



## Task Force on Climate-Related Financial Disclosures Index

Recommendation	Recommended Disclosure	Humana Disclosure (Updated August 2023)
Governance	(a) Describe the board's oversight of climate-related risks and opportunities.	<p>The Nominating, Governance &amp; Sustainability Committee has responsibility for Board-level oversight of the Company's ESG strategy, practices, and reporting. The Nominating, Governance &amp; Sustainability Committee receives formal ESG reports from management at least twice annually regarding the Company's ESG initiatives, metrics and progress on established goals, as well as ad hoc ESG communications as necessary. In addition, we have an internal ESG Steering Committee, overseen by our Chief Administrative Officer and Chief Legal Officer, to guide the integration of our ESG efforts with our long-term business strategy. This ESG governance structure complements the long-standing responsibility of our Board and each of our Board committees in overseeing various aspects of the Company's ESG-related risks and practices.</p> <p>Refer to Humana's <a href="#">most recent CDP Response C1.1a</a> and <a href="#">Proxy Statement (pg. 25)</a>.</p>



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Governance	(b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The CRO is the Chair of the Enterprise Risk Management Committee (ERMC), and reports to the CLO. The CRO leads the second line of defense risk management function, including Enterprise Compliance and the Enterprise Crisis Management and Business Resiliency teams. The CRO oversees the ERM framework on behalf of the Board of Directors, ensuring the framework is appropriately implemented across the three lines of defense functions. The framework considers assessment and monitoring of environmental risks that may be related to climate-related issues. Given that risks are evaluated at various operational levels includes pricing, operational, strategic, regulatory, and financial markets risks, the CRO encounters climate-related issues such as extreme weather events and environmental regulations that may contribute to those risks in the scope of the office's regular responsibilities. Humana therefore considers the CRO to inherently have the highest level of management for climate-related issues. The CRO applies the framework to risks identified by Humana's first line of defense, consisting of business areas and operational teams across Humana, and are responsible for identifying, assessing, mitigating, monitoring, and managing risk within those respective areas.</p> <p>In conjunction with the chairman of the board, CEO, and the board of directors, the Chief Compliance Officer (CCO) also provides overall leadership and governance for the corporate compliance plan. Regulatory Compliance, led by the CCO, is included within the second line of defense. The CCO is the chair of the Corporate Compliance Committee (CCC) and, among other things, has responsibility for the Company's Corporate Compliance Plan and reporting on the state of compliance matters, including any such matters that are climate-related, to the Audit Committee. The CCO reports directly to the CLO. The CLO is a member of Humana's Executive Management Team and reports directly to the CEO/President, who is also a member of the Board of Directors. The CCO also has responsibility for providing periodic updates to the Audit Committee of the Board of Directors.</p> <p>Humana therefore considers the CRO and CCO to share in the highest level of management for climate-related issues.</p> <p>Refer to Humana's <a href="#">most recent CDP Response C1.2</a>.</p>



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Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>Humana's process for identifying, assessing and responding to climate-related risks and opportunities assumes short-, medium- and long-term time horizons of zero to three years, three to five years and five to ten years respectively.</p> <p>Climate-related issues potentially arising in each time horizon that could have a material financial impact on Humana include (short-term):</p> <ul style="list-style-type: none"> <li>- <b>Acute Physical Risk:</b> Hurricanes, floods, tornados, ice storms, and wildfires are significant weather events most likely to impact Humana employees, facilities, suppliers, and our customers. These events can disrupt our business offices, data centers, and medical centers or other facilities. In particular, our Florida, Puerto Rico, and Texas operations are located in areas that often experience severe storms. Extreme weather events impact vulnerable populations, often leading to fatalities. Humana's premium pricing is sensitive to several factors that may be impacted by climate change, including severe weather (e.g., hurricanes) or public health epidemics.</li> <li>- <b>Resilience:</b> Humana strives to engage vendors that can support our progress toward achieving sustainability goals while saving on operational costs. For example, our current facilities management vendor has specific sustainability requirements, such as attainment of a 3.2% decrease in greenhouse gas emissions in 2022 per agreed upon baseline emissions and an overall waste diversion of 67.5% based on mutually agreed upon baseline for 2022, formalized in our contract for services. This was an important consideration when selecting the vendor.</li> </ul> <p>When identifying or assessing climate-related risks, substantive impact is often dependent on the business area affected. Crisis management processes use a 3-tier structure to evaluate thresholds (of criticality). The thresholds utilize specific criteria based on the risk's impact to members, reputation, employees, compliance, facilities, financials, and technology to differentiate between levels of criticality, ranging from an Incident, Significant Event and Crisis Event. The CLO will inform the Board once a Significant Event and/or Crisis Event is declared. An incident is considered a day-to-day occurrence, while a significant event is defined as a non-enterprise, regional event impacting access to care, employees or facilities, while a crisis event is considered a corporate level event impacting brand, members and/or employees.</p> <p>Humana's materiality assessments also inform the definition of substantive strategic impact to our business. Core issues that achieve the highest ranking against indicators evaluating environmental and social impacts as well as civil society &amp; NGO priorities pose the most shareholder, customer, and internal employee concern, and are therefore considered to be substantive in nature. In 2022, we completed a third-party facilitated ESG Material Topic assessment, for which the last materiality assessment was conducted in 2018 and each year between we revisited the results of that assessment with an internal, cross-functional team. The assessment helped us identify and prioritize the issues that matter most to our business and stakeholders, the results of which are published in our 2022 Impact Report. We understand that our employees and members and the community at large consider many topics important. We invest our resources where it makes sense for our business to do so to yield the greatest impacts.</p> <p>The quantifiable indicators used to define substantive financial impact are based on the severity to which our financials, employees, customers, technology, reputation, and ability to meet compliance standards are impacted. We utilize a substantive financial impact indicator \$100 million of P&amp;L impact to identify "Crisis" level events, which pose the most risk.</p> <p>Refer to Humana's <a href="#">most recent CDP Responses C2.1a, C2.1b, C2.3a, and C2.4a</a>.</p>



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Strategy	(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>As a health care company, the communities Humana serves may be directly and indirectly affected by climate-related issues. Natural disasters and crisis events can take a serious toll on health and well-being as people cope with the stress of rebuilding lives and communities. Our employees, customers and communities have dealt with wildfires, ice storms, floods, hurricanes, a global health pandemic and building closures. During each event, Humana offered early prescription refills, suspended prior authorization requirements, and provided community-wide access to a crisis intervention hotline and counselling services. Some of our employees received assistance from Humana's Helping Hands program, which provides financial support to qualified employees who face unexpected hardship from a tragic, isolated event. As our climate shifts and our customers' needs shift in response, we are taking proactive measures to ensure their care is not interrupted. The time horizon of this influence is in the short-term.</p> <p>Climate-related risks and opportunities have influenced our value chain, with regard to identifying and engaging vendors, who can support our progress toward achieving sustainability goals and reducing costs. We recognize that our procurement practices have upstream and downstream impacts on GHG emissions, embodied carbon, energy consumption, air and water pollution, and waste generation. During supplier business reviews, we expect suppliers to share their use of sustainable products, influence our procurement decisions and translate to Humana employees the option of choosing sustainable alternatives when making purchases. The time horizon of this influence is in the short-term Physical climate-related risks and opportunities as described in 2.3a/2.4a have influenced our operations strategy, particularly with regard to implementing projects that support our progress toward achieving sustainability goals while saving on operational costs. Our Enterprise Associate and Business Solutions team works closely with vendors to identify projects, submit budget requests, and oversee progress toward our goals in the course of maintaining our facilities. The time horizon of this influence is in the short-term for annual efficiency measures, however, also affect our capital investments in the longer-term.</p> <p>Humana's financial planning has been affected by climate-related risks and opportunities across many financial elements. The Enterprise Associate and Business Solutions team is working to drive operational efficiency across our portfolio at our offices, data centers and clinical locations through capital improvement projects. In doing so, we are reducing operational expenses and improving overall profitability. This is often accomplished through advocating and seeking access to capital through our annual budget, for which expenditures are allocated to raise funds for new, more efficient equipment, or repairs to existing infrastructure and equipment. As we consider impacts of emerging regulations and investing in more efficient technology, there is a possibility for assets to become stranded, including less efficient fleet vehicles or equipment. The time horizon of the influence on operating cost and capital allocation planning for energy projects is in the short-term.</p> <p>Refer to Humana's <a href="#">most recent CDP Responses C3.3 and C3.4</a>.</p>



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Strategy	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-related scenario analysis to inform Humana's business strategy has not yet been utilized. We support the TCFD recommendations and map our ESG disclosures to the TCFD framework. As part of this effort, we anticipate conducting a more thorough and intentional effort to identify and prioritize climate-related risks and opportunities across our portfolio as well as leveraging qualitative and quantitative transition and physical climate scenarios to consider how different possible climate futures and embedded assumptions may impact our long-term business strategy. Refer to Humana's <a href="#">most recent CDP Response C3.2</a> .
Risk Management	(a) Describe the organization's processes for identifying and assessing climate-related risks.	With regard to physical risks, Enterprise Crisis Management and Business Continuity teams as well as Humana's Safety and Security group, which oversees the Environmental Health and Safety group, continuously evaluate the potential impact of acute physical risks, such as extreme weather events. The Safety & Security Fusion Center provides 24x7 event monitoring to provide a safe and secure workplace for our employees. The Safety & Security Fusion Center also partners and shares real-time information with the Enterprise Critical Incident Response Team, Human Resources, Enterprise Associate and Business Solutions, Information Technology, Corporate Communications and other business services to ensure information is available to respond to emergency events across the enterprise. Humana's tools including Everbridge's Visual Command Center provide access to real-time weather data to track potential events and is critical to our preparations in advance of hurricane season. Humana received a Gold 'Best in Resilience' Certification from Everbridge. This certification evaluated our emergency response and crisis management capabilities and made suggestions as to how we can receive 'diamond' status in the future. Since the evaluation, we have made improvements to better reach folks in times of emergency, to include additional points of contact in our emergency notification system. Our teams coordinate on identifying and assessing the risk to specific facilities, network dependencies, and our customers/employees. As risk owners, these teams also manage for the risk by developing emergency plans, training employees for quick response, strengthening our technologies, and reporting to higher-level management as appropriate. Should an event become "significant" where specific financial thresholds are met and/or access to care and critical operations are compromised, these teams also inform the Board of Directors with periodic updates through the duration and develop executive summaries with lessons learned, action items, and opportunities to mitigate. Humana's Enterprise Associate and Business Solutions team has responsibility for assessing risk and opportunities related to transition risks that may impact how we operate our facilities. Once the team has flagged an issue and assessed its severity level based on the impact to members, reputation, employees, compliance, facilities, finances or technology, then they would escalate the issue accordingly. The risk owner would then assess the options to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities. In concert with Humana's sustainability leaders, a team of Humana individuals – alongside facility management vendors and consultancy partners – work to collectively identify and implement strategies to ensure compliance with regulation. As appropriate, the team will report to upper-level management on necessary improvements, particularly those requiring capital, as well as progress toward compliance. Refer to Humana's <a href="#">most recent CDP Response C2.2</a> .



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Risk Management	(b) Describe the organization's processes for managing climate-related risks.	Enterprise Crisis Management and Business Continuity teams as well as Humana's Safety and Security group continue managing for physical events in a continuous feedback loop by training employees, developing programs such as our emergency response notification system and employee outreach tools, and undertaking collaborative business impact analyses to plan for future events with business leaders within Humana. Such processes were utilized in several recent instances of an extreme weather event, including significant flooding that resulted from a storm system that passed through eastern Kentucky and southwestern Virginia on July 27, 2022. The flooding resulted in home loss and multiple high-water rescues in 15 counties in eastern Kentucky and Virginia collectively. A total of 20 associates were identified as being within impacted areas of the flooding—The Fusion Center conducted outreach to these individuals through the Humana Notification System and they were confirmed safe then provided resources such as HR's information, the Employee Assistance Program, and Helping Hands applications. Additionally, with Humana's large Medicare presence in the area, the KY Medicare team conducted emergency response procedures and coordinated member outreach with the Enterprise Operations Enablement team. Humana's Enterprise Associate and Business Solutions team has responsibility for assessing risk and opportunities related to transition risks that may impact how we operate our facilities. Once the team has flagged an issue and assessed its severity level based on the impact to members, reputation, employees, compliance, facilities, finances or technology, then they would escalate the issue accordingly. The risk owner would then assess the options to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities. In concert with Humana's sustainability leaders, a team of Humana individuals—alongside facility management vendors and consultancy partners—work to collectively identify and implement strategies to ensure compliance with regulation. As appropriate, the team will report to upper-level management on necessary improvements, particularly those requiring capital, as well as progress toward compliance. Refer to Humana's <a href="#">most recent CDP Response C2.2</a> .
Risk Management	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Humana's Enterprise Risk Management (ERM) governance structure includes a three lines of defense model to delegate responsibility for critical risk management processes across the business functions and operational areas, as well as risk management, compliance, and audit teams. Humana's first line of defense consists of business areas and operational teams across the Company, and is responsible for identifying, assessing, mitigating, monitoring, and managing risk and opportunities within their respective areas. The process for managing risks versus opportunities is similar in that the same business owners evaluate potential impacts to their specific areas within Humana, whether it be reducing impacts of physical risks, such as extreme weather-related events (Business Continuity team) or addressing transition risks, such as capitalizing on energy rebates for efficiency projects (Enterprise Associate and Business Solutions team). Subsequently, the risk owners that support identification and assessment of both risks and opportunities are inherently responsible for managing them as well and are empowered to pursue strategic solutions toward mitigating/capitalizing by making budget requests and elevating decisions to higher-level management as appropriate. Refer to Humana's <a href="#">most recent CDP Response C2.2</a> .



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Metrics and Targets	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Humana uses a variety of environmental metrics to assess climate-related risks and opportunities, including risks associated with water, energy and waste management.</p> <ul style="list-style-type: none"> <li>• Energy metrics, calculated in MWh, include total fuel consumed from renewable and non-renewable resources, total electricity consumption and total energy consumption.</li> <li>• GHG emission metrics, calculated in metric tons CO<sub>2</sub>e, include Scope 1 emissions, Scope 2 emissions and Scope 3 emissions from employee commuting and business travel.</li> <li>• Waste metrics, calculated in metric tons, include total waste landfilled, recycled, reused and composted, as well as total hazardous waste.</li> <li>• Total withdrawal of water across our organization is calculated in cubic meters.</li> </ul> <p>Refer to Humana's <a href="#">most recent CDP Responses</a>.</p>
Metrics and Targets	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1 GHG emissions: 47,447 metric tons CO<sub>2</sub>e  Scope 2 (location-based) GHG emissions: 70,404 metric tons CO<sub>2</sub>e  Scope 2 (market-based) GHG emissions: 75,266 metric tons CO<sub>2</sub>e  Scope 3 GHG emissions: 3,362,785 metric tons CO<sub>2</sub>e  Also, refer to Humana's Environmental Year-over-year Data Inventory on page 119 of this report.</p>
Metrics and Targets	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Reduce absolute Scope 1 and 2 emissions by 54.5% by 2032 against a 2019 base year.  Reduce absolute Scope 3 emissions by 30% by 2032 against a 2021 base year.</p> <p>Refer to Humana's <a href="#">most recent CDP Response C4.1</a>.</p>