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2014 Aetna Environmental Report

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Our values include putting people at the center of everything we do. We are here to serve you, and we are committed to helping people stay healthy.

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HEADQUARTERS:

151 Farmington Avenue
Hartford, CT 06156

CHAIRMAN, CEO AND PRESIDENT:

Mark T. Bertolini

Direct and indirect effects of company operations

As a leading health care benefits provider, Aetna has a direct effect on its customers' health and wellness. We serve an estimated 44 million people with information and resources to help them make better informed decisions about their health care. Aetna offers a broad range of traditional, voluntary and consumer-directed health insurance products and related services.

We also are a company with a long-standing and distinguished commitment to social responsibility that starts with our clear, member-focused set of values and culminates in responsible business policies and practices. This commitment is at work daily in our long tradition of philanthropy and community involvement, our focus on diversity and inclusion, our leadership in public policy, our strong record of corporate governance and our responsible environmental practices.

The nature of our office-based business results in indirect environmental effects from facility operations. Maintaining employee workspaces and data centers are key to the success of our core business. However, operating multiple facilities across many states does not come without some environmental impacts. Therefore, we are committed to transparent annual reporting of our environmental outputs. Tracking these outputs helps quantify the impact on the communities where we operate.

Everything we do at Aetna starts with our values — a clear, strongly held set of core beliefs that reflect who we are and what you can expect from us. We created our core values together, as one company with more than 30,000 individual voices, and with guidance from our customers. Our values carry through our thoughts and actions every day, inspire innovation in our products and services and drive our commitment to excellence in all we do.

— Chairman, CEO and President Mark Bertolini

Aetna acquired Coventry Health Systems, consisting of 75 owned and leased sites, in mid-2013. The data in this report is not reflective of these properties, as we are still incorporating them into our efforts.

Portfolio summary

We currently maintain operations at 114 facilities across the United States. Sustainability strategies and green initiatives are a major priority at the four Aetna-owned properties in Connecticut and Pennsylvania and all 110 leased properties. We monitor and report on the greatest environmental impacts at owned locations.

Newmark Grubb Knight Frank Global Commercial Real Estate (Newmark Grubb Knight Frank) serves as the property management company for all Aetna facilities. Newmark Grubb Knight Frank is working with us to implement sustainable practices and improve the entire portfolio's environmental performance. At the leased property locations, Aetna and Newmark Grubb Knight Frank have developed a Real Estate Services Leased Portfolio Sustainability Philosophy to address factors influencing environmental sustainability performance at all Aetna-leased properties.

About this report

Aetna is determined to enhance the social and environmental well-being of the communities we serve. As a result, we have specific green building initiatives to offset potential environmental impacts by minimizing waste, reducing emissions, lowering water consumption, optimizing energy performance and improving the office environment. These steps help ensure the health and safety of our employees and the communities in which we operate. These initiatives earmark Aetna as engaged in the global effort to reduce greenhouse gas (GHG) emissions and mitigate climate change.

This report captures our current environmental sustainability initiatives across our existing portfolio of facilities and presents environmental performance metrics achieved to date. These include reductions in carbon dioxide (CO_2) emissions through telecommuting and the use of renewable energy sources, energy reductions through building commissioning (ensuring optimal performance and operation), and waste reduction through recycling and managing supplier relationships.

In addition, this report presents the Real Estate Services Leased Portfolio Sustainability Philosophy to applicable performance reporting categories. This philosophy reflects environmental sustainability practices that we promote for office space and has been developed as a guide to lease negotiations with property and building managers.

AETNA'S SUSTAINABILITY STATEMENT

As a health care company, we believe nothing is more important than helping people stay healthy. Aetna's business strategy includes promoting sustainable practices nationally and internationally in furtherance of the health of our members, employees and communities in which we operate.

We are committed to limiting our own environmental impact by reducing our energy consumption, conserving environmental resources and adopting a sustainable approach to the management and maintenance of all real estate and business processes wherever possible. We also are committed to addressing the waste that accounts for one-third of all health care costs and threatens the long-term sustainability of our health care system. To that end, we will continue to work with health care professionals to further the development and availability of quality-focused, accountable care.

Using a collaborative, multi-faceted approach, we are helping to develop a healthier population with a broader sense of responsibility toward the use of health care resources and with a shared sense of commitment to nurturing a healthy environment.

Current environmental performance

Land usage

Site and building exteriors

- Encourage lowest environmental impact practices and preserve ecological integrity through management of planting, pest control, landscape waste, irrigation, fertilizer use, snow removal, building cleaning, and paint and sealants use

Transportation

- Reduce pollution through alternate public transportation
- Reduce pollution through bicycle use and changing rooms
- Reduce pollution through alternate fuel vehicles, carpooling and telecommuting

Storm water management

- Maintain a storm water management plan
- Mitigate runoff from site to surface streams, drains and sewers

Water efficiency

Building fixture efficiency

Identify high-water-consuming fixtures and recommend alternative replacements (that is, water closets, urinals, showerheads, faucets)

Discharge water

Recommend practices that protect natural habitat, waterways and supply water from pollutants carried by building discharge water

Irrigation water

Understand, identify and recommend landscaping practices that limit or eliminate the use of potable water for irrigation

Energy and environment

Building commissioning

- Monitor and ensure building systems are installed, calibrated and operating as intended
- Regularly inspect/test systems and equipment and repair/upgrade those that are found to be out of specifications

Ozone protection

- Refrigerant management program in place for all handling and transportation
- Zero use of chlorofluorocarbon (CFC)-based refrigerants

Optimize energy performance

- Monitor and make adjustments/upgrades to systems equipment to optimize energy usage
- Achieve energy performance levels above the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) base standards

Renewable energy

- Evaluate renewable energy opportunities (on- and off-site)
- Use renewable energy sources, where feasible

Materials and goods

Source reduction and waste management

- Have a waste management policy and plan — understand and identify opportunities to reduce source and waste stream materials
- Storage and collection of recyclables
- Toxic material source reduction (for example, mercury, PCBs)
- Monitor occupant recycling

Project waste management

- Develop a project waste management policy and management plan
- Redirect recyclable recovered resources to be reused away from landfills

Optimize use of alternate materials

- Reduce environmental impacts of materials acquired for use in buildings

Optimize use of indoor air quality (IAQ) materials

- Reduce the IAQ impacts of materials acquired for use in buildings
- Reduce the IAQ impacts of cleaning products, disposable paper and trash bags

People comfort

Air quality

- Monitoring and introduction of outside air delivery
- Increased ventilation
- Indoor chemical and pollutant control (reduced particulates in air system and pollutant source control of copy/print/fax rooms)

Hazardous materials removal/encapsulation

- Have hazmat management plan (that is, asbestos, PCBs)
- Hazardous material source elimination

Environment comfort

- Monitor and response plan to thermal comfort issues
- Provide controllable lighting
- Provide controllable temperature and ventilation

Transportation

THE GOAL:

Reduce pollution through:

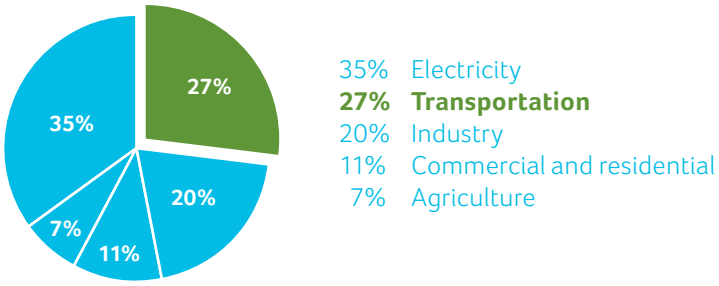
- Alternative public transportation
- Alternative fuel vehicles, carpooling and telecommuting
- Encouraging bicycle use and providing changing rooms

In 2010, transportation accounted for approximately 27 percent of the total GHG emissions in the U.S.[1] This is the equivalent of 1,838.6 million metric tons of CO_2 emissions. GHG emissions in the transportation sector are second only to the electricity sector.

The U.S. Environmental Protection Agency (EPA)'s key reduction opportunities identified alternative fuels, improved fuel efficiency, improved operating practices and reduced travel demand.[1]

The largest slice of the emissions pie for which Aetna's employees are directly responsible are GHGs from commuter transportation. We recognize this as an opportunity to reduce carbon emissions and encourage, through our telework program, employees to telecommute.

Figure 1: GHG emissions by sector, 2010

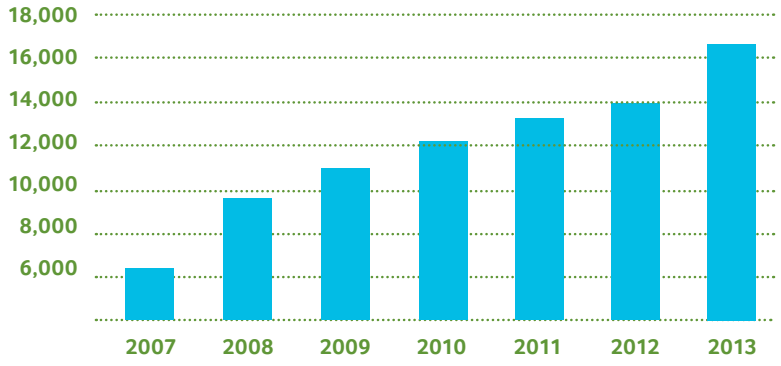


Current performance

In 2013, more than 17,000 Aetna employees participated in the telework program. The program offers many employees the opportunity to work from home via remote desktop access, avoiding approximately 111 million miles of driving. That same year, the program saved over 4.6 million gallons of gasoline and reduced carbon dioxide emissions by more than 40,531 metric tons.

Since its initial roll out in 2008, the telework program has grown steadily with more employees participating each year. Figure 2 below shows the growth in participation as benchmarked against the 2007 baseline.

Figure 2: Telecommuters, 2007 – 2013



We encourage the use of alternate fuel vehicles through access to electric vehicle charging stations at two corporate campus locations. In Hartford, CT, we installed three plug-in electric power (PEP) stations for use by employees, and a fourth PEP station services a security vehicle. At the Blue Bell, PA, campus, there are two PEP stations.

To date the program has saved a total of:

575,874,485 *commuter miles*

23,996,127 *gallons gasoline*

211,190 *metric tons CO_2*

[1] U.S. EPA. Inventory of U.S. greenhouse gas emissions and sinks: 1990 – 2010. Available at: www.epa.gov/climatechange/Downloads/ghgemissions/US-GHG-Inventory-2012-Main-Text.pdf.

Building fixture efficiency

THE GOAL:

Conserve water by:

- Identifying high-water-consuming fixtures and installing low-water-consuming replacements

Potable water is essential to a healthy life. However, less than 1 percent of Earth's finite resource is available for human use.[2] This makes water protection and conservation of utmost importance to ensure access to clean water for all people.

Water delivery and heating requires large amounts of energy. For example, letting a faucet run for five minutes uses the same amount of energy as leaving a 60-watt light bulb on for 14 hours.[3] Strategies for reducing water and energy use include installing low-flow water closets, showerheads, urinals and faucets with sensors.

Building fixtures include landscape watering system fixtures around the outside of the building. Aetna focuses water efficiency practices on both internal and external building fixtures to reduce overall water consumption in both owned and leased properties.

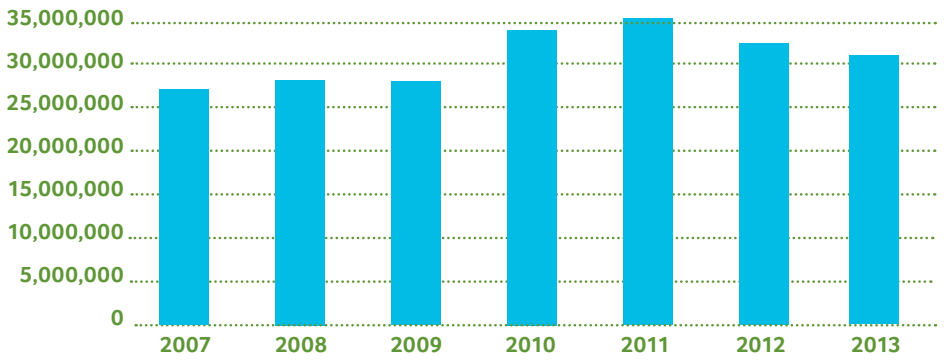
Current performance

In 2006, we launched a multi-year construction project to upgrade the water fixtures at the Hartford campus. Since program initiation, the Hartford campus has reduced overall water consumption from 10,420 gallons per employee per year to 5,370 gallons per employee per year, a reduction of 48 percent.

Figure 3 shows the negative trend in water usage at the Hartford campus, per employee per year between 2007 and 2013.

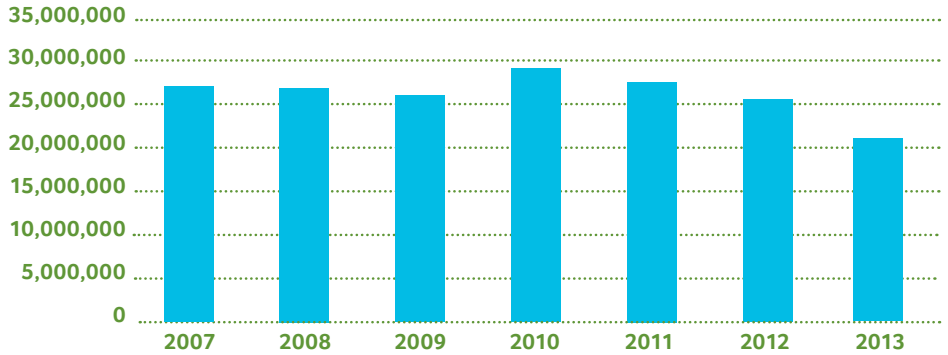
We have evaluated the food-service areas of the Hartford campus for additional water efficiency improvements, equipping the Hartford cafeteria and kitchen facilities with new, higher-efficiency equipment.

Figure 3: Hartford campus water consumption, 2007 – 2013



A similar trend exists across our other owned portfolio of properties, which include the campuses at Middletown, CT; Blue Bell, PA; and Windsor, CT, as shown in Figure 4.

Figure 4: Other owned portfolio water consumption, 2007 – 2013



[2]U.S. EPA. WaterSense: About us. Available at: www.epa.gov/watersense/about_us/index.html.

[3]U.S. EPA. WaterSense: Our water: Why water efficiency. Available at: www.epa.gov/watersense/our_water/why_water_efficiency.html.

Building commissioning

THE GOAL:

Maintain commissioning and building performance by:

- Monitoring to ensure building systems are installed, calibrated and operating as intended
- Regularly inspecting and testing systems and equipment, and repairing and upgrading those that are found to be out of specifications

Building commissioning is important to ensure all building systems are operating at peak performance based on the needs and operations of the facility. If systems or materials fail to perform at their peak levels, serious health and wellness issues may arise. System failure requires more intensive use of water and/or energy resources. Retro-commissioning is applied to existing buildings to restore them to optimal performance. Installation checks, operational checks conducted by a trained maintenance professional, updating operations and maintenance manuals, updating training materials, ongoing monitoring of the system and system upgrades are all strategies to maintain building commissioning. Aetna is committed to ensuring that the properties operate at peak performance.

Current performance

We recently launched a significant renovation of our home office facilities in Hartford, CT. Building upgrades included the installation of plate and frame heat exchangers, and the operation of an airside economizer to allow for free cooling of the buildings in the winter months. The free cooling utilizes the cooling towers to make chilled water and is used in the voice/data rooms and other small rooms that house IT equipment. All air-handling systems at the Hartford campus utilize outside air (economizer) to cool the entire complex during normal business hours. Both data centers utilize free cooling to cool each entire data center full load.

In 2013, Aetna's home office in Hartford, CT initiated a retro-commissioning for existing buildings to ensure that all systems continue to operate at peak performance and are upgraded as facility needs change. The investigation phase spanned nine months during which observations and research were conducted to develop an implementation plan. The implementation phase was scheduled to launch in February 2014 and is set to be completed by mid-year 2015.

Commissioning and building performance is monitored using a preventive maintenance program. Ongoing commissioning will help ensure that all systems continue to operate at peak performance and are upgraded as facility needs change. We will continue to retro-commission the owned portfolio of buildings.

Optimize energy performance

THE GOAL:

Optimize energy usage by:

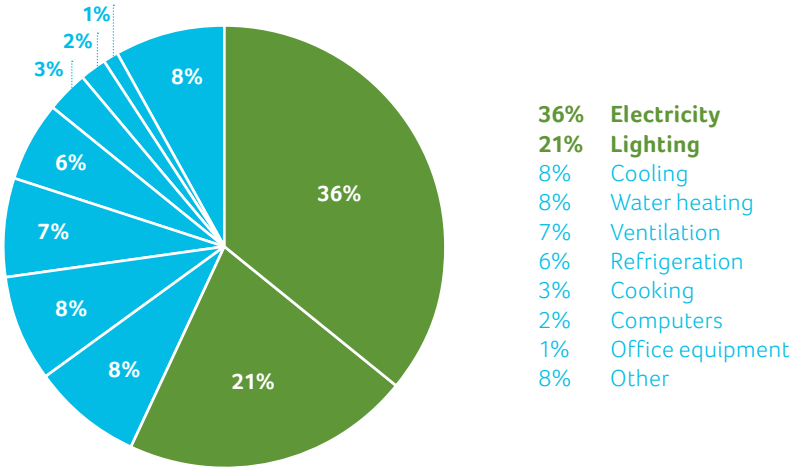
- Monitoring and making adjustments and upgrades to systems equipment
- Achieving energy performance levels above ASHRAE base standards

Proper lighting in an office building; maintaining comfortable room temperatures; and powering computers, copiers and the other appliances are necessary processes of daily building functioning. However, providing these modern-day necessities requires a lot of energy.

In 2011, the commercial sector accounted for 18 percent of the total U.S. energy consumption. While each building has different energy needs, when analyzed as a whole, heating and lighting use over half of the energy in commercial buildings.[4] Heating and lighting systems are ideal target areas to achieve energy reduction.

We understand our responsibility to reduce the local and regional electrical load. By optimizing energy performance, Aetna has reduced and will continue to reduce energy need, benefitting local communities and the environment.

Figure 5: U.S. total energy consumption, 2011

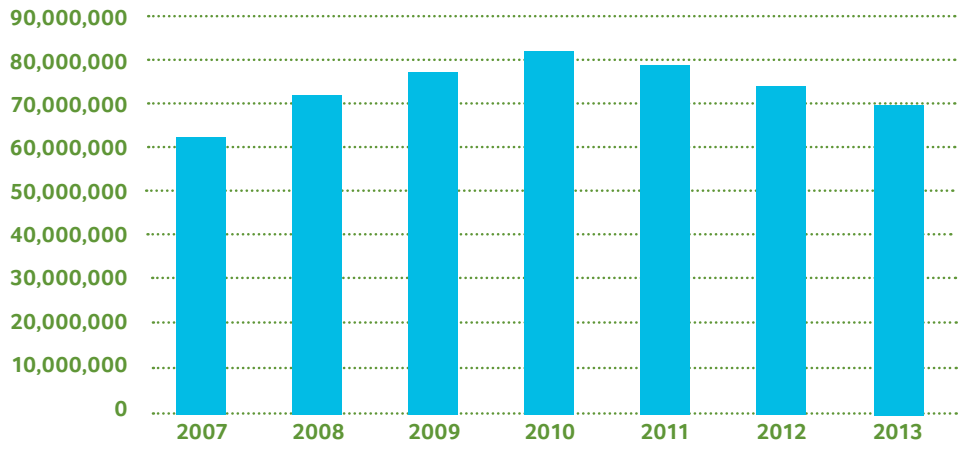


Current performance

The Hartford and Blue Bell campuses have already retrofitted the lighting fixtures from T-12 to T-8 bulbs and new ballasts that have a lower wattage and thereby reduce energy consumption. We have reduced energy consumption across our entire owned portfolio of facilities through various energy-saving techniques, including replacement of old wooden windows with energy efficient windows and the installation of Energy Star devices and automatic shut-off switches. These initiatives have saved over 11.4 million kilowatt hours (kWh) across the enterprise from 2010 consumption levels, a 14.01 percent energy reduction over three years.

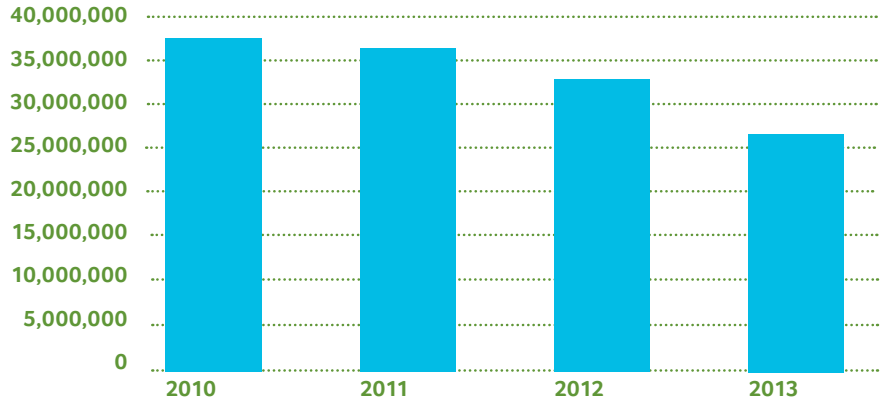
[4] U.S. Energy Information Administration. Consumption & efficiency: Overview of commercial buildings, 2003. Available at: www.eia.gov/consumption/commercial/data/archive/cbecs/cbecs2003/overview1.html.

Figure 6: Owned portfolio grid electricity usage, 2007 – 2013



A similar reduction was seen across 58 of the Aetna-leased properties that are managed by Newmark Grubb Knight Frank. Since the 2010 baseline, Aetna has saved over 11.5 million kwh of electricity, a 30.22 percent energy reduction over three years. Figure 7 represents the grid electricity consumed by these properties from 2010 through 2013.

Figure 7: Leased portfolio grid electricity usage, 2010 – 2013



Combined, our owned portfolio and the 110 leased properties reduced electricity consumption by 22,952,925 kWh between 2010 and 2013. This reduction is equivalent to a savings of 15,827 metric tons of CO_2 emissions.

22,952,925
kWh
electricity

15,827
metric tons
CO_2

We have established a multi-faceted Green Data Center Program that enables our data centers to operate 20 percent more efficiently. From 2010 to 2013, energy consumption decreased by over 6.3 million kWh. These reductions occurred while business requests for data storage and systems capacity increased significantly.

We have earned Leadership in Energy and Environmental Design (LEED) certifications at various owned-property locations. Currently, we have 12 LEED-certified buildings across both our owned- and leased-property portfolios.

In 2009, we renovated space in the Rogers Building in Hartford, CT, to create an Aetna Customer Center that meets strict LEED Silver certification standards. Early in 2012, we also earned LEED Silver certification for the entire Atrium building on the Hartford campus. Additionally, we lease 10 LEED-certified facilities across the U.S., including 4 in California.

All Aetna-owned facilities including the Hartford campus, the two data centers and the three Blue Bell facilities are utilizing the U.S. EPA's Energy Star Portfolio Manager Program, allowing us to monitor the buildings' ongoing energy consumption. Aetna has also leased 26 Energy Star labeled facilities across the U.S.

Renewable energy

THE GOALS:

- Evaluate renewable energy opportunities on- and off-site
- Use renewable energy sources where feasible

1,225,276
kWh
electricity

844
metric tons
CO_2

Renewable energy comprises 13 percent of the U.S. energy portfolio.[5] Federal and state governments have enacted a number of policies aimed at increasing the percentage of renewable energies in use, including a variety of tax credits that serve as incentives for using renewable energy. Additionally, many states have enacted renewable portfolio standards (RPSs), which require electricity providers to acquire or generate a certain percentage of the power supply they offer by a certain year. Currently, an RPS typically has an implementation deadline of 2020.

Aetna recognizes the importance of decreasing our reliance on fossil fuels in order to reduce the total U.S. GHG emissions. We understand that GHG emissions decrease air quality in the communities where our customers live. As a health care leader committed to empowering good health, we are adopting goals to decrease our impact on neighboring environments.

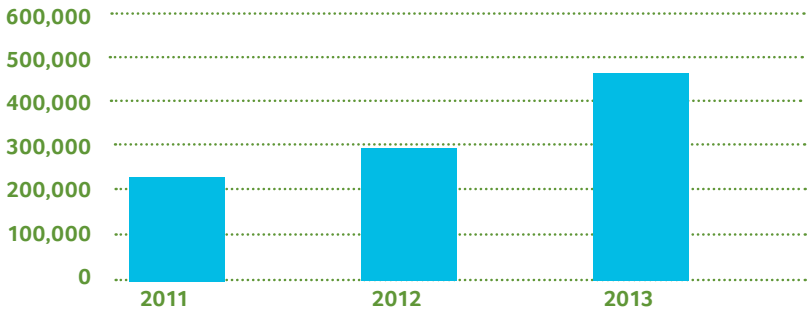
Current performance

In 2010, Aetna's 240 south-facing solar panels and 735 rooftop solar panels went online, supplying renewable energy to the Atrium building in Hartford, CT. Since that time, this system has produced approximately 250,000 kWh of renewable energy per year.

In 2013, Aetna installed a 975-panel solar array at the Windsor, CT, office. The array went online in April and has since produced 204,897 kWh. The 975 panels have a maximum capacity of 268,000 kWh per year.

Figure 8 shows the total amount of electricity produced in kWh from the photovoltaic (PV) array at the Hartford campus.

Figure 8: Hartford PV array electricity production



Combined, the PV arrays have provided 1,225,276 kWh of electricity from a clean, renewable energy source: the sun. This is equivalent to 844 metric tons of CO_2 emissions savings.

[5]U.S. Energy Information Agency. Energy in brief: How much U.S. electricity is generated from renewable energy? Available at: www.eia.gov/energy_in_brief/renewable_electricity.cfm.

Source reduction and waste management

THE GOALS:

- Understand and identify opportunities to reduce source and waste stream materials
- Storage and collection of recyclables
- Toxic material source reduction

Waste reduction is a global issue and a growing concern. In 1960, Americans generated 2.7 pounds of municipal solid waste (MSW) per day. By 2010, Americans' daily MSW generation increased by more than 60 percent, to 4.4 pounds per day. This accounted for producing 250 million tons of MSW in the U.S.[6] Some studies estimate that global MSW generation could double by 2025 to approximately 2.2 billion tons per year.[7]

We recognize that, as an industry leader, we must play a role in generating less waste, including MSW, as well as hazardous and electronic waste. We are committed to the proper handling and management of these materials to protect the public's health.

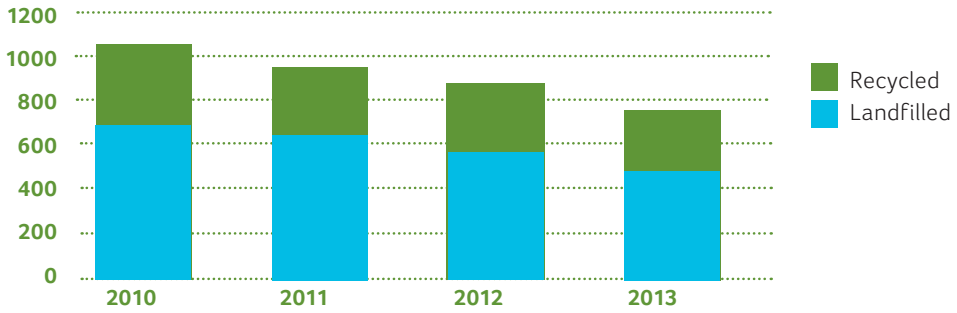
We believe that the most effective approach is to avoid creating waste to begin with. By communicating and collaborating with our suppliers, we ensure a thorough consideration of the choice, design and production of the products used, helping to reduce the amount of waste generated.

Current performance

We have focused on reducing the total volume of waste generated while diverting the waste we do generate from the landfill. Across the Aetna-owned portfolio, we have implemented initiatives to recycle paper, cardboard, glass and plastic bottles. We have recycled fluorescent bulbs since 1994.

Figure 9 shows the annual tonnages of each stream collected from the Hartford campus from 2010 through 2013. Across this period, the average annual percentage of waste diverted from landfills is 33.75 percent.

Figure 9: Hartford waste stream tonnages, 2010 – 2013

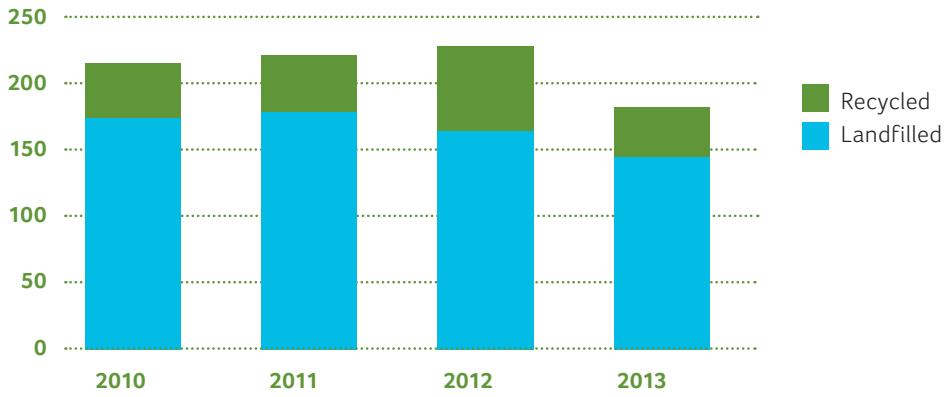


[6] U.S. EPA. Municipal solid waste generation, recycling, and disposal in the United States: Facts and figures for 2010. Available at: www.epa.gov/osw/nonhaz/municipal/pubs/msw_2010_rev_factsheet.pdf.

[7] Urban Development Knowledge Series What a Waste. A Global Review of Solid Waste. Hoornweg & Bhada-Tata, 2012.

In 2011, the Blue Bell campus began a composting program for collection and disposal of organic waste produced in the cafeteria kitchens. Figure 10 shows the annual tonnages of each stream collected from the Blue Bell campus from 2010 to 2013.

Figure 10: Blue Bell waste stream tonnages, 2010 – 2013



Since 2010 the Hartford and Blue Bell campuses have recycled 1,426 tons of material. This is equivalent to a savings of 4,020 metric tons of CO_2 emissions.

Aetna also participates in a program to recycle confidential shredded paper across all sites. In 2013, this material totaled 1,143 tons.

1,426
tons recycled material

4,020
metric tons CO_2

Project waste management

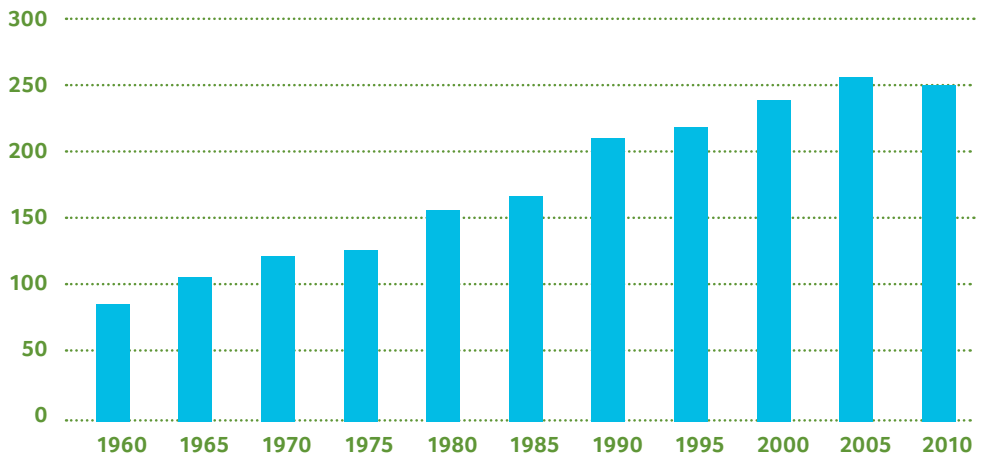
THE GOALS:

- Identify waste reduction opportunities
- Develop a project waste management policy and management plan
- Redirect recyclable recovered resources to be reused away from landfills

In 2010, commercial and institutional facilities were responsible for 35 to 45 percent of the total MSW produced in the U.S. Of the U.S. total of 250 million tons of MSW, approximately 135 million tons (54.2 percent) were landfilled, 65 million tons (26.1 percent) were recycled, 20 million tons (8 percent) were composted and 29 million tons (11.7 percent) were combusted for energy recovery. Recycling or composting 85 million tons of MSW resulted in the reduction of 186 million metric tons of carbon dioxide equivalent emissions. This emissions reduction is equivalent to removing 36 million passenger vehicles from the road.[6]

Aetna strives to divert as much material from landfills as possible because recycling has extensive environmental and economic benefits. By diverting as many used goods from the waste stream as possible, Aetna promotes the use of recycled material instead of virgin resources. Recycling also reduces the amount of air and water pollutants used in the extraction and production of products from virgin materials, and it conserves scarce natural resources.

Figure 11: MSW generated in the U.S., 1960 – 2010



Current performance

In 2010, Aetna introduced key suppliers to the Supplier Relationship Management Program. The Supplier Relationship Management Program provides an online sustainability assessment that measures a supplier's engagement and proficiency level in a broad range of business practices that contribute to long-term viability and environmental sustainability. We work with key suppliers to maintain an ongoing dialogue about sustainability issues and performance measurement across a broad range of sustainability categories.

[6]U.S. EPA. Municipal solid waste generation, recycling, and disposal in the United States: Facts and figures for 2010. Available at: www.epa.gov/osw/nonhaz/municipal/pubs/msw_2010_rev_factsheet.pdf.

Aetna's sustainability achievements at a glance

Land usage

242,419 barrels crude oil saved

40,531 metric tons CO_2 saved

Water efficiency

7,446,432 gallons of H_2O saved

Energy and environment

12 LEED buildings

26 Energy Star buildings

464,918 kWh electricity generated

6,342 metric tons CO_2 saved

Materials and goods

1,275 tons recycled paper, old corrugated containers (OCC), plastic, glass and metal

28,472 trees saved

For more information, visit
www.aetnagogreen.com.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company and its affiliates (Aetna).

Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to **www.aetna.com**.

www.aetna.com

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