2 million patients every day and close more than 5.4 million gaps in care. In addition, the company's enterprise solutions provide pharmacy prior authorization capabilities, support drug safety checks and clinical decision support to improve health outcomes. By providing solutions and insights that support a more proactive, person-centric approach to care, Transcend Insights is powering a better care experience, giving people the freedom to make confident decisions, and helping to enable care teams, not tools, to improve the health and long-term wellness of populations.

Provider Quality Rewards program

As a part of Humana's continued efforts to help transition providers from fee-for-service to value-based reimbursement models, Humana's Provider Quality Rewards program offers financial bonuses to physicians and other providers who show outstanding improvements quality, outcomes and cost.

The program began in 2012, and in 2015, we distributed \$77.2 million to participating physician groups across the United States.

Allies + Humana

Humana could not have achieved our successes without the support of partners. Those partners often include nonprofit community organizations, such as the [San Antonio Food Bank](#) and the [Greater Louisville Project](#). They also include advocacy groups that share our aims, such as the [Better Medicare Alliance](#), a coalition of groups that supports the Medicare Advantage program, and the [Boston College Center for Corporate Citizenship](#), which helps companies align their business objectives with corporate citizenship goals.

Public policy

Humana's advocacy efforts support our commitment to encouraging lifelong well-being. Whether it's backing legislative policies to reduce the high rate of chronic diseases or advocating on behalf of the millions of Americans who rely on Medicare Advantage, our public policy efforts aim to improve the health of the communities we serve.

Integrated care delivery

Humana wants to improve people's health and make healthcare easier for members. Integrated care delivery starts with this idea, placing our members at the center of everything we do. The goal is to enable the best possible health — and healthcare experience — for members in a way that reduces unnecessary or duplicative services and reduces health system costs.

By encouraging better coordination of care, Humana helps providers work together — as part of a care team — to treat the whole patient. Humana uses data and analytics capabilities to close gaps in care and to better understand our members' needs. Evolving technology gives Humana a clear view across the health ecosystem, providing a comprehensive look at our members' health history, as well as tools to engage people in their own health. Developing partnerships with providers, technology companies and the communities we serve gives Humana new opportunities to improve our members' health.

Humana is a member of the [College of Healthcare Information Management Executives Foundation](#), an executive organization through which Chief Information Officers and senior healthcare information technology leaders share best practices and advocate the use of information management to improve healthcare in communities.

Humana was also one of the first members asked to join the [Patient-Centered Primary Care Collaborative](#), a nonprofit that advocates for patient-centered, integrated care; Humana is represented on its executive committee.

Value-based care

Most traditional health care systems pay doctors based only on the volume of the care they provide, rather than paying for the quality of the care and patient health outcomes. This payment model perpetuates incentives that can lead to unnecessary care, worsened health conditions and costly hospitalizations.

Value-based care helps move doctors and other providers toward a payment model in which they are rewarded for keeping people healthy. Humana's approach focuses on boosting care quality, improving health outcomes and lowering health care costs. Together, this leads to a better member experience.

Humana has more than 900 accountable care relationships with providers in 40 states and Puerto Rico, in which providers share in the financial responsibility for improving member health and keeping unnecessary medical costs in check. These relationships allow more than 1.5 million Humana individual Medicare Advantage members to receive care via a system that incorporates these positive incentives. In addition, more than 600,000 Humana medical members participate in an accountable care pilot program.



Humana is proud to have approximately **50,100 associates in all 50 states** across the country, and our public policy efforts are closely aligned with finding opportunities to directly connect federal, state and local elected officials with Humana associates.



Humana wants to help make people healthier by preventing diseases before their onset and helping those with chronic conditions better manage their health.

Our advocacy efforts support value-based care and demonstrate its value to legislators. As an example, Humana recently worked closely with the American Academy of Family Physicians to develop a survey about providers' views on value-based care. We showcased the survey results at a Capitol Hill briefing, unveiling the results to legislators and their staff members.

Humana is also a data contributor to the Health Care Cost Institute, which aims to provide data to researcher and policymakers about the rising costs of healthcare in the U.S.

Disease prevention and chronic conditions

Twenty-nine million Americans have diabetes, and 66 percent of our population is overweight or obese. It's not surprising that 75 percent of the \$2.2 trillion spent on healthcare in the U.S. is for care related to such chronic conditions.

Humana wants to help make people healthier by preventing diseases before their onset and helping those with chronic conditions better manage their health.

Our chronic care program helps reduce hospital admissions and readmissions, saving patients money and improving their health by helping them to better manage their care. Humana At Home provides targeted care interventions and in-home support for members with certain conditions and those transitioning from a facility stay. The program helps our members live at home longer, avoiding costly care at nursing facilities and hospitals.

Federal policymakers are interested in addressing the high rate of chronic diseases in the U.S., wanting to better understand preventive strategies and how new innovative technologies can be used to help achieve better health outcomes. We've highlighted some of our best practices with the Senate Finance Committee Chronic Care Working Group, a bipartisan effort aimed at seeking policy ideas and solutions.

Humana also works with the Campaign to End Obesity, which promotes public policy to end the obesity epidemic. We also

continue to participate with the Alliance for a Healthier Generation on a pilot program aimed at reducing childhood obesity by covering visits with a dietitian for children and teens who are overweight.

Partnering with legislators

Humana and our Political Action Committee (PAC) work with legislators of both political parties from across the country who share our view of the future of healthcare and support Humana's public policy goals. Elected officials and candidates who receive support from Humana and Humana PAC believe that integrated care brings higher quality, choice, access and affordability to Americans. All PAC contribution requests go through a rigorous approval process that requires an affirmative vote of the PAC Board of Directors, a group of Humana associates elected by their peers who volunteer their time in support of the PAC.

In 2014, Humana PAC and Humana's corporate political contributions totaled more than \$1.2 million. In the first half of 2015, similar contributions totaled approximately \$420,000. Humana reports political contributions on a semi-annual basis and expects to release contributions for the second half of 2015 in June 2016.

Humana is also a member of America's Health Insurance Plans, the health insurance industry's trade association, which represents the interests of the health-insurance industry on Capitol Hill.

Research

Humana's aspiration to modernize American healthcare also extends to the field of research. We've conducted population health studies. And in the past year, Humana researchers have presented health research findings at events sponsored by the American Public Health Association, the Academy of Managed Care Pharmacy and the American Society of Clinical Oncology, among others.

Collaborating for a Healthy Planet

At Humana, we have made specific commitments to protect and support a *Healthy Planet*. We know that a strategic focus on environmental sustainability is critical to fulfilling our mission of helping people achieve lifelong well-being.

Environmental sustainability

We are committed to developing and implementing innovative, multifaceted approaches to mitigate environmental impacts and adapt to a changing world. Our strategy is to focus our efforts where we see the biggest needs and believe that we can have the greatest impact.

At the end of 2015, we revisited our key areas of focus for environmental sustainability through a materiality assessment conducted by a third-party firm. Through feedback gathered from interviews and surveys with senior and mid-level leaders, the firm sought to identify and rank environmental sustainability topics in terms of their importance to our business and to our stakeholders. Doing so is in line with industry best practices and guidelines from the Global Reporting Initiative.



The materiality assessment results prompted us to focus on three areas:



Energy management and emissions reductions in data centers and facilities



Healthcare waste and plastics management



Associate-commute reduction



Our approach to environmental sustainability

The focus areas we identified reflect a shift in our environmental sustainability strategy. Our 2012-2013 CSR report described three focus areas: energy reduction and operational efficiencies; supply chain sustainability; and associate engagement. What has changed?

- Energy management and emissions reduction are separate areas of focus. Thus, we unbundled them from waste reduction and other operational efficiencies.
- While supply chain sustainability remains an important aspect of how we conduct our business, we are placing a greater focus on the areas outlined above. We will

continue to collaborate with our suppliers to advance environmental sustainability and improve the health and well-being of the communities we serve and our planet.

- Associate engagement is now an integrated part of our environmental sustainability efforts versus a standalone priority — in large part because our associates have already proven to be very engaged in environmental sustainability. Our new approach involves leveraging our associate engagement by creating opportunities for them to contribute to specific environmental sustainability metrics. Associate engagement is, therefore, a strategy, not a goal, in this area.

Performance results

In 2014 and 2015, we adopted ambitious environmental sustainability goals for our operations, including:

- A five percent reduction in both energy consumption and greenhouse gas (GHG) emissions as compared to 2013 baseline numbers
- A 40 percent diversion rate of waste to landfill

We realized that we could not meet these goals by the end of 2015 and made adjustments accordingly. We extended our deadlines to the end of 2017, publicly confirmed the goals, and announced the new deadline at a White House meeting of government contractors in 2015.

We have a lot of work to do, but we are on track to meet our reduction goals for energy, GHG emissions and waste by the end of 2017.

By the end of 2017, Humana will achieve:

GOAL



A five percent decrease in greenhouse gas emissions from 2013's baseline emissions across our portfolio of owned and leased properties under vendor management.

STATUS



Through 2015, GHG emissions associated with in-scope facilities have **decreased by almost three percent.**

GOAL



A five percent reduction in annual energy consumption from 2013's baseline consumption across our portfolio of owned and leased properties under vendor management.

STATUS



Through 2015, energy consumption associated with in-scope facilities has **decreased by nearly one percent.**

GOAL



A 40 percent waste diversion rate of waste to landfill via reduction and recycling efforts at our portfolio sites where Humana and its vendors manage waste and recycling services.

STATUS



Through 2015, the diversion rate at in-scope facilities has **increased to nearly 21 percent.**

We began measuring our indirect and direct energy use in 2009. Since then, we have invested in a broad set of energy efficiency projects. In 2014 and 2015 alone, we implemented 15 energy conservation projects across six facilities. Building on the success of reduction and efficiency projects completed in past years, more than half of the projects put into place in 2014 and 2015 were part of a larger strategy to improve airflow and cooling in our data centers. Our data centers are energy-intensive facilities that have been exposed to a significant increase in traffic and, therefore, represent both a significant risk and opportunity when it comes to energy consumption. Overall, these projects represent approximately 6.5 million kilowatt-hours (kWh) of annual energy reductions with nearly a half million dollars in associated annual cost savings.

Within the past two years, we also purchased and installed more than 17,000 energy-efficient lamps and fixtures – 40 percent of those purchases were a direct result of our LED lighting standard that we adopted in 2014. Across all Humana sites, the majority of our lighting is either fluorescent or LED.

We also adopted new best practices for recycling and waste management within our key facilities by introducing single-stream recycling and shared collection bins, which make it easier for our associates to recycle. We introduced more than 3,000 sets of bins into approximately 50 facilities in the past two years; that has helped bring us closer to our waste diversion goal. We plan to continue to expand our program into other facilities while working with our associates to provide ongoing recycling education and resources.



Environmental sustainability data

CATEGORY	METRIC	2014	2015
Energy (GJ)	Total fuel consumption from non-renewable sources, including propane, diesel fuel, gasoline, CNG, jet fuel, and natural gas	262,324	240,801
	Total fuel consumption from renewable fuel sources (ethanol)	4,081	3,481
	Electricity consumption	668,483	662,596
	Generated energy (electricity)	41	41
	Total energy consumption	934,929	906,919
	Total amount of energy saved: electricity	5,132	18,131
GHG emissions (MTCO₂e)	Total GHG emissions (Scope 1) (CO ₂ , CH ₄ , N ₂ O)	16,910	15,718
	Indirect emissions of greenhouse gases resulting from the generation of purchased electricity, heat, or steam (CO ₂ , CH ₄ , N ₂ O)	112,290	106,158
	Total GHG emissions reduced by efforts to reduce energy use and increase energy efficiency (Scope 2)	902	3,190
	Direct biogenic CO ₂ emissions	264	225
	Total greenhouse gas emissions as the sum of direct and indirect emissions	129,200	121,876
	Transportation impacts: Employee commute Air travel Rental cars/employee mileage	69,454 13,916 19,561	83,351 9,644 19,325
Waste (tons)	Recycled (non-hazardous)	6,331	6,955
	Reused (non-hazardous)	0*	60*
	Composted (non-hazardous)	102	67
	Landfilled (non-hazardous)	2,981	3,050
	Waste processed via “other” method (hazardous)	22	23
Water (Kiloliters)	Total water withdrawal (municipal or other water utility supplies)	404,481	358,226

GJ = gigajoules; MWh = megawatt hours;

CO₂-e = carbon dioxide equivalent;

CH₄ = methane, natural gas;

N₂O = nitrous oxide;

Other = mixed use of incinerator/autoclave/Endo-Thermo-Disinfector

*Includes data received from Humana's e-waste disposal services vendor; that vendor provided Humana with a more detailed disposal report in 2015 than they did the previous year.

Note: Waste disposal method was determined through disposal contractor reports. Humana does not track or estimate direct and indirect energy sources by heating, cooling and steam. Humana does not sell energy sources. For the purpose of setting inventory organizational boundaries, Humana is utilizing the Operational Control Approach as described by the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (World Resources Institute, World Business Council on Sustainable Development).

The global warming potential rates were sourced from the Intergovernmental Panel on Climate Change Fifth Assessment Report. Emissions factors were sourced from the following reports and organizations: EPA Center for Corporate Climate Leadership GHG Emission Factors Hub; U.S. Inventory of Greenhouse Gas Emissions and Sinks; International Energy Agency; EPA Waste Reduction Model; and the Center for Resource Solutions Green e-Energy Residual Mix Emissions Rates.



Humana used the following methodologies for the environmental data presented:

- **Reduction initiatives and base year information**

Humana calculates and reports reductions in energy consumption on an annual basis in order to disclose recent progress against the company's corporate reduction goal. Humana first established a base year of 2009 against which we track emissions, although the company's current reduction target uses a base year of 2013. Acquisitions and divestitures have been the largest driver in triggering recalculations of Humana's base year emissions. In 2009, scope 1 and scope 2 emissions were 9,201 and 119,158, respectively.

- **Energy reporting**

In cases where direct or indirect energy consumption data was not available, we estimated consumption using (in order of descending priority): average energy intensity for the specific facility; average energy intensity for similar facilities operated by Humana; median energy intensity reported by facilities responding to the Commercial Buildings Energy Consumption Survey; and median energy consumption of similar facilities operated by Humana.

- **GHG emissions reporting**

Humana's corporate GHG emissions inventory measures emissions of carbon dioxide, methane, nitrous oxide and hydro fluorocarbon. For the purposes of setting inventory organizational boundaries, Humana is utilizing the Operational Control Approach described by the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (World Resources Institute, World Business Council on Sustainable Development). Emissions factors have been sourced from the US EPA Emissions Factors hub and US EPA Emissions & Generation Resource Integrated Database. Humana does not have any GHG emissions offsets to report.

- **Transportation impacts**

Where available, data were collected from internal tracking systems and aggregated in order to identify transportation-related impacts.

- **Waste disposal and diversion**

Disposal process and quantities were identified and reported by disposal contractors.



Supply chain sustainability

Humana makes a concerted effort to bring our suppliers together to collaborate on improving environmental sustainability across our businesses and value chain.



We have made great progress on supply chain sustainability.

In 2014, we organized our first day-long Humana Sustainability Forum on Waste Reduction. The forum provided an opportunity for dozens of suppliers to openly discuss their experiences, share best practices, and identify joint opportunities to reduce waste.

We also initiated our first-ever supplier sustainability scorecard in 2015. The scorecard helps us identify suppliers that uphold environmentally sustainable business practices, understand gaps that may exist in their goals and performance, and determine strategies for addressing the gaps. We distributed the Supplier Self-Assessment Sustainability Scorecard in October 2015 to a pilot group of our critical suppliers. Over the coming years, we plan to expand the scorecard effort to include additional suppliers based on spend, strategic relationship, and impact to the business. We also plan to include questions from the scorecard into our RFX process to help evaluate potential suppliers and to track supplier performance, so that we can facilitate working with suppliers who share our commitment to creating and maintaining healthy communities and a healthy planet.

Humana also works with suppliers to engage our associates in waste reduction and recycling. Our vendor-based initiatives include cellular device recycling, toner recycling, and print on demand. The initiatives and their associated environmental impacts provide a rallying point for our associates to take personal action that contributes to a healthier planet, and they create significant cost savings for our company. We even recently implemented new technology with our Human Resources team to reduce business travel associated with interviewing.

SUPPLY CHAIN SUSTAINABILITY SUCCESSES	PROGRAM START DATE	SELECTED ENVIRONMENTAL IMPACTS SINCE PROGRAM IMPLEMENTATION	2014	2015
Recycling of mobile/cellular devices	April 2014	<ul style="list-style-type: none"> • Mining reduction (copper, silver & gold): 434.6 lbs. • Water contamination avoided: 105,511,428 gal. • Release of lead avoided: 10.352 lbs. 	1,060 devices recycled	4,110 devices recycled
Recycling of toners	July 2012	<ul style="list-style-type: none"> • Saved aluminum: 3,590 lbs. • Saved plastic: 13,574 lbs. • Saved oil: 44.824 gal. 	6,968 toners recycled	10,832 toners recycled
Print on demand	April 2014	<ul style="list-style-type: none"> • Paper waste reduction: 2,420,093 pages 	Installed on 228 devices	Installed on 478 devices
Secure data destruction	January 2011	<ul style="list-style-type: none"> • Saved trees: 174,067 trees • Saved oil: 3,870,268 gal. • Saved energy: 40,739,664 kWh • Saved landfill space: 30,555 cu. yds. • Saved water: 71,294,411 gal. 	9,908,011 lbs. of paper destruction at 390 sites	10,459,821 lbs. of paper destruction at 491 sites



Associates + environmental sustainability

Humana actively works to engage and empower all of our associates to promote environmental sustainability. At the end of 2015, the Humana Green Team, a group of associates who are environmental advocates, was 4,000 members strong.

The Green Team's enthusiasm is contagious and effective. Key highlights of the team's work in the past two years include:

- Bash the Trash contest to promote recycling, encourage reuse of materials and minimize consumption
- Participation in and promotion of our Earth Month texting campaign – those who signed up received daily green tips (approximately 1,000 associates participated)
- Participation in our commuter survey that provided insights on associates' work commutes – more than 1,200 associates responded

Humana's Environmental Sustainability Team, part of our Workplace Solutions organization, and other internal and external subject matter experts work to educate, engage and train the Green Team members and other associates to participate in environmentally and socially responsible activities at work and at home. Every year, for example, we use Humana's internal social media channels to promote Earth Month with educational articles, group discussions, and online activities focused on climate change and sustainability issues.



Environmental sustainability goals

We intend to focus most of our efforts on the three focus areas that were identified through our recent materiality assessment.

The first priority on that list is reducing energy consumption and GHG emissions. We are proud of the strides we've made since establishing goals in 2013; our energy and emissions-related goals motivate us to work that much harder. Our efforts to meet those goals will continue to be a point of emphasis.

The second focus area uncovered by our materiality assessment, healthcare waste and plastic management, will support our broader operational efficiencies efforts. Over the next 12-24 months, we aim to improve the waste diversion efforts across our pharmacy distribution operations. As our industry uncovers new opportunities related to healthcare waste and plastics management, we intend to proactively address these issues in the coming years.

Our third priority relates to our associates' commutes. We are already working hard to promote and implement an agile work approach, which helps to reduce commuting and indirectly contributes to emissions reductions. Based on our [Agile Work Standards](#), we are converting underutilized individual workspaces into more functional, shared spaces for collaboration and innovation. We have converted nearly 50,000 square feet of traditional space into Agile Work space at eight locations. This strategy has eliminated several thousands of commuter miles each week because more than one-third of our associates work remotely as of the end of 2015. This strategy has also helped us reduce our overall physical footprint and increase associates' productivity and retention. We aim to continue alleviating the commute burden on our associates and on our planet in a way that makes sense for our business.

To support our evolving sustainability efforts and commitments, we continuously evaluate our systems and processes for tracking and managing progress on our goals. Into the future, we will explore implementation of new overall systems and structures to facilitate and measure progress.

Addressing climate change

Humana recognizes that significant climate change impacts will affect public health.

According to the World Economic Forum's 2015 report, extreme weather events are the second most serious global risk in the coming 10 years (in terms of likelihood), while water crises represent the most serious risks (in terms of impact). Extreme weather events and other natural disasters might lead to multiple challenges, such as the spread of infectious diseases, epidemics, and food and water scarcity.

We have witnessed significant health impacts in the communities we serve due to precipitation changes, extreme weather events and poor air quality. When loved ones are affected by these types of climate-related changes, well-being and a sense of security can also be compromised. As a result, healthcare needs change, and we recognize the implications that may have on our business.

Increases in the need for healthcare services lead to pressure to increase the scope of covered medical expenses, while managing member costs and practitioner reimbursements. The facilities from which we provide those services will also experience challenges, such as rising data center energy consumption to cool the centers as average temperatures rise.

We regularly monitor trends to inform our climate change strategy. For example, we have increasingly focused on integrating operational standards that pertain to facility energy-use costs and emissions into our workplace efforts.

Humana is subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. However, we have found that the financial risks associated with increased operational costs that would be incurred due to either increased energy regulations or an increase in temperature are understood to represent less than one tenth of a percent of Humana's operating budget. Nevertheless, our environmental sustainability-focused team keeps a close eye on the short- and long-term regulatory risks and commodity price pressures related to energy and carbon. In order to curb projected increases and fully manage these risks, the team budgets environmental impact mitigation and climate change adaptation efforts, such as energy efficiency projects, and has helped us to set very aggressive reduction targets for energy and carbon. According to CDP and other sustainability experts, companies achieve better financial performance and higher share prices when they actively manage and plan for climate change. We increasingly see financial incentives and other financing models that encourage energy efficiency, conservation and use of renewables. We actively pursue local, state, regional and federal financial incentives related to reducing the environmental footprint of our operations (including our facilities).

Humana has also participated in Business Roundtable's Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts) initiative, which encourages member companies to reduce GHG emissions and address the issues of climate change. While uncertainty about climate change and its impacts remain, we are working with industry experts to understand projected climate changes and assess if and how those changes will affect Humana's operations and customers.



Collaborating for Healthy Performance



Healthy Performance is the backbone of our efforts to do well by doing good. We value the trust of our associates, our members, our employer-customers, the communities where we do business, the clinicians with whom we work, our vendors, and all of our stakeholders who depend on us. Their trust empowers us to enhance health and well-being and to minimize our environmental footprint on the planet that we all share.





We know that establishing trust requires holding ourselves to high standards. Our principles have remained constant since the company's founding in 1961: dedication to ethical practices; pursuit of excellence; and belief in the power to make a difference for our associates, members, customers, and communities.

Ethics and compliance

Humana's ethics and compliance programs provide guidance and monitoring for our business. We utilize tools for oversight. Doing so helps us meet legal and regulatory requirements, as well as our internal ethical standards.

We rely on our compliance team to:

- Provide practical guidance for complying with legal and regulatory requirements
- Monitor and develop proactive controls around compliance
- Manage Humana's relationships with regulatory agencies

We also inspire a culture of compliance and instill a sense of accountability among our associates. We integrate ethics and compliance into our culture by:

- Applying our code of conduct (Ethics Every Day)
- Requiring annual completion of Ethics and Compliance Training
- Instituting organizational policies, procedures and guidelines (housed in an extensive online policy library) to support our code of conduct
- Maintaining systems for addressing questions, concerns and alleged violations of Humana policies

Subject matter experts and leaders from across the company worked together to develop our code of conduct. Every year, we

update the code of conduct, and related ethics and compliance training, to reflect new laws, regulations and policies. We also monitor how well we're doing by conducting internal assessments; asking external consultants to compare our efforts to industry best practices; managing our external relationships; and seeking out the best guidance on compliance regulations. Our Corporate Compliance Committee, which is composed of Humana's full executive team, compliance officers, the Chief Audit Officer and other senior leaders, provides regular reports to our CEO and the Audit Committee of the Board of Directors through the committee chair, the Chief Compliance Officer. Our internal accounting controls and procedures allow us to report accurate and reliable financial data to the Securities and Exchange Commission (SEC), state insurance departments and other state and federal regulatory agencies.

The Compliance and Ethics Leadership Council (CELC) 2014 State of the Function analysis survey benchmarked more than 300 companies representing 20 industries with company revenues ranging from under \$1 billion to more than \$100 billion. According to the survey:

- Humana maintains approximately the same number of compliance and ethics full-time associates in the headquarters location per 1,000 company employees, compared to the healthcare and insurance industry's median.
- Humana's compliance & ethics program budget for 2014 was in line with the healthcare and insurance industry's median budget.
- Humana tracks 20 metrics and reports 20 to the Board, which is greater than the healthcare and insurance industry average of 18 metrics tracked and 14 metrics reported to the Board of Directors.



During 2014 and 2015, our compliance team focused on fulfilling federal and state regulations, including those that came out of the Affordable Care Act of 2010 (ACA). The ACA fundamentally changed the healthcare marketplace — legal requirements and customer expectations — requiring us to address the quality and affordability of our health insurance products in new and specific ways. Our compliance team dedicated significant time and resources in the building of process and compliance infrastructure for the ACA mandates, as well as for Medicaid expansion, dual-eligible demonstration projects, state exchanges and the integrated care delivery strategy.

We are committed to marketing communications and activities that comply with all laws and regulations. To facilitate compliance with regulations, Humana leaders from all business units and locations meet regularly to review marketing plans and product and services offerings.

A 2015 Centers for Medicare and Medicaid Services (CMS) audit identified issues related to Humana's administration of our Medicare plans. We have already taken action to correct the issues, and CMS has reviewed and accepted Humana's corrective action plans in response to the findings. Among other steps, we have put in place additional, comprehensive staff training; new reporting, tracking and verification procedures; technology upgrades; and member outreach campaigns. Humana will continue to hold ourselves to the highest standards, and we intend to use this opportunity to continue to further dedicate ourselves to serving our members as a true health partner.

We have also focused our compliance efforts on the broad range of federal and state laws that govern our government contract work. We work with both the federal government and state governments, which means we must comply with the U.S. Foreign Corrupt Practices Act, the Procurement Integrity Act, and other laws related to government contracting. Humana's Government Business team conducts internal audits and also uses external audit resources to make sure we're complying with these laws. The team also has a program — called the Exemplar — that recognizes associates who have gone “above and beyond” the basic requirements to help maintain our ethics and compliance programs.

Fraud, sales and marketing are the top compliance risks for us. Into 2016, we will pay close attention to these areas, while continuing our primary areas of compliance focus from prior years. We will also strive to keep our program current and comprehensive, covering all aspects of Humana's presence in the marketplace.

Grievance hotlines and issues management

Humana has many resources and safeguards in place to address the risks associated with operating our business. This collection of initiatives safeguards against corruption, as well as ethics and compliance violations. They are also designed to keep our members' data secure and private.

- **Ethics Help Line**

Humana's 24-hour Ethics Help Line serves as a resource for associates who become aware of a potential violation. Among other things, the help line can provide clarification about or be used to report a suspected violation of a Humana policy or a federal, state or local law or regulation. Trained, non-Humana associates receive all calls, and callers can remain anonymous. Associates can also report a concern (anonymously, if desired) by using the Ethics Help Line web reporting site at ethicshelpline.com.

- **Anti-corruption policy & committee**

We conduct our business in accordance with the Foreign Corrupt Practices Act (FCPA) of 1977 and all amendments implemented since its inception, and any other anti-bribery or related laws of countries where Humana is doing business. Humana's Anti-corruption Committee has general oversight responsibility for Humana's anti-corruption program and monitors compliance with the anti-corruption policy.

- **Privacy Office**

The role of the Privacy Office is to safeguard protected information while ensuring it is available to those who need and have a right to know. Humana's strategy and actions are consistent with federal and state laws, rules and regulations. In addition, we oversee activities related to the development, implementation, maintenance of, and compliance with Humana's privacy policies and procedures that support the safeguarding of protected information. This includes responsibility for enforcing policies and practices that help balance the business with consumer privacy interests, as well as conducting formal breach notifications whenever breach incidents result in actual or likely exposures of information. During the two-year reporting period, Humana received 92 privacy-related complaints from our vast stakeholder population (e.g., associates, members, providers). In 2014 and 2015, Humana received 38 and 54 substantiated complaints concerning breaches of customer privacy, respectively.

- **Complaint hotlines**

Humana maintains several points of intake for allegations including — but not limited to — fraud, ethics violations, associate misconduct, and compliance violations. Examples of these points of intake include the Ethics Help Line and email; our human resources HR4U hotline and email; Special Investigations Unit referral line and email; and the Board of Directors hotline.

- **Enterprise Investigations Consortium**

The Enterprise Investigations Consortium (EIC) facilitates collaboration among groups that perform an investigative function throughout the company and manage potential allegations of corruption in all of its forms. The EIC is composed of 10 investigative groups and nine support groups that conduct investigations that involve, but are not limited to: fraud; waste; abuse; criminal activity; ethics and compliance concerns; physical threats; and information security breaches.

Governance structure

Humana's governance structure reflects our commitment to serving the best interests of the company and its stockholders.

Board of Directors and Board Committees

We have 10 members on our [Board of Directors](#), which includes President and CEO Bruce Broussard. Directors are elected annually by stockholders. The Chair and all other directors except Bruce Broussard meet independence standards established by the SEC and the NYSE. In addition, the Board must determine affirmatively that a director does not have any material relationship with Humana. All Board determinations regarding director independence are disclosed in our Annual Stockholders Meeting proxy statement. Our [Corporate Governance Guidelines](#) describe requirements and other details regarding the selection, qualification, compensation and evaluation of directors. As of December 31, 2015, Humana's Board consists of nine men and one woman, all of whom are between 53 and 71 years old; two are members of an ethnic minority.

The basic responsibility of the Board is to exercise its business judgment to act in the best interests of Humana and its stockholders. The Board selects the senior management team, provides oversight of management, and ensures processes are in place for maintaining the integrity of the business, including ethics and compliance; risk management; relationships with stakeholders; and overall CSR performance. The Board has six scheduled meetings each year and relies on five board committees to support governance of the company: Audit; Executive; Investment; Nominating & Corporate Governance; and Organization & Compensation. Only directors who meet the SEC's and the NYSE's director independence standards may serve on the Audit Committee, the Nominating and Corporate Governance Committee, and the Organization and Compensation Committee. Every director must comply with [Humana's policy and procedures with respect to Related Person Transactions](#).

The Audit Committee meets regularly with Humana's internal audit team and external auditors to oversee the company's financial reporting processes. Semiannually, Humana's internal audit team provides a report to the Audit Committee of material risks to the business. Internal auditors review and evaluate risks throughout the year, as identified by the company's operational areas. We disclose material risks in our 10-K and 10-Q reports and have reported on material aspects (as defined by the Global Reporting Initiative) and their impacts in this report.

Learn more about Humana's corporate governance efforts at Humana.com.





Supplier diversity & procurement practices

To facilitate a diverse supplier base that reflects the diversity of our associates, our customers and the communities we serve, we identify procurement opportunities and maximize participation of approved suppliers, including minority-owned enterprises; woman-owned enterprises; small-business enterprises; lesbian, gay, bisexual, transgender enterprises; and businesses owned by disabled people. Almost 13 percent of Humana's total supplier spend is with minority-owned, women-owned and small-business suppliers.

Through periodic events hosted by Humana or annual engagements with supplier-diversity advocacy organizations, we continue to strengthen relationships with diverse suppliers and identify new suppliers that are interested in partnering with us for the provision of products, services and collaborative opportunities.

In addition to Humana's commitment to supply chain inclusion, we have healthcare services contracts with commercial and government customers that require the utilization of certified minority business enterprises and woman-owned business enterprises, for the procurement of products and services in direct and indirect support of the contracts being administered to the customer. Customers require spend commitments with suppliers holding specific certifications, in specific locations, and/or of

specific ethnicities. Our affiliation with and participation in these annual outreach events are critically important to affording us access to diverse suppliers who help Humana support the needs of our customers.

We seek a diverse supplier base for a variety of reasons, including the following:

- Doing so drives compliance, supports inclusion and encourages competition – all while supporting Humana's CSR efforts.
- We believe that our suppliers are extensions of ourselves and, therefore, should reflect the diversity of our associates, members and the communities we serve.
- Many of our commercial and government customers require us to use certified minority business enterprises and woman-owned business enterprises to procure products and services in direct and indirect support of contracts with them.

We have been able to maintain a 13 percent average utilization rate of diverse suppliers over the past two years – despite the significant changes in our business environment. We have continued to strengthen relationships with diverse suppliers and identify new suppliers that were interested in working with us. Every year, we host events and work with supplier diversity organizations to help us meet new suppliers who have characteristics that might not be sufficiently represented in our supply chain.



We're proud that we've been recognized for our ongoing commitment to driving diversity and inclusion within the supply chain. **Awards we've won for internal engagement and supplier diversity management include:**

Corporation of the Year in Supplier Diversity from the **Tri-State Minority Supplier Development Council**

Professional Woman's Magazine Best of the Best

U.S. Veterans Magazine Best of the Best

Hispanic Network Magazine Best of the Best part 1

The primary supplier diversity organizations we work with include:

- Women's Business Enterprise National Council
- United States Business Leadership Network
- National Minority Supplier Development Council
- National Gay & Lesbian Chamber of Commerce

Collaborating with these organizations helps us fulfill our commitment to supply chain diversity and inclusion. As part of our engagement with the National Gay & Lesbian Chamber of Commerce, Humana sponsored "Walk & Talks" at the 2015 International Business & Leadership Conference. The "Walk & Talks" provided opportunities to identify business opportunities during scheduled walking sessions with qualified LGBT suppliers, all while encouraging health and well-being in the supply chain.

We're proud that we've been recognized for our ongoing commitment to driving diversity and inclusion within the supply chain.

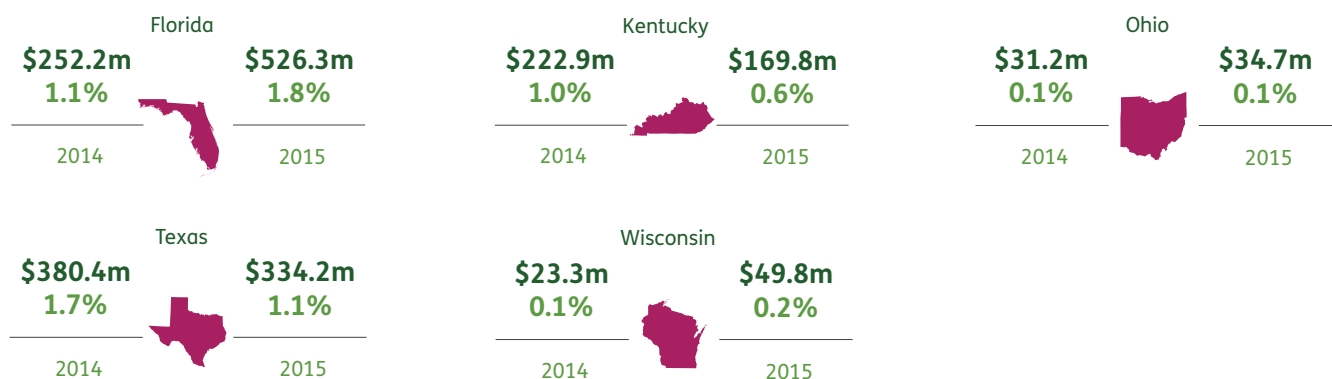
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- Professional Woman's Magazine Best of the Best
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- Hispanic Network Magazine Best of the Best part 1

We challenge ourselves to continue diversifying our supply chain and to meet ongoing contractual requirements related to procurement. Such requirements can include anything from requiring the supplier to have a specific certification to requiring us to use suppliers in specific locations or of specific ethnicities. These requirements often help define our procurement practices and supply chain profile.

Percentage of our spend with suppliers in states that represent 70 percent of Humana's associate base as it compares to Humana's total supplier spend



Note: All numbers have been rounded.

Supply chain management

At Humana, we hold the suppliers we work with to the same standards we've set for ourselves. In 2009, we developed our Standards of Excellence that apply to vendors, contractors, consultants, agents, and other providers of goods and services that do business with us. The Standards of Excellence include elements of all three of our CSR pillars.



People

- Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse.
- Treat employees fairly and honestly, including with respect to wages, working hours and benefits.
- Respect human rights and prohibit all forms of forced or compulsory labor.
- Ensure that child labor is not used in any operation.
- Respect employees' right to freedom of association, consistent with local laws.
- Establish an appropriate management process and cooperate with reasonable assessment processes requested by Humana.
- Provide safe and humane working conditions for all employees.
- Encourage healthy lifestyles and offer health improvement programs for all employees and promote health-related events and activities in the local community.

Planet

- Carry out operations with care for the environment and comply with all applicable environmental laws and regulations.
- Deliver products and services meeting applicable quality and safety standards.
- Actively participate in sustainability, carbon footprint reduction and other environmentally focused programs.

Performance

- Comply with all applicable laws and regulations of the countries of operation.
- Compete fairly for our business, without paying bribes, kickbacks or giving anything of value to secure an improper advantage.
- Observe Humana's policies regarding gifts, entertainment and conflicts of interest when dealing with Humana associates.
- Keep financial books and records in accordance with all applicable legal, regulatory and fiscal requirements and accepted accounting practices.
- Promote, employ and measure engagement of small and diverse suppliers.

We include the Standards of Excellence criteria in our Terms and Conditions of Purchase with all suppliers. We do not screen suppliers strictly based on environmental, human rights or labor practices criteria, but our Master Service Agreement and Terms and Conditions of Purchase require that suppliers comply with all applicable federal, state and local laws and ordinances. Among other things, the Terms and Conditions of Purchase contractually obligate our suppliers to comply with the Fair Labor Standards Act of 1938, as amended (including but not limited to the child labor provisions), as well as other requirements, including: the Equal Opportunity Clause set forth in 41 CFR Chapter 60-1.4; the Affirmative Action Clause regarding Special Disabled Veterans and Veterans of the Vietnam Era set forth in 41 CFR Chapter 60-260.5(a); and the Affirmative Action Clause regarding workers with disabilities set forth in 41 CFR Chapter 60-741.5.



Workforce

In a recent survey, Humana's associate engagement ranked in the 93rd percentile of companies administering Kenexa employee engagement surveys. This world-class level of engagement reflects the fact that our workforce is at the heart of everything we do, and we continuously strive to make working at Humana even better.

TOTAL WORKFORCE BY GENDER

		Total associates
As of 12/31/2014	Women	40,926
	Men	15,357
As of 12/31/2015	Women	36,821
	Men	13,253

Note: Humana does not have historical data of contingent (supervised) workers.

ASSOCIATES BY GENDER, AGE GROUP AND MINORITY GROUP MEMBERSHIP (2014)

	Board of Directors	Management	Non-management	Administrative	Non-administrative
Women	1	3,091	13,627	613	17,524
Men	9	2,015	6,493	107	4,395
<30 yrs. old	0	177	1,798	216	5,158
30 yrs. – 50 yrs. old	0	3,286	12,583	290	11,273
>50 yrs. old	10	1,643	5,739	214	5,488
Member of an ethnic minority group	1	1,307	5,519	219	12,608
Not a member of an ethnic minority group	9	3,799	14,601	501	9,311

Note: The numbers presented above are as of December 31 of the indicated year and do not include contingent (supervised) workers.

ASSOCIATES BY GENDER, AGE GROUP AND MINORITY GROUP MEMBERSHIP (2015)

	Board of Directors	Management	Non-management	Administrative	Non-administrative
Women	1	3,282	14,309	557	18,608
Men	9	2,074	6,548	88	4,514
<30 yrs. old	0	181	1,686	216	5,158
30 yrs. – 50 yrs. old	0	1,715	6,083	214	5,488
>50 yrs. old	10	3,460	13,088	290	11,273
Member of an ethnic minority group	1	1,393	5,810	193	13,793
Not a member of an ethnic minority group	9	3,963	15,047	452	9,329

Note: The numbers presented above are as of December 31 of the indicated year and do not include contingent (supervised) workers.

ASSOCIATES BY CONTRACT AND GENDER

		Full time regular	Limited term	Part time regular	Variable staffing pool	Total
2014	Women	27,386	298	143	4,171	31,998
	Men	11,531	119	17	470	12,137
2015	Women	29,455	384	154	5,093	35,086
	Men	12,019	128	15	551	12,713

Note: Humana does not have historical data of contingent (supervised) workers.

PERMANENT ASSOCIATES BY EMPLOYMENT TYPE AND GENDER

		Full time regular	Limited term	Part time regular	Variable staffing pool
As of 12/31/2014	Women	29,393	445	168	4,848
	Men	12,264	169	24	553
As of 12/31/2015	Women	30,576	500	158	5,519
	Men	12,451	176	16	584

WORKFORCE BY LOCATION AND GENDER

State	2014	2015
Alabama	143	193
Women	109	154
Men	34	39
Arkansas	105	120
Women	80	97
Men	25	23
Arizona	2,684	2,620
Women	1,782	1,733
Men	902	887
California	494	557
Women	256	304
Men	238	253
Colorado	200	218
Women	157	171
Men	43	47
Connecticut	168	160
Women	142	134
Men	26	26
Washington D.C.	8	7
Women	6	2
Men	2	5
Delaware	9	13
Women	5	9
Men	4	4
Florida	10,626	11,183
Women	8,263	8,770
Men	2,363	2,413
Georgia	672	696
Women	503	533
Men	169	163
Hawaii	17	17
Women	10	12
Men	7	5
Iowa	75	99
Women	55	77
Men	20	22
Idaho	35	38
Women	27	32
Men	8	6
Illinois	878	945
Women	673	726
Men	205	219
Indiana	616	804
Women	505	645
Men	111	159
Kansas	281	322
Women	241	272
Men	40	50
Kentucky	13,328	13,712
Women	8,415	8,719
Men	4,913	4,993

State	2014	2015
Louisiana	603	633
Women	508	537
Men	95	96
Massachusetts	128	146
Women	95	105
Men	33	41
Maryland	47	47
Women	40	38
Men	7	9
Maine	35	35
Women	26	24
Men	9	11
Michigan	168	186
Women	117	139
Men	51	47
Minnesota	164	166
Women	115	119
Men	49	47
Missouri	168	204
Women	134	169
Men	34	35
Mississippi	115	137
Women	84	109
Men	31	28
Montana	19	18
Women	13	12
Men	6	6
North Carolina	666	712
Women	586	627
Men	80	85
North Dakota	3	4
Women	3	4
Nebraska	23	24
Women	18	20
Men	5	4
New Hampshire	14	15
Women	12	13
Men	2	2
New Jersey	484	495
Women	404	418
Men	80	77
New Mexico	33	35
Women	22	24
Men	11	11
Nevada	68	69
Women	45	47
Men	23	22
New York	1,732	2,060
Women	1,505	1,786
Men	227	274

State	2014	2015
Ohio	3,180	3,345
Women	2,432	2,569
Men	748	776
Oklahoma	79	90
Women	56	67
Men	23	23
Oregon	20	28
Women	16	21
Men	4	7
Pennsylvania	230	277
Women	164	208
Men	66	69
Puerto Rico	559	577
Women	369	381
Men	190	196
Rhode Island	4	4
Women	3	3
Men	1	1
South Carolina	260	266
Women	206	212
Men	54	54
South Dakota	20	25
Women	18	23
Men	2	2
Tennessee	562	646
Women	453	528
Men	109	118
Texas	3,167	3,172
Women	2,462	2,492
Men	705	680
Utah	99	97
Women	64	64
Men	35	33
Virginia	598	677
Women	515	592
Men	83	85
Vermont	2	3
Women	2	3
Washington	184	194
Women	148	153
Men	36	41
Wisconsin	4,005	3,795
Women	2,926	2,784
Men	1,079	1,011
West Virginia	85	93
Women	64	72
Men	21	21
Wyoming	1	1
Men	1	1
Total	47,864	49,980

Note: In 2014-15, less than one percent of Humana's workforce is legally recognized as self-employed, or are individuals other than associates or supervised workers.

HUMANA’S ENTRY-LEVEL WAGE AS A PERCENTAGE OF
LOCAL MINIMUM WAGE (2014)

	Women	Men
Arizona	304%	340%
California	304%	335%
Colorado	376%	427%
Connecticut	381%	619%
Florida	319%	338%
Georgia	554%	645%
Illinois	416%	473%
Indiana	365%	383%
Kansas	501%	630%
Kentucky	399%	554%
Massachusetts	298%	485%
Michigan	337%	241%
Missouri	386%	289%
North Carolina	428%	322%
New Jersey	431%	N/A
New York	340%	368%
Ohio	307%	357%
Pennsylvania	474%	393%
Texas	358%	436%
Virginia	407%	384%
Wisconsin	357%	410%

Note: Cells with an “N/A” and states that are not included in the above table did not have state minimum wage laws or did not have more than 100 associates working there as of December 31 of the indicated year.

HUMANA’S ENTRY-LEVEL WAGE AS A PERCENTAGE OF
LOCAL MINIMUM WAGE (2015)

	Women	Men
Arizona	292%	321%
California	343%	364%
Colorado	373%	481%
Connecticut	402%	516%
Florida	323%	355%
Georgia	579%	669%
Illinois	435%	497%
Indiana	373%	401%
Kansas	527%	650%
Kentucky	403%	565%
Massachusetts	320%	499%
Michigan	362%	285%
Missouri	410%	272%
North Carolina	436%	373%
New Jersey	451%	N/A
New York	350%	299%
Ohio	301%	348%
Pennsylvania	478%	493%
Puerto Rico	257%	286%
Texas	359%	459%
Virginia	427%	413%
Wisconsin	368%	420%

Note: States that are not included in the above table did not have minimum wage as of December 31 of the noted year or did not have more than 100 associates working there in that year.

RATIO OF AVERAGE BASIC SALARY AND REMUNERATION OF WOMEN TO MEN FOR 2014 AND 2015

Ratio (women to men)	
Management	0.74
Non-management	0.75

Note: For the above data, we consider all locations significant. The numbers presented above do not include contingent (supervised) workers.

RATES OF NEW ASSOCIATE HIRES AND TURNOVER

		2014			2015		
		<30 yrs old	30-50 yrs old	50+ yrs old	<30 yrs old	30-50 yrs old	50+ yrs old
Women	Avg. headcount	3,216	15,825	9,021	3,604	17,092	9,389
	New hires	1,520	3,628	1,339	1,341	2,959	1,001
	Total terminations, retirements	680	1,919	1,142	915	2,293	1,245
Men	Avg. headcount	1,506	6,928	3,446	1,634	7,270	3,527
	New hires	617	1,154	371	540	906	234
	Total terminations, retirements	273	827	424	368	870	458

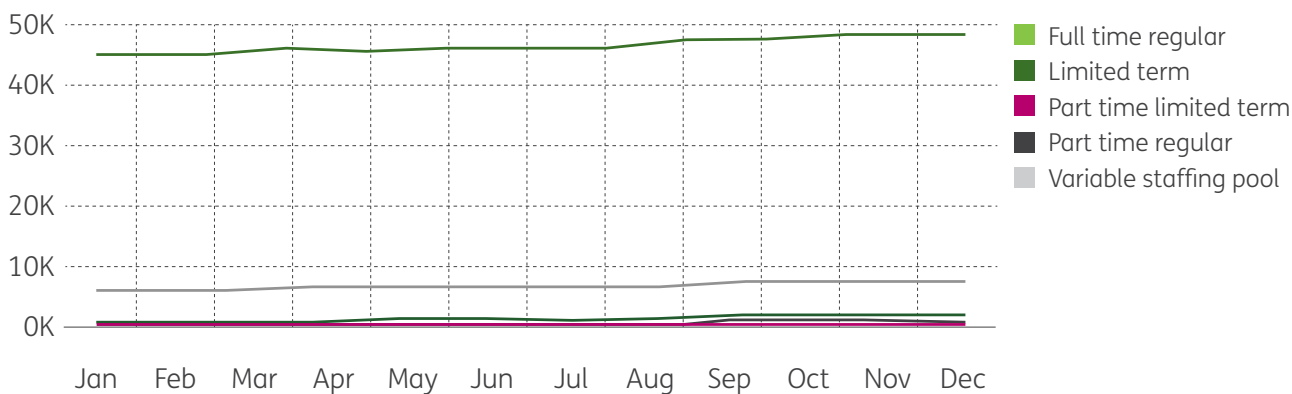
Note: Humana does not keep historic data for supervised associate totals. The numbers presented above do not include contingent (supervised) workers.

VARIATIONS IN EMPLOYMENT

Humana saw some seasonality in our workforce in 2014 and 2015 – namely because of staffing changes that occurred in preparation for open enrollment. In 2015, Humana's sale of our then wholly owned subsidiary, Concentra, also had an impact on the associate count.

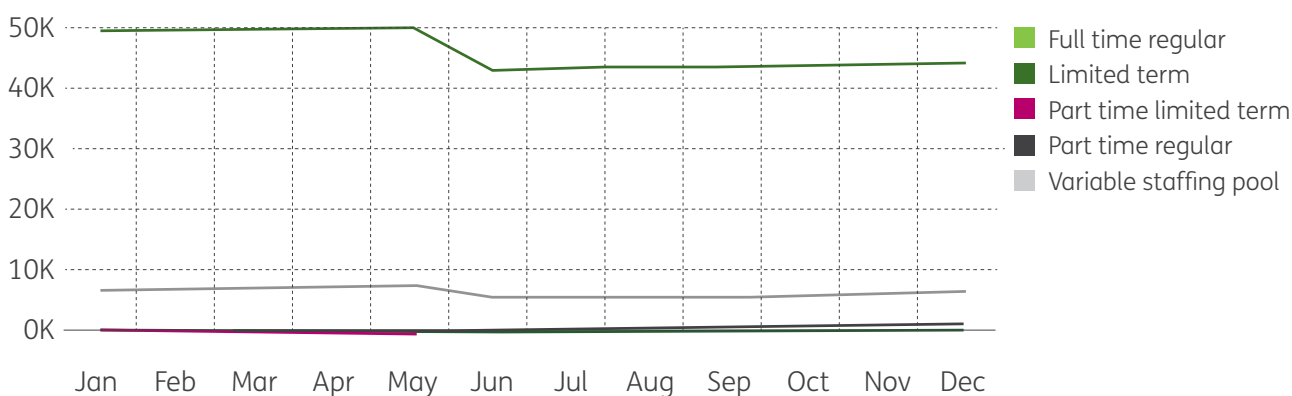
Employee types over time 2014

Active employees at end of month



Employee types over time 2015

Active employees at end of month



Humana's Well-being: A movement with momentum

Living happier and healthier can be hard, but together we're doing it.



Inclusion + diversity

An inclusive and diverse community

Our workforce is a major focus of our I&D efforts. In the past two years, we've put a major focus on building a workforce that is both diverse and inclusive. As part of our strategy, we empower associates to engage with one another on I&D issues that matter to them and in ways that matter to them.

At Humana, we see diversity as the reality of the world in which we live, and inclusion is what we hope to achieve within it. We aim to apply an inclusion and diversity (I&D) lens to all of our work every day - with associates, members, suppliers, and the communities we serve. This means that we apply an I&D lens to everything from talent acquisition (for example, through specialty sourcing for military veterans and people living with disabilities), to talent development, senior leadership commitments, and our supplier diversity program. Our commitment to I&D is also a touchstone of our Bold Goal, because success means that we engage everyone in the Bold Goal Communities to understand and improve their health.

Humana's I&D team created starter kits to help associates organize their own diversity events. Approximately 30 percent of Humana locations have chosen to host Inclusion and Diversity Days or Months. Associate events are boosting associate awareness and efforts to help make Humana an even more welcoming place to work. The many Network Resource Groups at Humana, which are highlighted in this report, also play a key role in advancing inclusion and diversity for us.

Humana's future I&D goals include increasing the effectiveness of communication on I&D topics and enhancing current efforts. Our I&D focus will include providing additional support to the LGBT community; people living with disabilities; and the communities included within Humana's Bold Goal. For more information on Humana's I&D efforts and commitments, please read [Humana's 2015-2016 Inclusion & Diversity Annual Report](#).





Building support systems

Humana's NRGs bring associates with shared backgrounds and common interests together. These groups have high profiles internally and are supported or sponsored by executive leaders; that support has helped bring about an organic shift toward inclusion in our corporate culture.

Humana's Network Resource Groups include:

- Caregivers Network Resource Group
- HAPI - Humana's Asian/Pacific Islander Network Resource Group
- IMPACT - Humana's African-American Network Resource Group
- Pride - Lesbian, Gay, Bisexual and Transgender (LGBT) Network Resource Group
- Unidos - Hispanic Network Resource Group
- Veterans Network Resource Group
- Women's Network Resource Group

A spotlight on people living with disabilities

Over the course of 2015, we increased our focus on supporting people living with disabilities. In addition to promoting a diverse workforce, associates living with chronic conditions help us achieve our business goals by offering new insights into what we can offer our members who are living with chronic conditions. Humana is committed to employing the best and brightest workforce to serve our members. To that end, we realized that in order to recruit effectively, we needed to make internal improvements and timely adjustments to accommodate associates living with chronic conditions so they could thrive at work – starting from their first day at Humana. In the last year, Humana also promoted awareness of disabilities in the workplace through educational activities. We hosted panels featuring associates who are caring for disabled family members, associates who are wounded warriors, and business leaders all in an effort to better understand how we can better serve our members who are disabled.

The journey continues

While our efforts to infuse I&D into the Humana workplace are progressing, we recognize that there is more to be done to make sure women and minority groups are fully represented and fairly compensated throughout our business.





Associate training + development

At Humana, we want to help our associates grow personally and professionally. That's why we offer a host of learning opportunities. Professional development offerings include:

Onboarding

Engaging with Humana is a tool that provides useful information to all associates about Humana (organization, history and values), new associate must-do's, and Humana benefits and services. Executives receive personalized support and services to accelerate connections to people and processes and enrich their understanding of our business model and how we deliver our value proposition to consumers in the marketplace.

The Learning Center

As Humana's primary location for all internal training and development opportunities, The Learning Center gives associates the opportunity to search for online or instructor-led training and register for various professional development courses that cover a range of topics from developing competencies to learning about Humana's values and business strategy. The catalog of 70+ courses includes function-specific courses to help associates better carry out their roles.

Harvard Manage Mentor

This online performance-support resource delivers accessible, action-oriented information on key management and leadership topics. It is regularly updated and offers practical advice, tips and tools on subjects such as business essentials, communication skills, personal development, working with teams and working with individuals.

Development planning

This resource allows associates to create and manage development activities that align their growth and development with the accomplishment of their performance goals and career aspirations.

Business acumen

This tool builds financial and business literacy among associates, teaching them how Humana makes money and how to make decisions that positively impact key company measures.

SkillSoft

This resource offers online courses and books on desktop tools such as Windows, Word, Excel and Access. SkillSoft also offers support on business skills (online courses on topics such as professional effectiveness) and IT skills (courses, books, certification test preparation and mentoring for all IT associates).

Knowledge Exchange

This online, social learning community provides mentoring opportunities for individuals to give and receive their expertise while thriving together for personal and professional development. Each learning event is known as an “engagement.” The range of topics and engagements is as wide as the participants wish to make it. The advisors participate on a voluntary basis and share best practices for subjects ranging from Six Sigma to balanced scorecard.

SharePoint learning sites

Across the enterprise, teams and individuals have leveraged the power of this collaboration tool to build content-rich sites around topics, tools, and processes. A single site can combine documents, wikis, graphics, videos, podcasts, and even online games and forums to allow associates to self-serve their learning and information needs.

Network Resource Group - leadership development

This program expands the leadership skills of Humana's NRG leaders by providing opportunities for hands-on leadership experience, networking with Humana executives and leaders, and work on projects that the leaders are passionate about.

HELLO program

HELLO (Humana Leadership Orientation) is a virtual cohort program that equips new Humana leaders (newly hired or newly promoted) with foundational knowledge about leadership at Humana. The program combines structured coursework, development forums (virtual learning sessions), and application discussions (reflections using social media to provide an engaging virtual learning environment for leaders). It focuses on the role of leaders at Humana with respect to talent practices, culture and employment law. This program is mandatory for all new Humana leaders with direct reports.

Leadership Essentials

Leadership Essentials provides a blended learning experience for leaders to develop the fundamentals of leadership, with a focus on Interpersonal Effectiveness, Leads Positively, Business Acumen and Talent Development.

Employment Law for Leaders

This vendor-led learning experience for mid-level leaders addresses the essential employment law content that enables leaders to do the right things, the right way, and for the right reasons.

Healthcare Leaders 2020 (Executive Intensive)

This is a cohort experience for executives that focuses on the enterprise leadership needed to create Humana's future. It includes executive assessment and coaching.

Healthcare Leaders 2020 (Presence)

This resource provides leaders with a reflective focus on personal value creation and the versatility needed to influence others positively. It includes executive assessment and coaching.

Healthcare Leaders 2020 (Rapid Exchanges)

This resource provides leaders with an exploration of strategic knowledge areas in three topics: Consumer Insight, Population Health, and Digital Connectivity.

Executive coaching

Executive coaching at Humana is focused on inquiry, neuroscience, and self-reflection. Coaching goals are aligned to business impact and performance.

Humana leaders assessment

Leaders can take advantage of our portfolio of assessment offerings, which include customer multi-rater feedback on Humana's values, personality inventory, and critical thinking/decision-making.

Executive site experiences

Executives can take advantage of up-close opportunities to deepen their consumer and business insights through visits that highlight our capabilities and how they contribute to our enterprise goal and strategy.

Women in Leadership

This resource supports making Humana the best place for women's well-being through development that leverages talent tools and business partners to improve associates well-being 20 percent by 2017.

DAP - Development Acceleration Program

This program cultivates diverse professionals through senior leader and thought leadership exposure while using cross-functional teams to solve business-unit-sponsored problems.

Change leadership

This resource prepares leaders to recognize how change is affecting them and how they can adapt to change by utilizing a set of strategies, skills and tools to manage and accelerate the change process.

ASSOCIATE TRAINING HOURS

Average hours of training

2014		2015
33.6		42.6



Exempt
(women)

Average hours of training

2014		2015
20.3		22.3



Exempt
(men)

Average hours of training

2014		2015
40.3		23.3



Non-exempt
(women)

Average hours of training

2014		2015
42.0		26.5



Non-exempt
(men)

Associate training on ethics and compliance

Associate training in ethics and compliance is mandatory for everyone each year. All of our associates learn key requirements and expectations based on seven training modules*:

- I Am the Key to Integrity
- Conflict of Interest
- Information Protection
- Privacy
- Fraud, Waste and Abuse
- Workplace Conduct & Employment Practices
- Marketing Practices, Government Business and Other Guidance

Transition support

At Humana, we recognize that we are only as successful as our associates are. We encourage their well-being and aim to support them through transitions in life.

When associates are impacted by a Reduction in Force (RIF), Humana offers outplacement services based on each associate's level of management. Outplacement services, which are offered by a third party, can include:

- An in-depth overview of the transition process and practical strategies for conducting a successful job search campaign
- Assistance in the identification of strengths, the development a job objective, and the creation of a comprehensive and targeted résumé
- Access to networking and hiring events
- Enhancement of interview skills

In some instances, redeployment, a service that helps guide associates who have been impacted by a RIF through their internal job search, is made available. Redeployment includes:

- Dedicated resources to provide assistance through the transition timeframe.
- Resume review and consultation
- Information regarding specific role postings
- Updates and statuses on roles for which the associate applied
- Interview guidance and feedback

Retirement recognition

Humana values the long-term commitment of our associates. For associates who retire from the company, our desire is to support their transition to the next phase of their lives.

If an associate meets the Humana-specified service definition of age plus years of service when he/she leaves Humana, the retirement benefits include:

- Award to commemorate service with Humana
- An event commensurate with years of service will be held to celebrate their tenure
- The ability for the associate and his/her family members to continue taking advantage of employee assistance programs and work-life benefits for two years beyond the associate's retirement date

*Human rights policies and procedures are not explicitly included in this training.



Member feedback

Our members place a great amount of trust in us and are the most important part of our business. Therefore, we strive to offer products and services that will meet our members' health and well-being needs. To do so, we consider the health and safety impacts of our products and services and seek opportunities for improvement. We also strive to market our products and services in a clear and honest way that is consistent with our members' and stakeholders' expectations.

In order to better collaborate with our members, we commission a survey to get their feedback. The survey is carried out by a third-party market research agency that has a customer-satisfaction-measurement practice. Our members are picked at random and asked to participate in phone surveys; brokers and agents are contacted using online methodologies.

With the exception of Large Group Employers and Group Medicare Employers, satisfaction data for customer segments are reported on a monthly basis. Large Group Employers and Group Medicare Employer data are reported annually due to relatively low sample/universe sizes. Data received are shared with respective lines of business on a quarterly basis for evaluation.

At Humana, we consider our Net Promoter Score (NPS) as a key customer loyalty metric. NPS is based on the question: How likely are you to recommend our company/product/service to your friends and colleagues? In 2014 and 2015, Humana's NPS was 46 and 41, respectively. We believe the decline was due to the changes in Medicare Plan coverage and benefits, including cost adjustments that affected Medicare members.



External recognition

During 2014 and 2015, Humana's commitment to ethical and sustainable business practices was recognized by a variety of prominent organizations. While our CSR journey continues, we appreciate the acknowledgement of our progress from such organizations, including the following:



CDP

Humana scored 100 out of 100 in the [2015 CDP Global Climate Change Report](#).



CR Magazine 100 Best Corporate Citizens

Humana ranked number 56 and 61 on [CR's 100 Best Corporate Citizens](#) in 2014 and 2015, respectively.



DiversityInc

Humana was named one of the Top 25 Noteworthy Companies by [DiversityInc](#) in 2015.



Dow Jones Sustainability Indexes (DJSI)

Humana was included in the [DJSI North American and World Indices](#). Humana was also included in RobecoSAM's 2014 and 2015 [Sustainability Yearbooks](#) and received a Gold Class distinction for our sustainability efforts for both years.



FTSE4GOOD

Humana earned an overall ESG rating of 4.6 on [FTSE4GOOD's](#) five-point scale in 2015. Humana has been included in the FTSE4Good Index for six consecutive years as of 2015.



Human Rights Campaign Foundation's Corporate Equality Index

Humana earned 100 percent on the [Human Rights Campaign Foundation's Corporate Equality Index](#) in 2014 and 2015.



J.D. Power

Humana ranked number three on [J.D. Power's Medicare Advantage Satisfaction Survey](#) in 2015.



The National Business Group on Health

Humana received the [Best Employers for Healthy Lifestyles Platinum Award](#) in 2014 and in 2015.



Newsweek Green Rankings

Humana ranked 69th in the 2014 [Newsweek Green Rankings](#) of U.S. companies and 25th in 2015.



About this report

GRI reporting principles

We prepared this report in accordance with the [Global Reporting Initiative \(GRI\)](#) G4 Reporting Guidelines for core reports. This is our third GRI report, with the most recent previous GRI report being our 2012-2013 CSR Report. We publish a comprehensive report on our CSR performance biennially. In 2015, we published a CSR progress report that served as an update on our CSR progress to stakeholders.

The GRI data within the report were reviewed by Humana's internal audit team with the exception of the discussion of the materiality assessment. A senior executive, among other persons who are responsible for the CSR Report content, received our internal audit team's review report. In addition, a third party verified that the GHG inventory reported by Humana for 2014 and 2015 was developed in compliance with the reporting protocols specified by CDP. The balance of the report was not assured by a third party.

Report scope and boundaries

This report documents January 1, 2014, through December 31, 2015. This report covers all of our operating units, 100 percent of our leased and owned facilities, and 100 percent of our workforce in the regions in which we operate, unless otherwise noted. It also covers joint ventures and subsidiaries that are part of our [business segments](#). There is no entity included in Humana's consolidated financial statements or equivalent documents that is not covered in this report, unless explicitly noted.

We have reported all CSR issues that we determined are material to our business, as described under the [materiality assessment](#) section. We also have disclosed the management approach and key performance indicators related to each material issue covered by the G4 Reporting Guidelines (each, an "Aspect"), in line with G4 requirements and as noted in the [GRI Content Index](#). The reported Aspects are material, both within the organization and outside of the organization, and affect our key stakeholders in the ways described in this report. You can see a detailed explanation of GRI Aspects, boundaries, performance indicators, and disclosures on management approach [here](#).

Stakeholder engagement

We regularly engage a wide range of our stakeholders in a meaningful way. We do so because their opinions and insights are extremely valuable to our progress and success. Knowing that member needs, community needs, and industry conditions change over time, we look to our stakeholders to help us continually improve our business and CSR efforts. This report is written, in part, to disclose and respond to the key topics and concerns raised by our key stakeholders.

We identify our key stakeholders as those who are affected by, or interested in, Humana's business performance, CSR performance, or products and services.

Here is a list of our key stakeholders, alongside a summary of our engagement with each stakeholder group and their key topics and concerns per our most recent materiality assessment:

STAKEHOLDER GROUP	ENGAGEMENT PROCESS	KEY TOPICS & CONCERNS
Humana associates	<p>We periodically send online satisfaction surveys to associates.</p> <p>In connection with preparing this report, we distributed a survey to solicit opinions on Humana's CSR efforts and impacts. We also interviewed executives working across Humana's business.</p>	<p>Ethics and compliance</p> <p>Fair labor practices</p> <p>Associate training and development</p> <p>Economic performance</p> <p>Climate change</p>
Health plan members	<p>We periodically send online surveys to members.</p> <p>We seek to enhance our connection with members via regular, tailored communications, through social media channels and Humana.com, which offers members a broad range of health and well-being tips and learning opportunities.</p> <p>In connection with preparing this report, we conducted 16 phone interviews of a randomly selected cross section of members regarding their opinions on Humana's CSR efforts and impacts.</p>	<p>Member health</p> <p>Community health and well-being, especially in places where members live</p> <p>Plan performance</p> <p>Pricing transparency</p>
Employer and government customers	<p>We work with employer and government customers to utilize procurement practices that align with their interests and ours.</p>	<p>Supplier diversity</p> <p>Supply chain management</p>

STAKEHOLDER GROUP	ENGAGEMENT PROCESS	KEY TOPICS & CONCERNS
Non-governmental organizations (NGOs) & other community groups	<p>We convene interested NGOs to collaborate to help improve the health of communities and their residents. We created the Bold Goal in 2014 and initiated supporting programs in seven Bold Goal communities.</p> <p>Through the Humana Foundation, we provide financial grants to support 501(c)(3) organizations that promote healthy behaviors, health education and access to health services.</p> <p>We promote co-learning through focus groups, town hall meetings and other forums to assess and improve community impact.</p> <p>We encourage and reward associate volunteerism and associate contributions to nonprofit organizations.</p> <p>In preparing this report, we conducted research on material sustainability accounting topics and provisional disclosure standards issued by the Sustainability Accounting Standards Board for U.S. public companies in the managed care industry.</p>	<p>Member health</p> <p>Community health and well-being</p> <p>Philanthropy</p> <p>Inclusion and diversity</p> <p>Public policy impacts</p> <p>Climate change</p>
Governmental & regulatory organizations	<p>Humana goes beyond traditional advocacy to advance public policy that supports health and well-being. Humana has sought out and collaborated with non-traditional allies to form partnerships and programs that have a positive impact on people's health. Examples of those partnerships are Alliance for a Healthier Generation, National Association of Area Agencies on Aging (n4a), Campaign to End Obesity, Patient Centered Primary Care Collaborative and Accountable Care Organizations.</p>	<p>Ethics and compliance</p> <p>Member health</p> <p>Community health and well-being</p>
Healthcare professionals	<p>With Humana's commitment to our 2020 goal, we are strengthening our data-driven, consumer-focused outreach, as well as growing our healthcare provider networks and partnerships to help our members achieve their best health. These partnerships must meet and support physicians and their practices where they are on their journey from episodic, fee-based care to population health, a holistic approach encompassing the totality of patient care and focused on health outcomes.</p>	<p>Member health</p> <p>Community health and well-being</p>
Stockholders and potential stockholders	<p>We publish an Annual Report, Proxy Statement and other SEC filings.</p> <p>We conduct investor presentations and issue quarterly earnings news releases</p> <p>We include resources in the Investor Relations section of our website.</p>	<p>Economic performance</p> <p>Member health</p> <p>Community health and well-being</p>
Industry peers	<p>We conduct research on CSR efforts and disclosures of peer companies.</p>	<p>Member health</p> <p>Community health and well-being</p> <p>Public policy impacts</p> <p>Product responsibility</p> <p>Climate change</p> <p>Waste and toxins</p> <p>Emissions</p> <p>Energy use</p>
Suppliers and contractors	<p>We continue to require suppliers and contractors to comply with Humana's Code of Conduct and applicable vendor screenings.</p>	<p>Inclusion and diversity</p> <p>Supply chain management</p> <p>Supplier diversity</p> <p>Ethics and compliance</p>
News media	<p>We issue news releases on newsworthy items.</p> <p>We respond to media inquiries.</p>	<p>Ethics and compliance</p> <p>Member health</p> <p>Community health and well-being</p>

Materiality assessment

We conducted a comprehensive materiality assessment that involved our internal and external stakeholders to identify and prioritize the CSR issues that were material for this report. We consider information to be material for CSR reporting purposes if it creates significant economic, environmental, or social impacts within or outside of Humana, or if it relates to the information needs of one or more of our stakeholder groups. We take into account impacts related to all of our activities, services and relationships.

Our materiality assessment process included several steps. We started by noting the frequency with which our stakeholders raised individual CSR issues through our surveys, interviews and other engagement mechanisms. Next, we mapped the cumulative quantitative and qualitative ratings in terms of their importance (high, medium and low) to Humana and to our stakeholders. Last, we reviewed our findings and validated the results with our CSR report task force composed of Humana associates from various business units.

Based on our materiality assessment, we determined which CSR issues were material for the purposes of developing the content of this report and informing our future sustainability strategies and efforts. As compared to 2012 and 2013, which we addressed in a prior CSR report, a few of our material issues are new or revised in light of the evolving priorities of our business and those of our stakeholders. In particular, we noticed the following key developments:

- To fully support community health and well-being, we needed to expand our capabilities to deliver locally relevant, integrated healthcare solutions.
- Our top three material environmental sustainability issues are:
 - Energy management and emissions reductions in data centers and facilities
 - Healthcare waste and plastics management
 - Associates' commute

Our government customers expect us to meet additional supplier diversity requirements, many of which are very specific and differ from one customer to another.

Inquiries

We welcome your feedback or questions about our CSR report. Please send questions regarding this report to csr@humana.com.



Looking ahead

Humana stands at the center of an industry that is ever changing. In the past two years, new healthcare legislation has been implemented, lifestyles have changed, and technology has evolved — all of which affect the ways that Humana serves our members and the communities in which they live.

At Humana, we see opportunity in these changes: to make our members healthier, to make our communities healthier, to make our associates healthier and happier, and to build meaningful collaboration that will carry us into the future.

We continue to make great strides in many areas of social responsibility, including diversifying our workforce, engaging our associates and moving toward our Bold Goal.

Humana has become a leader in healthcare by focusing on listening to our stakeholders and partners and valuing what we can learn from them. We will continue to build on our collaborative efforts to move our company forward.

Global Reporting Initiative (GRI)

content index

The Global Reporting Initiative (GRI) provides the world's most widely used standards on sustainability reporting and disclosure, enabling businesses, governments, civil society and citizens to make better decisions based on information that matters. Our 2014-2015 CSR Report contains standard disclosures from GRI's G4 Sustainability Reporting Guidelines. The content index below outlines the GRI disclosures included in this report and, in some instances, provides additional data to complement the report content.

Standard disclosure	Description	Reference
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General standard disclosures

STRATEGY AND ANALYSIS

G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy for addressing sustainability	p1
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ORGANIZATIONAL PROFILE

G4-3	Name of the organization	p2
G4-4	Primary brands, products, and/or services	p2
G4-5	Location of organization's headquarters	p2
G4-6	Number of countries where the organization operates and names of countries where Humana has major operations or that are specifically relevant to the sustainability issues covered in the report	The United States is the only country in which Humana operates. No other countries are specifically relevant to the sustainability issues covered in the report.
G4-7	Nature of ownership and legal form	p3
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	p3; p9 of 8-2015 Form 8-K; p12 of 2015 Form 10-K
G4-9	Scale of the organization	p2; p33 of 2014 Form 10-K; p35 of 2015 Form 10-K
G4-10	Total workforce by employment type, employment contract, and region, broken down by gender and including any significant variations in employment numbers	p37; p44
G4-11	Percentage of total employees covered by collective bargaining agreements	Fewer than one percent
G4-12	Description of organization's supply chain	p4; p34; p36

Standard disclosure	Description	Reference
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General standard disclosures

ORGANIZATIONAL PROFILE

G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	<p>During the first quarter of 2015, Humana realigned certain of our businesses among our reportable segments to correspond with internal management reporting changes and renamed our Employer Group segment the Group segment. We reclassified Medicare benefits offered to groups to the Retail segment, bringing all of our Medicare offerings, which are now managed collectively, together in one segment, recognizing that in some instances we market directly to individuals who are part of a group Medicare account.</p> <p>We also realigned our military services business--primarily the TRICARE South Region contract that was previously included in the Other Business category--to the Group segment as we consider this contract with the government to be a group account. Additionally, the company has revised its reporting of membership with dual-eligible demonstration projects to report that membership under Medicaid rather than Medicare Advantage. Also see Exhibit 99.1 of 8-2015 Form 8-K.</p> <p>On June 1, 2015, Humana announced that we completed the sale of the stock of our wholly-owned subsidiary, Concentra Inc.</p> <p>On July 2, 2015, Humana entered into an Agreement and Plan of Merger with Aetna, Inc. and certain owned subsidiaries of Aetna, Inc.</p>
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Humana has not adopted the precautionary principle.
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	p21; p28
G4-16	Memberships of associations and national or international advocacy organizations	p21

Standard disclosure	Description	Reference
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General standard disclosures

IDENTIFIED MATERIAL ASPECTS & BOUNDARIES

G4-17	List of all entities included in the organization's consolidated financial statements or equivalent documents whether or not covered by the report	p49; Exhibit 21 of 2014 Form 10-K; Exhibit 21 of 2015 Form 10-K
G4-18	Process for defining the report content and the Aspect Boundaries, including how the organization has implemented the Reporting Principles for Defining Report Content	p49
G4-19	List of all the material Aspects identified in the process for defining report content	p5; p49
G4-20	For each material Aspect, reporting of the Aspect Boundary within the organization	p49
G4-21	For each material Aspect, reporting of the Aspect Boundary outside the organization	p49
G4-22	Effect of any restatements of information provided in previous reports and their reasons	There were no restatements of information provided in previous reports.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	None

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organization	p49
G4-25	Basis for identification and selection of stakeholders with whom to engage	p49
G4-26	Organization's approach to stakeholder engagement	p49
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	p5; p49

Standard disclosure	Description	Reference
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General standard disclosures

REPORT PROFILE

G4-28	Reporting period for information provided	p1; p49
G4-29	Date of most recent previous report	p49; 2012-2013 Corporate Social Responsibility Report
G4-30	Reporting cycle	p49
G4-31	Contact point for questions regarding the report or its content	p51
G4-32	“In accordance” option the organization has chosen and the GRI Content Index for the chosen option	p49
G4-33	Policy and current practice with regard to seeking external assurance for the report	p49

GOVERNANCE

G4-34	Governance structure of the organization and its composition, including committees responsible for decision-making on economic, environmental and social impacts	p33
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	p33

ETHICS AND INTEGRITY

G4-56	The organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	p31
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Standard disclosure	Description	Reference
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Specific Standard Disclosures: DMA and Performance Indicators

ECONOMIC

G4-DMA	Disclosures on management approach	p2; p6; p23; p29; p34; p37; p44
G4-EC1	Direct economic value generated and distributed	p2; Note: The financial data shared aligns with the way in which Humana reports our financial data.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	p29
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at key operation locations	p37; p44
G4-EC7	Development and impact of infrastructure investments and services supported	p6; p17
G4-EC9	Proportion of spending on local suppliers at signification locations of operation	p34

ENVIRONMENTAL

G4-DMA	Disclosures on Management Approach	p23
G4-EN3	Energy consumption within the organization	p25
G4-EN6	Reduction of energy consumption	p25
G4-EN8	Total water withdrawal by source	p25
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	p25
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	p25
G4-EN19	Reduction of greenhouse gas (GHG) emissions	p25
G4-EN23	Total weight of waste by type and disposal method	p25
G4-E30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations and transporting members of the workforce	p25
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	p36

Standard disclosure	Description	Reference
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Specific Standard Disclosures: DMA and Performance Indicators

LABOR PRACTICES AND DECENT WORK

G4-DMA	Disclosures on Management Approach	p36; p37; p44
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	p37; p44
G4-LA9	Average hours of training per year per employee, by gender and by employee category	p37; p44
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	p37; p44
G4-LA12	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership, and other indicators of diversity	p33; p37; p44
G4-LA13	Ratio of basic salary and remuneration of women to men, by employee category and by significant locations of operation	p37; p44
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	p36
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	A formal grievance was filed in 2014. The grievance was denied by the hearing officer, and the union did not appeal the matter to arbitration. No formal grievances were filed in 2015.

HUMAN RIGHTS

G4-DMA	Disclosures on Management Approach	p36; p37; p44
G4-HR2	Total hours of employee training, and percentage of employees trained, on human rights policies or procedures	p37; p44
G4-HR3	Total number of incidents of discrimination and corrective actions taken	During 2014 and 2015, Humana logged 128 lawsuits and EEOC charges that alleged discrimination. Over that same period, there were an additional 205 cases that were called directly into our HR Shared Solutions team.
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	p36

Standard disclosure	Description	Reference
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Specific Standard Disclosures: DMA and Performance Indicators

SOCIETY

G4-DMA	Disclosures on management approach	p6; p31; p37; p44
G4-S01	Operations with implemented local engagement, impact assessments and development programs	p6
G4-S04	Communication and training on anti-corruption policies and procedures	All of Humana's Board of Directors, associates and governance body members have received communication about and training on our anti-corruption policies and procedures. All of Humana's healthcare providers and business partners have received communication about training on our anti-corruption policies and procedures.
G4-S06	Total value of political contributions by country and recipient/beneficiary	p4
G4-S07	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	None
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2014 and 2015, Humana did not receive any significant fines for non-compliance with laws and regulations.

PRODUCT RESPONSIBILITY

G4-DMA	Disclosures on Management Approach	p31; p47
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	p47
G4-PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	p47
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	p31
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2014 and 2015, Humana did not receive any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Glossary

GENERAL

Global Reporting Initiative (GRI):

The Global Reporting Initiative, an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others

GRI reporting principles:

Guidelines developed by GRI to help organizations understand and communicate the impact of business on critical sustainability issues

Materiality assessment:

A survey of stakeholders designed to gather insights about various environmental, social and governance issues

PEOPLE

Members:

Those who are covered by one or more of Humana's insurance plans

Providers:

Those who provide healthcare, including doctors, nurses, hospitals, pharmacists and dentists

Stakeholders:

Individuals or groups with an interest in Humana's practices and business, including investors, employees, customers, suppliers and others

HUMANA TERMS

Associates:

Humana employees

Bold Goal communities:

Cities, towns or counties where Humana has launched specific, targeted efforts to improve the health of the population 20 percent by 2020; Humana's current Bold Goal communities are: San Antonio; Louisville, Ky.; Knoxville, Tenn.; New Orleans, La.; Baton Rouge, La.; Tampa, Fla., and Broward County, Fla.

Clinical Town Hall:

A large meeting of community members, health leaders and Humana experts that Humana holds at the beginning of a partnership in communities

Corporate Compliance Committee:

An internal committee at Humana that regularly reports to the CEO and Board of Directors about the company's compliance with legal and regulatory requirements

Ethics Every Day:

Humana's code of conduct provided to associates, members of the Humana Board of Directors, contingent workers, providers and business partners

Healthy Days measurement:

A measurement developed by the Centers for Disease Control and Prevention (CDC) that measures the overall health of a community based on the number of days per month that community members report feeling well; Humana is using this metric to measure our progress toward achieving the Bold Goal

Humana chronic care programs:

A variety of programs Humana offers to members who need care for complex medical situations or support for chronic conditions

HumanaVitality®:

A program that rewards those who are covered by Humana insurance for taking steps to improve their health

Humana's WOW! Working on Well-being Account!®:

A program that rewards Humana associates for taking steps to improve their health as well as community and company well-being

Humana Volunteer Network:

An internal Humana website that allows associates to find volunteer opportunities in their own communities and to track the number of hours they spend volunteering

Humana Foundation:

Humana's charitable arm, which seeks to improve community health and well-being through support of nonprofit partners that promote healthy behaviors, health education, and access to health services

Standards of Excellence:

A set of ethical, social and environmental standards that apply to all of Humana's suppliers, vendors, contractors, consultants, agents, and other providers of goods and services that do business with us

Supplier sustainability scorecard:

A tool that helps Humana and our suppliers engage on key aspects of environmental performance and determine further opportunities to collaborate for greater environmental stewardship

Workplace Solutions:

The group within Humana that oversees real estate, design and construction management, facility operations, environmental health and safety, and security

BUSINESS & ENVIRONMENTAL TERMS

Agile Work:

A policy allowing associates to work at times outside the traditional 9-5 workday or in places away from the physical office

Corporate governance:

The rules, mechanisms, processes and relationships that determine a company's direction

Environmental footprint:

The impact that an organization or person has on the environment

Supply chain sustainability:

Managing the environmental, social and economic impact of the goods and services Humana's suppliers use or provide throughout their entire life cycle

Supplier diversity:

The process of integrating diverse businesses into the corporate procurement strategy of an organization. The result is a supplier base that represents various products/services, as well as various ethnicities and/or business classifications of ownership.

Value chain:

The idea that businesses increase the value of the raw materials they purchase and then sell the value-added product to consumers

HEALTHCARE INDUSTRY TERMS**Accountable-care relationships:**

Agreements between Humana and large groups of healthcare providers, in which the providers agree to be paid based on meeting certain quality measurements and reducing the overall cost of care

Barriers to health:

Obstacles that individuals and/or their communities might face when seeking healthcare

Behavioral health:

A person's mental well-being based on their emotions, behaviors and biology; their ability to function in everyday life and their concept of self

Care coordination:

Organizing and planning a patient's care among all the people involved, including the patient, family members, doctors, nurses and others, in order to provide the best quality care

Care outcomes:

Results of medical treatment, either in the short-term or over a long period

Care team:

A group of health professionals who coordinate their various skills to provide the best care for a patient

Chronic diseases:

Long-lasting medical conditions that can be treated and kept under control but not cured, for example diabetes and heart disease

Clinical care services:

Activities performed by health professionals to support the well-being of patients' Clinical Integration/Integrated Care Delivery: Coordinating the care patients get among all of their care teams — including preventive care, inpatient hospital care, rehabilitation, home health services, and more — to make sure they get the best results

Clinical outreach:

Delivering healthcare services to patients who are not likely to access treatment on their own

Fee-for-service payment:

Payment model that reimburses doctors, hospitals and other healthcare providers for each service they perform, such as a test or office visit

Financial risk management:

Making investment decisions based on identifying and responding to uncertainty

Food deserts:

Locations without access to healthy foods due to a lack of grocery stores

Gap-in-care:

The disparity between the healthcare needed by a patient or community and the services they actually receive

Health Risk Assessment:

Questionnaire to provide individuals with an evaluation of their health risks and quality of life

Health ecosystem:

Interaction of a community's unique needs and the types of healthcare available that affects individual and community health

Medicare Advantage:

Medicare plans that are administered by private companies, such as Humana

Medication adherence:

Extent to which patients take medications as prescribed by their healthcare providers

Payment model:

How Humana and other insurers reimburse healthcare providers for their work

Personalized health:

Medical model that tailors treatments to a specific patient based on his or her unique lifestyle, medical history and genetic makeup

Pharmacy Benefit Management:

Service inside Humana that is responsible for processing and paying prescription drug claims, contracting with pharmacies and negotiating discounts and rebates with drug manufacturers

Population health:

Prevention of illness and improvement of the health among an entire community

Telemedicine:

Electronic communications, such as phone calls or online video chats, to remotely connect patients to healthcare providers

Value-based payment:

Payment model that reimburses doctors, hospitals and other healthcare providers based on overall results, such as improved patient health

Wellness coaching:

Personalized service in which individuals are paired with an expert to guide them through health improvements





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