

Well-Being Starts With Us

2010 & 2011
Corporate Social
Responsibility Report



Humana®

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At Humana, we believe that **well-being** starts with us.

In our corporate social responsibility (CSR) report, we strive to demonstrate just that. Specifically, we want to illustrate how our actions reflect our commitment to improve the health and well-being of our members, our associates, the communities we serve and our planet.

We are also publishing this report as Humana marks its 50th anniversary of helping people. For half a century, we've honored a tradition of service and corporate social responsibility — from our founding as a single nursing home in 1961, to our growth into the nation's largest hospital firm by the early 1980s and to our status today as a Fortune 100 healthcare company committed to helping people achieve lifelong well-being.

In the process, we have sought to enhance our members' lives while conveying value to our shareholders and the communities we serve. This commitment to health and well-being defines us.

We consider this a tremendous legacy. Our successes reflect the support of the communities where Humana's stakeholders — members, associates, providers, shareholders and others — live and work.

Cover: Members enjoy a yoga class at a Humana Guidance Center in Burbank, Illinois.

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Letter from Chairman of the Board and CEO Michael B. McCallister

I'm pleased to introduce Humana's 2010 and 2011 Corporate Social Responsibility (CSR) Report.

Through this narrative of our company's CSR initiatives and results, we seek to underscore how we align our larger accountabilities as a globally responsible enterprise with our dream: to help people achieve lifelong well-being.

Three building blocks support Humana's CSR platform: *Healthy People*, *Healthy Planet*, *Healthy Performance*. Through our *Healthy People* pillar, Humana engages our stakeholders to live healthier lives. The Humana Foundation, our philanthropic arm, is an integral component of *Healthy People* and is instrumental in supporting nonprofit organizations that promote healthy lives and healthy communities. *Healthy Planet* reflects our commitment to environmental sustainability, with a focus on efforts to minimize our environmental footprint. *Healthy Performance* captures our commitment to ethical practices in the pursuit of business excellence.

Within our *Healthy Planet* pillar, we acknowledge that climate change poses a serious challenge to our natural environment and may threaten the health and well-being of those we serve. This report describes the encouraging results of our recent efforts to drive environmental stewardship at our company. We have obtained ENERGY STAR® and Leadership in Energy and Environmental Design (LEED) certification for several of our offices, reduced our environmental impact, and encouraged our own associates and the communities we serve to embrace Humana-sponsored pedometer, weight-loss and bike-sharing programs.

While Humana has made significant progress in corporate social responsibility since our last report in 2009, we recognize our journey is far from over. We look forward to sharing new milestones with you in this report — and to reporting on additional progress in the years to come.

Sincerely,

Michael B. McCallister
Chairman and Chief Executive Officer, Humana Inc.
Chairman, The Humana Foundation

Company Profile

For the past 50 years, Humana Inc. (NYSE: HUM) has provided a diverse portfolio of health and well-being services from our Louisville, Ky., headquarters. The company ranks among the nation's largest publicly traded healthcare companies. We operate primarily in the United States and Puerto Rico.

Humana's Board of Directors serves as the company's highest governance body. Its members — except for Chairman and CEO Michael McCallister — are external to the organization, including the lead independent director. Committees of the Board include Audit, Executive, Investment, Nominating and Corporate Governance, and Organization and Compensation.

At Humana, **our dream is to help people achieve lifelong well-being.** We view well-being as encompassing four elements: purpose (service, vocational, advocacy), belonging (social, community, family), health (physical, emotional, spiritual) and security (financial, personal safety, family, environmental). To achieve this dream, we follow these principles:

- **Pursue a Noble Purpose**

Our services enhance quality of life and help shield our members from financial catastrophe when they are sick or injured.

- **Respect and Engage Associates**

We encourage an open exchange of ideas and a culture of engagement.

- **Grow the Business, Profitably**

We will evolve and prosper by meeting the changing needs of our customers.

- **Foster Healthy People, Healthy Planet, Healthy Performance**

We exemplify a responsible company wherever we do business.

- **Embrace our Differences**

To provide the most relevant services, we think, innovate and execute differently.

Our dedication to well-being is longstanding. For more than a decade, we have encouraged our associates to care proactively for their health. We were among the first to adopt health savings accounts and low-premium, high-deductible health plans to motivate associate participation in spending decisions about their health.

If enrolled in a Humana health plan, our associates and their families can participate in an incentive-based program called HumanaVitalitySM. Rooted in science, this program rewards individuals for healthy choices by awarding points redeemable for purchases. In Louisville, Humana's Center for Well-being, operated by Concentra, provides a variety of resources including health coaching and programs for managing weight, relieving stress and quitting smoking.

These resources and programs embody our efforts to better understand and adopt the best practices of workplace well-being. In addition to benefiting our associates, these efforts enable

us to build the business case for workplace well-being and encourage other companies to invest in employee health.

During the first quarter of 2011, we realigned our business segments to reflect our evolving business model. We currently manage our business with three reportable segments: Retail, Employer Group, and Health and Well-Being Services. In addition, we have an Other Businesses category for businesses that are not individually reportable because they do not meet the quantitative thresholds required by generally accepted accounting principles.

- The Retail segment consists of Medicare and commercial fully insured medical and specialty health insurance benefits, which includes dental, vision and other supplemental health and financial-protection products, marketed directly to individuals.
- The Employer Group segment consists of the same benefits as the Retail segment in addition to administrative services only products marketed to employer groups.
- The Health and Well-Being Services segment is comprised of services offered to our health plan members as well as to third parties that promote health and wellness, including primary care, pharmacy, integrated wellness and home care services.
- The Other Businesses category consists of our military services, primarily our TRICARE South region contract, Medicaid, and closed-block long-term care businesses as well as our contract with the Centers for Medicare and Medicaid Services to administer the Limited Income Newly Eligible Transition (LI-NET) program.

We consider accountability and transparency as critically important, and we diligently communicate our financial performance to our stakeholders. The following table reports selected 2010 and 2011 financial data. For more information, please see our Form 10-K for the year ended December 31, 2011 available via the Investor Relations page at www.humana.com.

Selected Financial Data

	2010	2011
Revenues	\$33,596,000,000	\$36,832,000,000
Operating Expenses (including compensation and charitable donations)	\$31,742,000,000	\$34,488,000,000
Net Income	\$1,099,000,000	\$1,419,000,000
Donations and Community Investments	\$10,300,000	\$14,636,000
PAC Disbursements	\$567,000	\$504,000
Employee Benefits	\$332,000,000	\$346,000,000



Participants of Wellness Week in New York City

CSR at Humana: Our Approach

Responsibility has always been part of our corporate DNA. We demonstrate our ongoing commitment to CSR through our ethics policy established in 1995, a strong record of associate volunteerism and the actions of The Humana Foundation, which celebrated its 30th anniversary in 2011.

In 2009, Humana solidified this dedication into our structured CSR platform: *Healthy People, Healthy Planet, Healthy Performance*. Adoption of these three building blocks has let us create an enterprise-wide support structure for CSR and identify opportunities to collaborate throughout the company to better achieve our goals. Connecting all of our CSR initiatives under the three-prong platform best positions us to uphold our social, environmental and governance commitments.

We are integrating the *Healthy People, Healthy Planet, Healthy Performance* platform into our business. We have begun to focus our energy on collecting metrics, reporting on our progress, continuing to engage senior management in CSR decisions and widening opportunities for associate participation. These tactics will facilitate the evolution of our CSR platform alongside Humana's core business priorities.

Many people are responsible for advancing our CSR commitment. The CSR Stewards, a group of 12 senior-level executives, provide strategic guidance. They are supported by the CSR Council, a group of 20 associate ambassadors who mobilize participation and provide on-the-ground execution. We rely on these teams — as well as every Humana associate — to meet our CSR goals.

Associates brainstorm in the Cincinnati office.



HEALTHY PEOPLE

At Humana, we support people who endeavor daily to live a healthy life — to eat right, stay active and exercise their minds.

The Humana Foundation funds charitable activities that nurture healthy communities. We are dedicated to supporting innovative programs and partnerships that reflect our commitment to health and well-being.



Associates use the B-Cycle bike sharing program in downtown Louisville.



Associate Well-Being

Humana arranges numerous education, training, counseling, prevention and risk-control programs for associates and their families to address serious medical conditions. These include diabetes, cancer, heart disease, lung disease, arthritis, sleep problems and depression. For example, Humana provides associates and covered dependents with personal health coaching to help quit smoking. Participants are eligible for free nicotine-replacement therapy. In 2010, 46 percent of associates who smoked and had a personal health coach reported quitting smoking after 90 days; in 2011, that percentage was greater at 48. To further motivate this lifestyle change, we provide a \$25-per-paycheck, health-plan member premium discount (a \$650 per year savings) for associates and covered dependents who have been tobacco-free for 12 months.

Health and Well-Being Pilot in Kentucky

In 2011, Humana made great strides to enhance our mission to help people achieve lifelong health and well-being. Specifically, we developed a pilot program designed to help communities adopt healthy habits and lead healthier lives. We partnered with MicroClinic International, a nonprofit public health organization that designs and helps activate community health programs, the Bell County Health Department and Citizen Effect, a nonprofit organization that engages citizen philanthropists to sustain the program. The program pilot — which launched in July 2011 in Bell County, Ky. — has realized early success. It has provided resources to the Bell County Health Department offices in the communities of Middlesboro and Pineville and employs six local staff members.

Four preventable diseases — hypertension, heart disease, cancers and lung disease — account for 50 percent of deaths around the world. The pilot program strives to eliminate preventable diseases by empowering people to adopt healthy behaviors and change the three key risk factors — diet, exercise and smoking — that can trigger these diseases.

The pilot program reflects the social network theory that “good behavior is contagious” and that people in our social circles can influence our health behaviors. The 10-month program

educates participants in small groups, encourages them to access resources within their local community and involves them in sustainable community-improvement initiatives. Program activities, such as healthy cooking workshops, outdoor group exercises and grocery store field trips, help participants achieve significant improvements in weight, cholesterol, blood pressure and blood glucose measurements. Throughout the 10-month program, independent researchers will measure the levels of health improvement through regular screenings and data collection. The program engages with associates, local partners who are trained in clinical research and a community advisory group.

Ultimately, this health and well-being pilot program will symbolize a focused investment in a strategic issue that makes a positive impact on the community while aligning with Humana’s business strategy.

Humana Cares

Humana Cares provides an integrated chronic care-management program for approximately 123,000 members.

This program goes beyond traditional disease or care management. Members are cared for using a holistic approach — combining acute and chronic care — through telephone calls and on-site management, as well as support from a spouse, family and caregiver.

The Humana Cares team comprises specially trained, multi-disciplinary individuals who provide personalized care management by phone, health coaching, education and support through registered nurses and other health professionals in all 50 states. The team also provides community-based, in-home assessments and care management through Field Care Managers (nurses or social workers) and Community Health Educators in 29 states.

The services they provide include health education and coaching, scheduled member outreach calls, medication education, physician care coordination, end-of-life planning, depression screening, post-discharge support, home and facility visits, safety assessments, remote home health monitoring, meal and transportation support, caregiver training and home-modification coordination.

To select eligible members for the Humana Cares program, we use predictive modeling that identifies at-risk individuals before their health issues require additional care and treatment. Humana Cares has national operations and a service center in St. Petersburg, Fla., staffed by more than 800 associates. To date, Humana Cares members have experienced a 26 percent decline in hospital readmissions and a 13 percent drop in emergency room visits.

Encouraging Active Lifestyles

Humana recognizes that video games can be more than entertainment, serving as a catalyst to a healthier lifestyle. We develop video games that encourage people of all ages to play their way to health. So called “exergames” — which exercise more than just the thumbs — can help players lose weight, increase fitness and improve balance.

The Humana Games for Health team employs the varying expertise of Humana associates, including video game enthusiasts and developers, consumer experience specialists, anthropologists, data analytics scientists, industry consultants and public health professionals. These associates share a common devotion to helping people live better through gaming. Together, they work and play to create innovative ways to get people moving and engaged in their health.

Humana’s Innovation Center provides a forum for individuals, groups and institutions to share ideas and learn more about using games to improve health and well-being.

Stay Smart, Stay Healthy

Stay Smart, Stay Healthy is a series of entertaining videos that simplifies the complexities of health insurance. They seek to answer fundamental questions: Why is healthcare

so expensive? How does health insurance work? What is consumer-directed healthcare? The two- to four-minute videos are posted on YouTube for anyone to view, link to and comment on. These videos are also available via the Learning Opportunities section of Humana’s Investor Relations web site.

Multigenerational Playgrounds with KaBOOM!

Opportunities to play and exercise are essential when fighting obesity and promoting well-being. Humana has partnered with the national nonprofit KaBOOM! to create such opportunities in the form of multigenerational playgrounds and family-gathering areas in eleven cities around the country. The first park opened in August 2011 in Lauderhill, Fla. This 2,500-square-foot playground was built by 140 Humana associates and encourages physical activity for all ages while providing a safe gathering place for children, parents and grandparents. It includes five exercise stations for adults and senior citizens, as well as new picnic tables, shaded areas and an enhanced walking trail.

The Humana Foundation

Humana’s philanthropic arm, The Humana Foundation promotes healthy lives and healthy communities through its grant making, internal initiatives and volunteer program. Over the past 30 years, Humana Foundation grants have contributed to a better quality of life and improved health of children and families. During that period, Humana and its Foundation have provided more than \$230 million to charitable activities that promote healthy lives in communities nationwide and abroad. The Humana Foundation supports organizations that affect positive change in the areas of childhood health, intergenerational health and active lifestyles. In addition, The Humana Foundation supports best practice organizations that promote academic achievement, arts and culture.

Well-Being Assistance Programs

Program Recipients	Education/ Training		Prevention/ Risk Control		Treatment	
	Yes	No	Yes	No	Yes	No
Workers	X		X		X	
Workers’ Families	X		X		X	
Community Members	X		X			X

There are no workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

2011 TASTE OF CHICAGO

Humana has been a sponsor of the Taste of Chicago, the world’s largest outdoor food festival that attracts nearly three million people annually. At “The Taste,” Humana offered a Healthier Choices program, which included a free guide, promotions to celebrate healthier menu items in new and different ways, a healthy cooking demonstration at Dominick’s Cooking Corner, a Humana Senior Dining Pavilion for seniors to relax and enjoy entertainment, and the Humana Race to Taste, a 5K run/2 mile walk on Chicago’s lakefront and through Grant Park.





The Humana Foundation
Executive Director
Virginia Kelly Judd

Some of The Humana Foundation's grant recipients in 2011 include:

- **KidCommute**
Based in Boulder, Colo., and present in a dozen states across the country, KidCommute is an incentive program that encourages elementary school students to walk or bike to school.
- **Covenant House Florida**
This program provides shelter and services to homeless and at-risk youth in the Fort Lauderdale and Orlando areas. Through the More Opportunities for Moms & Babies (M.O.M.) Program, Covenant House has significantly reduced the infant mortality rate of participants. A Humana Foundation grant provides funding for various needs that range from meals to clinical medical supplies.
- **YMCA of Greater Louisville**
Humana has partnered with the YMCA since 1976. In 2011, The Humana Foundation's funding provides

resources for the nutrition and activity-based undertakings of the Y5210 program. The program's goals are to increase consumption of fruits and vegetables, reduce drinking sugary beverages, increase physical activity time and shrink sedentary screen time among school children. Funding has helped expand the program to more than 8,000 students.

- **Literacy Network**

This program has helped thousands of Dane County, Wis., adults improve their reading, writing and language skills. Through its Partnership for Improved Health Literacy, the Network combats health illiteracy through instruction and experiential learning in a hospital setting. Participants learn general health information for practical use in healthcare facilities.

- **National Childhood Cancer Foundation**

By developing an online resource to inform children and families about the health risks the children face as a result of cancer treatment, this initiative provides an important well-being resource. Through Staying Healthy after Childhood Cancer: A CureSearch Online Resource, pediatric oncology experts provide reliable information about long-term health risks and steps to be taken to stay healthy.

- **Teach for America**

Humana is supporting Teach for America's entry into Kentucky's schools in Appalachia. The program seeks to end educational inequity and close the achievement gap by bringing teachers to low-performing urban and rural areas. With Teach for America's launch in eastern Kentucky, more children will gain access to quality education.

- **Ochsner Clinic Foundation**

The Humana Foundation has partnered with the Louisiana-based Ochsner Clinic Foundation to support its Change the Kids, Change the Future program. The program employs an integrated approach to improve health and promote education and lifestyle changes for students, staff and families. Change the Kids, Change the Future focuses on nutrition, exercise and healthy eating habits with the goal that students will be healthier, more active and academically successful.

Humana HEALThE Schools®

The Humana Foundation is partnering with elementary schools to encourage students and their families to be more aware of their daily health choices through a platform called Humana HEALThE Schools®. The Humana Foundation's Humana HEALThE Schools platform provides an easy way to measure the success of their school health programs by tracking healthy behaviors of students, their guardians and teachers.

The platform consists of a fun website, *healthschools.org*, a pedometer step challenge and a grant to support health programs. Partnering schools use the Humana HEALThE Schools website to run reports about the percentage of users who reach the following daily goals:

- Eat breakfast
- Consume five non-starchy fruits and vegetables
- Avoid sugary sodas, drinks and food
- Be moderately to vigorously active for one hour
- Spend two hours or less sedentary in front of a screen (T.V., computer, video game)
- Take an average of 10,000 pedometer steps

The Humana Foundation recently received *Business First's* Innovative Partnership Award for its HEALThE Schools initiative.

Humana Volunteer Network

The Humana Foundation also directs Humana's associate volunteer program, which is integral to our culture. The Humana Foundation began tracking associate volunteer engagement in 2007. Since then, we've experienced a significant surge in our company's commitment to volunteerism.

In October 2007, The Humana Foundation launched the Humana Volunteer Network website that enables associates to record personal volunteer hours and to find volunteer opportunities in the community:

- Associates volunteered more than 214,000 hours at 3,500 nonprofits (October 2007 – December 2011).
- On average, Humana associates volunteer 37 percent more than other companies using the same tracking system.

The Humana Foundation is inspired by our associates' commitment to the community and works to encourage volunteerism in a variety of ways. We provide a support system that includes such resources available to associates as the Humana Volunteer Guidebook, training for Humana department volunteer groups, assistance for company-sponsored activities (such as walk/run/bike events, visits to nonprofits and nonprofit board membership) and promotion of dedicated volunteers.

The Humana Foundation has created several awards to honor associates' exceptional service. Awards include:

- **Spirit of Philanthropy Award**
Associate volunteer groups that demonstrate outstanding service to the community are personally recognized by Chairman and CEO Michael McCallister and are able to select a nonprofit for a \$25,000 Humana Foundation grant.



David A. Jones, Jr., a member of the Humana Inc. and Humana Foundation Board of Directors, at one of the Humana HEALThE Schools

- **Dollars 4 Doers Drawing**

Associates volunteering at least four hours per month during a quarter are eligible. Winning associates designate a \$4,000 Humana Foundation grant to a nonprofit where they volunteer.

- **Humana Day of Service**

Thirty Humana associates who volunteered on April 9, 2011, our day of service, were selected in a drawing to each designate a \$1,000 Humana Foundation grant to a nonprofit where they volunteer.

- **Humana Volunteer of the Year Award**

One outstanding associate who volunteers at least 100 hours annually is selected each year and allowed to designate a \$10,000 Humana Foundation grant to a nonprofit. The Volunteer of the Year is recognized personally by Chairman and CEO Michael McCallister.

Humana Volunteer Fellowship

Our volunteerism slogan is “Get Involved, Give Back and Make a Difference!” The Humana Volunteer Fellowship puts our motto into action. The Humana Foundation launched the program in honor of its 30th and Humana’s 50th anniversaries. Nearly 200 Humana associates applied for this unique experience. Through a rigorous interview process, five Humana Fellows were selected. They volunteered full-time, with full pay and benefits, for four weeks at Home of the Innocents, a Louisville nonprofit that provides skills and opportunities for vulnerable children and their families. Associates worked as a cross-functional team, each employing a particular role in organizational branding, healthcare demographics, strategic planning and data analytics/research. The Humana Foundation hopes to replicate this skills-based volunteer opportunity in one to two cities.

Associate Giving

Humana associates support nonprofits and their causes nationwide through company campaigns:

- In Louisville, Humana associates help make Humana Metro United Way’s No. 2 company for overall giving. In addition, Humana lends associates to United Way organizations in various cities as board members and volunteers across the country.
- In Orlando, associates assist with the **U.S. Marines Toys for Tots** drive, donating several hundred dollars worth of toys annually.
- In Nevada, a group of associates — the **Humana Crafters for Charity** — makes blankets, hats and scarves for veterans at the Veterans Administration Southern Nevada Healthcare System.

National Veterans Initiative

In August 2011, we accelerated efforts to launch a far-reaching national initiative to hire 1,000 veterans and/or their spouses for a variety of roles across our company as part of the Humana Veterans Initiative. In addition, Humana is contributing \$1 million to fund a veteran-focused entrepreneurship program for those with disabilities. The program now partners with seven top business schools. We also plan to introduce a new suite of health plan and financial-protection products created specifically for veterans and their families.

President Obama recognized Humana for our support of the administration’s new national veteran-employment campaign, which seeks to hire or train 100,000 veterans by the end of 2013. The unemployment rate among veterans during their first two years after leaving the military is estimated at 22 percent, more than two times the U.S. unemployment rate.

Through our ongoing work at Humana Military and at Humana Veterans Healthcare Services, we enjoy a longstanding relationship with active-duty and retired U.S. military personnel. For many years, we have supported them and their families through a broad array of programs and activities. In 2011, for example, Humana partnered with the U.S. Marine Corps Reserve for the seventh consecutive year in a 10-state toy drive. Associates collected hundreds of toys and raised \$30,000 for the program.

Inclusion and Diversity

Inclusion is an attitude, a mindset and an environment that lets us maximize the potential of everyone and create a nonjudgmental workplace where associates feel safe and bring their ‘A game’ to work. Inclusion and Diversity aims to foster innovative thinking and creativity, drive insights and better business outcomes.

We define diversity as the abundance of experience and perceptions that drive innovation and growth to create business value. We serve a diverse customer base and strive to understand and meet various members’ needs by hiring a diverse workforce achieving an inclusive workplace, which enables everyone to maximize innovations. Our Inclusion and Diversity strategy focuses on the workplace, the marketplace and the community.

With a primary focus on the workplace, most of our initiatives concentrate on building from within. We seek to create a diverse and inclusive workforce that connects us to consumers and drives business opportunities. In the marketplace, we try to position the organization for growth by connecting emotionally with a wider customer base. Specifically, for community, we focus on the well-being of our associates and the communities we serve.

1,000 VETERANS

AND/OR THEIR SPOUSES ARE EXPECTED TO BE HIRED FOR A VARIETY OF ROLES ACROSS OUR COMPANY AS PART OF THE HUMANA VETERANS INITIATIVE.



2011 Humana Volunteer Fellows

As pictured left to right

SHIVA RALLAPALLI
IT / Applications Development Manager

Healthcare Demographics/Strategic Planning Fellow
Shiva, who manages several teams, has a background in organizational design, development and operations. He also has skills in analyzing demographics of target audiences through volunteer work with the Human Rights Commission in Columbus, Indiana.

TASHNA LYNCH
Clinical Metrics Analyst

Data Analytics Fellow
Tashna has a strong background in analytics, focusing on data mining for strategic insight and opportunities. She understands various data-collection programs and can translate data analytics into an easy-to-understand format.

DEBBIE MOORHEAD
Director, Humana Beginnings Prenatal & Neonatal Programs

Healthcare Demographics/Strategic Planning Fellow
Debbie leads a staff that delivers a telephonic prenatal health program. She has overseen and accomplished multiple program-and-process redesigns of this dynamic service.

LAURA SCHEUER SUTTON
Communications Strategy Consultant, Humana Active Outlook

Organizational Branding Fellow
With a background in promotional communications strategy, Laura’s writing and editing skills were an asset to the Fellowship team when building communication messaging for broad and diverse audiences.

BRAD ENNIS
Enterprise Architect, Enterprise Architecture

Data Analytics Fellow
Brad has an IT background and experience working with structured data and designing efficient data layout. He has a particular interest in applying techniques used in behavioral research. Additionally, Brad has been an active volunteer with the Home of the Innocents for several years.



A Humana associate leads a team meeting in the Louisville office.

Our Board of Diversity guides our Inclusion and Diversity strategy and overall vision. The 12-member internal advisory council oversees our Inclusion and Diversity activities and programs, sets goals, monitors progress, advises on strategy and recruits other leaders to champion inclusion at Humana.

Inclusion and Diversity in the Workplace

Recruitment: Our wide-ranging diversity recruiting program seeks to increase leadership awareness and outreach and brand Humana as an employer of choice.

One principal element of our Inclusion and Diversity program is Infusion, a two-year program that offers top graduate-level candidates an accelerated career development program. Three-month summer internships provide an opportunity to exhibit their skills in a real-world environment. In addition, Infusion provides one-on-one mentoring, interaction and exposure to top company

leaders and development programming that focuses on skills acquisition and strength recognition.

In addition, we maintain partnerships with recruitment resources, and maintain a recruiting presence at Master of Business Administration (MBA) conferences of diverse members, including the National Black MBA Association, the National Association of Women MBAs, the National Society of Hispanic MBAs and the annual Reaching Out LGBT MBA.

Development: Humana has initiatives in place to develop women for leadership roles. Our Women in Leadership (WIL) Legacy Program provides development opportunities and career coaching. Women engage in collaborative learning and network with a community of leaders. The Legacy program expands the women-in-leadership opportunity to new leadership levels and creates an avenue for graduates to serve in “advocate coaching” roles.



Gay, Lesbian, Bisexual and Transgender (GLBT) Network Resource Group

While an estimated 10 percent of adults identify themselves publicly as GLBT, many others hide their sexual identity. According to the Human Rights Campaign, half of GLBT employees (51 percent) hide their identity at work because they either feel uncomfortable or are afraid of making others feel uncomfortable. “Our GLBT network resource group has a unique opportunity to unveil this “invisible minority,”” says Jordan Crowder, a member of the Leadership Team and head of the Marketplace Committee. “We want to empower associates to bring their whole selves to work.”

The GLBT group launched at a meeting of associates, allies and senior leadership. Today, it focuses on helping new members and integrating the 80 members into the group’s committees. “We want to drive inclusion among the GLBT population at Humana,” says Jordan. “Then we can harness the energy generated by inclusion and integrate it into business strategy to produce innovative policies and products that cater to the needs of the GLBT community, workplace and marketplace.”

Jordan has found his participation in the group to be especially valuable. “It challenged me to come out at work, and I saw how powerful it was. Then I took another step and came out to family and friends,” he explains. “My participation in the group lets me reach beyond my daily role and collaborate across the enterprise to form lasting relationships. These relationships have challenged my perspective and taught me to be comfortable with my ‘whole self.’”

The GLBT group intends to reach more of Humana by “working to launch remote chapters via web resources,” says Jordan.

To further build the capabilities of diverse talent within the company, we launched the Development Acceleration Program, a pipeline of diverse professionals ready to assume a higher level of leadership. Candidates for the program include high-potential women and people of color with readiness for director-level roles in the next one-to-two years. Participants work in cross-functional teams, meet with mentors, interact with senior management and have the opportunity to deliver solutions to Humana strategies.

Training: Humana understands the importance of training associates on Inclusion and Diversity. Our Inclusion and Diversity program’s objectives are to build an awareness of biases and beliefs, identify differences and similarities of four generations in the workplace and enable participants to leverage differences to create value.

The following is a guide to five of our Inclusion and Diversity learning opportunities:

- **Engaging Differences** is a highly interactive four-hour course that builds the skills leaders need to leverage differences more effectively. It uses individual and small-group activities to review key ideas from the Inclusion and Diversity Awareness Program, including Bias & the Brain and Belief & Perception. The courses help participants understand how generational differences can be a strength, if used and valued appropriately.
- **Equal Employment Opportunity (EEO) and Affirmative Action (AA) Training** is an eLearning module that associates can access at any time. The training makes the business case for inclusion and diversity and covers all of the necessary components of EEO and AA that associates must be familiar with for Humana to maintain federal EEO/AA compliance.
- **The Implicit Bias Project** was launched in November 2010. This eLearning module is available to all associates. We believe we all have biases that shape how we view the world and influence our everyday decisions. The eLearning module helps associates learn more about how bias operates.
- **The Inclusive Leadership** webcast introduces leaders to our Inclusion and Diversity strategy. Participants learn about the business case for diversity and how to foster inclusion to enhance associate engagement.
- **Little Things Mean a Lot** is a three-hour course in which associates explore how seemingly insignificant inequities can hinder productivity and undermine inclusion. In this interactive course, participants work in teams to learn how to improve cooperation through micro-collaborations.

Network Resource Groups: Humana offers four such voluntary groups of associates with common interests, experiences or backgrounds. The groups help us understand the needs of consumers by looking through the lens of our associates. They also provide a personal and experience-based forum for exchanging ideas, building community and driving measurable business outcomes.

The **African-American network resource group**, launched in Louisville in May 2010, provides valuable insights to company leadership on strategic business initiatives and community engagement. Members of the group recently completed 127 hours of volunteerism through the Every 1 Reads Program. Partnering with The Humana Foundation, this group spent five months reading to students at Wellington Elementary in Louisville.

Our **Hispanic network resource group** began in South Florida in July 2010. Among other projects, the group is developing a Cultural Competency Program that focuses on Hispanics, in collaboration with our Health Guidance Organization's Clinical Disparities team. The group also is engaging with Humana's national Multicultural Marketing and Inclusion and Diversity efforts at a local level through educational programs and targeted business opportunities.

The **Gay, Lesbian, Bisexual and Transgender (GLBT) network resource group** began in March 2011 and seeks to develop and advance internal and external programs. In June 2011, the group participated in the Kentuckiana Pride Parade and Festival and the St. Pete Pride in Florida. Last August, associates attended a conference of the National Lesbian & Gay Chamber of Commerce, which Humana sponsored. Further, Humana's Supplier Diversity Mission Statement was updated and published on Humana.com to reflect our Inclusion and Diversity efforts with the GLBT supplier populations.

The **Caregiver network resource group** began in December 2011 with the goal of shaping Humana's understanding and efforts related to Caregiver associates, marketplace initiatives and community outreach. Caregivers give their time, resources and energy to provide care to a person in need without the expectation of compensation for their services.

Often, caregivers are managing parents and grandparents on the one hand while supporting children and grandchildren on the other. They are generally isolated, poorly supported, unfunded, unorganized and at risk. There are more than 65 million caregivers in the U.S.

This emerging leadership group will address the unique business opportunity of identifying new products and managing our benefit expenses. The insights they provide combined with the need for support will create even greater levels of associate engagement.

Inclusion and Diversity in the Marketplace

Humana maintains an active multicultural initiative, including a robust multicultural health-marketing program. We are working across functions and departments to better serve all of our members' diverse healthcare needs while addressing clinical disparities.

Nearly two years ago, we launched a special effort to address the unique healthcare needs of Hispanics — **Nuestra Salud Humana**, a comprehensive suite of programs and services for the Hispanic community. In addition, we support national and local organizations and arm our broker partners with the tools and information to better serve this community.

We're also expanding our multicultural marketing initiatives into the African-American, GenY and GLBT population segments.

HABITAT FOR HUMANITY PARTNERSHIP

Since 2003, more than 700 Humana associates have helped build homes in Louisville for low-income families. Together, we have built nine houses — most recently in October 2011 — with teams of 25 associates working two-to-three days each year on each house.



AFRICAN-AMERICAN NETWORK RESOURCE GROUP

The African-American network resource group was the first group of its kind to launch at Humana and it is creating a diverse network of associates who provide unique insights that impact Humana's business and culture. The group has opened its 150 members to new opportunities, both inside and outside of the enterprise. It also was the first to create a Bio Book, which promotes the diverse talents of members to leadership. "This valuable resource helps support and grow the talent pool at Humana," says Ken Howard, its co-president. "We've got incredible talent in this group and we want leaders at Humana to have easy access to this talent."

The group has contributed to the Every 1 Reads program at Wellington Elementary. During their second year of participation, 22 Humana members worked to increase reading performance scores.

Ken finds particular value in the group's associate-development aspect. "We are leveraging the African-American experience to drive business innovation, build value in communities and develop our members," he says.

The group is working with Humana's Inclusion and Diversity team to determine where to expand next. Until then, satellite members in other offices can participate virtually.

A major opportunity for Humana lies in developing cultural-disparities work and solutions in the diverse healthcare arena. To move our organizational cultural competence forward, Inclusion and Diversity has partnered with the Multicultural Marketing and Clinical Disparities departments at Humana. The partnership focuses on leveraging each other's access and relationships to further the company's business opportunities.

Inclusion and Diversity in the Community

Humana pursues several multicultural initiatives in the communities where associates live. These include the Black Achiever's Program, Project BUILD, and our partnership with the National Council of La Raza.

Black Achievers is a YMCA of Greater Louisville program that enhances the educational, personal and career development of local African-American youth in grades eight through 12. It connects them with more than 200 adult volunteers, including Humana associates, to help them establish and pursue their career and educational goals. The YMCA of Greater Louisville honored Humana and The Humana Foundation with the 2010 Legacy Award for our support of Black Achievers.

Project BUILD (Business United in Leadership Development), a Lincoln Foundation-sponsored program, introduces high school juniors and seniors to business through visits to local corporations and sessions with their leaders. Each summer, students participate in a business program that offers college-level business classes and advice from local corporate leaders on such topics as creating a professional action plan, diversity in the workplace and business protocol. Each year Inclusion and Diversity hosts the students for a half-day visit to Humana. The 2011 Project BUILD visit focused on the theme of Innovation & Social Media. BUILD students toured the Innovation Center and participated in a panel discussion about college and career choices. The Humana Foundation has supported the Lincoln Foundation since 1982.

In an innovative partnership, Humana and the **National Council of La Raza** (NCLR), have launched a study to test the "promotores de salud," or community health worker, approach to helping Hispanic seniors with Type 2 diabetes to better manage their disease. Diabetes is a serious health problem among Hispanics in the U.S., with more than 2.5 million Hispanic adults ages 20 and older diagnosed with the condition. Access to overall health education and healthcare is a challenge for many Latino communities. The "promotores" seek to empower individuals with management and self-care strategies.

Through this program, participants have learned how to adopt nutritional management and physical activity; use medications safely and effectively; monitor and interpret blood glucose; treat acute and chronic complications; and develop strategies to address psychosocial issues and concerns. The pilot project focuses on 100 individuals, members of the Mexican American Unity Council (NCLR's San Antonio affiliate) and several Humana Medicare Advantage members. Study results will be evaluated by NCLR, California State University and Long Beach Center for Latino Community Health, Evaluation and Leadership Training.

Other Humana Partnerships Include:

- 100 BLACK MEN OF LOUISVILLE
- 828 FOUNDATION
- BUSINESS DIVERSITY NETWORK
- BUSINESS PROFESSIONAL WOMEN OF THE RIVER CITY
- EXECUTIVE LEADERSHIP COUNCIL
- GREATER LOUISVILLE INTERNATIONAL PROFESSIONALS
- HISPANIC LATINO BUSINESS COUNCIL
- INTERNATIONAL WOMEN'S MEDIA FOUNDATION
- JUST FUND KENTUCKY
- KENTUCKIANA GAY PRIDE
- KENTUCKY CENTER FOR AFRICAN-AMERICAN HERITAGE
- KENTUCKY HUMAN RIGHTS COMMISSION
- LATINO BUSINESS COUNCIL
- LEADERSHIP LOUISVILLE FOUNDATION
- LOUISVILLE CENTRAL COMMUNITY CENTER
- LOUISVILLE'S URBAN LEAGUE
- NATIONAL MINORITY SUPPLIER DIVERSITY COUNCIL
- ST. PETE/TAMPA GAY PRIDE
- TRI-STATE MINORITY SUPPLIER DEVELOPMENT COUNCIL
- WOMEN4WOMEN
- WOMEN'S BUSINESS ENTERPRISE COUNCIL
- WOMEN INFLUENCING LOUISVILLE



HISPANIC NETWORK RESOURCE GROUP

From its outset, the Hispanic network resource group has been determined to bring business value to Humana. The leadership team performed an analysis to determine its potential business impact, and it determined the need for cultural competency. "We realized we needed to educate all of Humana about the Latino market—about the key actions and steps to take when serving Latinos," says Madeleine Arritola, the group's president.

In South Florida, 68 percent of Humana associates are Hispanic. "As the market is so highly Hispanic, people were skeptical. We live and breathe Hispanic, so what can this group bring?" recalls Madeleine. However, the group provided training and education about the business case for servicing this population and the best

ways to communicate with them. Serving the Latino market is critical to Humana's mission of promoting health and well-being since Hispanics have certain illnesses that are highly prevalent, such as diabetes.

Madeleine, who leads multicultural marketing at Humana, develops strategy and works with Human Resources to share the group's messages nationwide. "This position impacts and relates to my daily job," says Madeleine. She also appreciates the group's professional-development efforts, maintaining that "we are building leaders who can serve as future mentors." Madeleine hopes to make the group national in scale. "It has always been our plan to launch and test the program in South Florida, and then scale nationally," she says.

HEALTHY PLANET

At Humana, we recognize the dynamic link between environmental and human health.

People require sound environments to prosper, so we strive to create healthy workplaces for our associates and to respect the natural surroundings where we do business. By minimizing our environmental impact, we can help address global challenges and protect the well-being of our associates, members and communities at large. Along our CSR journey, we have taken several steps to do just that.



Humana associates have the opportunity to garden at several offices.



Our *Healthy Planet* partnerships and programs focus on where we can make the greatest contribution: the buildings and operations of our facilities — ranging from offices to clinics to data centers — and the engagement of our approximately 40,000 associates in environmentally conscious behaviors. We aim to decrease our environmental impact while improving the health of our business. We seek to accomplish this by reducing our carbon footprint; minimizing our energy and water usage; decreasing the waste we generate in our operations and integrating sustainability into our procurement policies. Our associates can take part, too. Simple activities like turning off lights when leaving an office, powering down one's computer at night, and riding a bike or taking the bus to work all contribute to a healthier planet.

We're proud of our *Healthy Planet* accomplishments in the past several years and look forward to continuing on this important journey in the years to come.

Increasing Green Buildings in Our Portfolio

In the service industry, one of our biggest opportunities to lessen carbon emissions and increase efficiencies lies in our facilities. We are retrofitting existing owned and leased properties to be more energy and cost efficient. In addition to their environmental benefits, green buildings enhance our associates' well-being by improving indoor air quality, increasing access to natural light and enhancing access to varied transportation options.

Sustainable Real-Estate Project

In 2010, Humana's engineers, construction managers and architects began creating a systematic framework for greening our real-estate portfolio, which contains 35 owned facilities in the U.S. We are working proactively to realize green building potential in the following key focus areas:

- **Existing building stock**

By developing a scorecard to determine the potential

for retrofits of our properties, we can identify the highest-impact locations for green retrofits.

- **Green leases**

We are developing criteria that then will be translated into formal lease language and beta-tested on select transactions.

- **Prospective properties**

We are integrating consideration of LEED potential (and other certification programs) into site search and selection, as well as requests for proposals to determine which options can best fulfill Humana's sustainability goals. Highest preference will be given to property candidates with existing LEED certification.

Energy Savings Targets

Humana is developing an energy savings program that will improve interior work environments for associates, reduce energy usage and reduce our carbon footprint. Phase one of this program, which will commence in 2012, has the following goals:

- Reduce annual energy consumption by 10 percent (from 2009's baseline consumption) across our portfolio of owned properties
- Reduce greenhouse gas emissions by 10 percent (from 2009's baseline consumption)
- Reduce annual energy expense by more than \$1 million (10 percent of 2009's baseline)

Phase one will include nearly one-third of the largest buildings we own. We conducted a careful study to identify the most impactful energy-savings opportunities. While many of the planned facility improvements relate to heating, ventilation and air conditioning (HVAC), additional planned initiatives include renewable energy, such as solar panels and power management for vending machines.

LEED COMMERCIAL INTERIORS CERTIFICATION

Exemplifying our commitment to green buildings, our Chicago office achieved Silver LEED Commercial Interiors Certification in 2007. The office features natural light in 75 percent of the space, light-dimming sensors, a recycling program, low-emission carpeting and a highly efficient air-quality ventilation and filtration system. Our Houston office is also LEED certified.

Energy and Waste Reduction and Green Building Initiatives

We enlisted four vendors in 2011 to assist in maximizing the efficiency and decreasing the waste of our facilities and operations. Each vendor also assists with data collection that allows Humana to track progress against our waste and energy reduction targets. Humana convenes the partners quarterly to track progress, align efforts and identify opportunities for collaboration. Their efforts are focused on the following areas:

- Architectural services, schematic design, construction, LEED
- Energy efficiency and reduction, waste management, janitorial services, HVAC
- Real-estate and leasing services, portfolio and project management
- Mailroom and copy center services

With these vendors, Humana is creating a robust energy-use reduction program that focuses on infrastructure improvements at electricity and natural gas facilities as well as investments in renewable energy. These initiatives will help us reduce carbon emissions and operating costs to meet our energy savings targets. Of our 26 owned sites, the properties with the largest energy cost per square foot and largest variance from industry kilowatt hours will be targeted first.

Humana also employs a variety of strategies to help associates reduce paper waste, including:

- **Smart printing behaviors and print settings**
Our efforts to reduce waste are directed at educating associates before they make the decision to print something.
- **Recycled paper**
We are conducting a study on what the environmental impact would be if Humana changes to 30 percent recycled paper from virgin paper at our copy centers. We are looking at quality and the financial impact for Humana to make this change.
- **Return-mail enhancements**
Tracking the amount of return mail received at our 15 mail locations is assisting Strategic Communications in developing a process to decrease that amount.
- **Digital mail solutions**
A study with the Humana Chicago office is collecting metrics on the viability of conversion of an on-site file room to an online repository solution. We have found that in many cases, the retained documents initially start out as an electronic file.

Through comprehensive recycling efforts in our Louisville buildings, Humana recycled 812,915 pounds in 2010 and 741,795 pounds in 2011.

Indirect and Direct Energy Use

	2010	2011
Direct energy (natural gas consumption of owned facilities)	19,966 MWh	22,381 MWh
Indirect energy (electric energy consumption of owned and leased facilities)	173,660 MWh	173,189 MWh
Business-related car travel (based on average CO ₂ for medium cars—does not include rental cars)	20,911 metric tons of CO ₂	12,484 metric tons of CO ₂
Business-related rental car travel (based on average CO ₂ for medium cars)	1,311 metric tons of CO ₂	829 metric tons of CO ₂
Business-related commercial air travel (based on travel registered with humana’s system)	5,447 metric tons of CO ₂	10,055 metric tons of CO ₂
Indirect Emissions Resulting From Associate Travel (business-related car, rental car and commercial air travel)	27,669 metric tons of CO ₂	23,368 metric tons of CO ₂

Humana does not use direct renewable energy sources nor does Humana purchase or consume intermediate energy.

Business Roundtable’s Climate RESOLVE

Since 2003, Humana has been a member of the Business Roundtable Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts) initiative that encourages the business community to take voluntary actions to control greenhouse-gas emissions and address climate change. The effort aims for every Business Roundtable member to create strategies and policies for managing their greenhouse gas emissions.

ENERGY STAR® Facilities

Fourteen of our 35 owned facilities — including our headquarters in Louisville, Ky. — are certified by ENERGY STAR®, an energy-efficiency initiative of the U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy. To qualify for certification, a building must score in the top quarter of the EPA’s National Energy Performance Rating System.

For example, Humana’s De Pere, Wis., building earned this distinction in 2009. Constructed in 1981, it comprises almost 360,000 square feet – the size of six-and-a-half football fields – and since 1991 has achieved a 32 percent energy-efficiency increase, along with associated cost savings. The building received a score of 81 of 100 in the Energy Performance Rating System. Energy saving upgrades included:

- Lighting upgrades, including compact florescent bulbs and LED exit signs, and occupancy sensors and daylight controls that turn off unneeded lights
- Improved controls and more efficient motors in fan systems
- 1,052 light towers modified to reduce electric light consumption by 161,689 kilowatt hours
- High-efficiency chillers
- One gas-fired water heater (which replaced five electric water heaters)

Data Center Improvements

Our data centers are critically important because they house the computer systems that support our core business. Increasing the efficiency of our data centers — without sacrificing the quality of our healthcare service — is a high priority. In 2004, we committed to replacing our 60-year-old Louisville data center with a new facility. It was designed with careful attention to power-usage effectiveness (also known as PUE, a metric for energy efficiency) and best practices in HVAC systems, power-cooling areas and IT infrastructure.

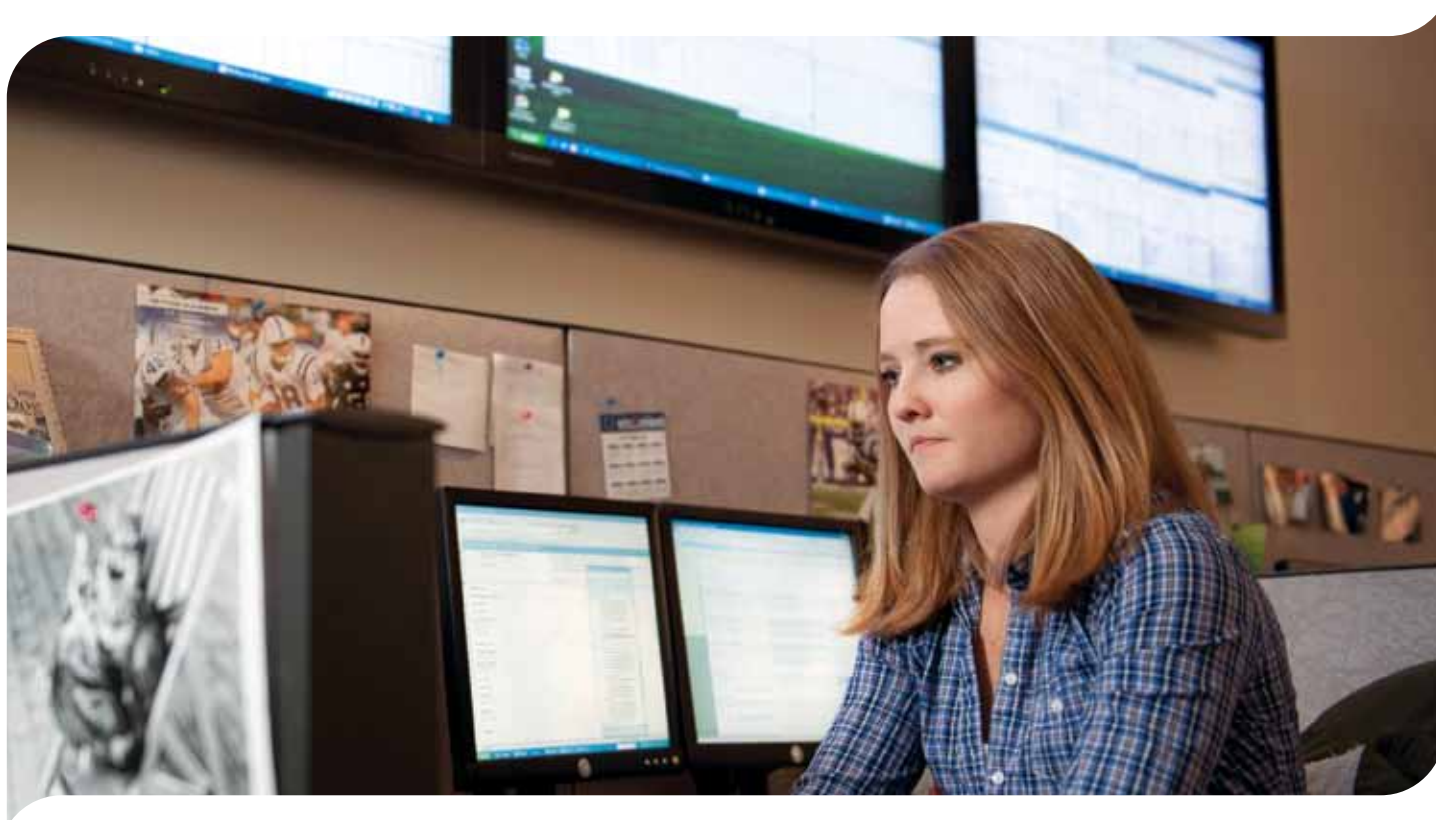
We have achieved significant cost-and-energy savings through fine-tuning the systems in our Louisville data center. For example, heating and cooling comprise about 50 percent of the utility bills at our data centers. By raising temperature output on computer room air conditioners to 74 degrees from a 70-degree setting, we saved an estimated three percent per degree per manufacturing unit. Through this initiative, we also lowered humidity set points to 33 percent from 45 and have been able to turn off humidifiers completely to 70 percent of computer room air conditioning (CRAC) units. We also installed motion-activated light controls.

In the summer of 2011, an MBA student and Fellow from the Environmental Defense Fund Climate Corps program further helped Humana identify energy-efficiency upgrades. Climate Corps matches students from leading business schools with companies to develop energy-efficiency plans that can be adopted. The University of Notre Dame student analyzed the energy usage of Humana’s two data centers in the Louisville area. As these two facilities use more energy than any other facility in our portfolio, we see a huge opportunity to identify and institute capital improvements to further reduce our data center’s energy footprint and carbon emissions.

CHANGE THE WORLD, START WITH ENERGY STAR

Humana associates were invited to participate in the *Change the World, Start with ENERGY STAR* campaign in 2009 and 2010. The campaign encourages individuals to use programmable thermostats, improve their home insulation and purchase appliances and electronics that carry the ENERGY STAR logo. Commitments from Humana associates saved them more than \$1.4 million and reduced greenhouse-gas emissions by more than 18 million pounds.





An analyst at a Humana data center monitors calls.

PC Power Management

We recognize that the participation of our 40,000 associates will prove invaluable to reach our energy-reduction targets. To engage them, we are developing a management system that balances power savings with security and configuration updates. In all facilities, monitors now go dark after 10 minutes of inactivity, hard drives spin down after 15 minutes of inactivity and sleep/hibernation are disabled. To improve our power efficiency, we are installing sophisticated power-management controls via Active Directory group policy. This gives us more control of the power-management states. In the long term, when other sophisticated technology is more pervasive in our PC environment, we may be able to wake up our personal computers from lower-power states. To move this initiative forward, Humana IT and a software vendor are discussing possible resolutions to software compatibility barriers.

Arbor Day Foundation

Trees are integral to well-being. They remove air pollutants, provide oxygen for us to breathe and help improve water quality. Humana supports the planting of trees through a partnership with the Arbor Day Foundation that began in February 2009. When a Humana member signs up to receive electronic notifications instead of paper mail on the MyHumana website, Humana donates \$1 to the Arbor Day Foundation to fund tree plantings in South Carolina's Manchester State Forest. This program is designed to empower members to switch to electronic communications, which creates long-term environmental benefit.

Providing Transportation Options that Promote Well-Being

We support a range of commuting options, including subsidizing public transportation and providing bike-sharing programs for our associates. We continue to pursue a variety of ways to promote biking — a low-impact activity that provides exercise and stress relief — among our associates and members.

Alternative Transportation in Louisville

Since 2007, we have partnered with Louisville's Transit Authority of River City (TARC) to allow associates to ride city buses and trolleys for free. This program eases parking shortages, reduces air pollution and provides associates with an alternative transportation option. TARC provides us with monthly program-usage information that allows us to track trends in usage and make improvements where needed. Six hundred associates ride TARC regularly. Humana conducts promotional activities throughout the year in an effort to boost ridership. Associates are provided with opportunities to use cost-saving calculators and trip-planning tools, as well as instructions for using mass transit, park-and-ride facilities at suburban locations and for riding bikes to a bus stop. Humana also holds periodic transit fairs in high-traffic areas of the downtown facilities, allowing associates to meet TARC representatives and learn more about the benefits of riding TARC.

People for Bikes Campaign Partnership

In January 2011, we became a sponsor of peopleforbikes.org. This national campaign of the Bikes Belong Foundation advances bike safety to increase participation and realize the public health benefits. The campaign asks people to sign a pledge in support of safer biking. Increased biking and other physical activities help reduce preventable diseases, which trims healthcare costs. We support this program because it makes a healthy lifestyle choice fun and supports our core business.

B-Cycle

Humana collaborated with Trek Bicycle Corp. to form B-Cycle, which promotes bicycles as a vital part of the transportation

Contributions to Arbor Day Foundation for Tree Planting / Reforestation Projects



ecosystem and a powerful vehicle for promoting well-being. It provides cruiser-style bicycles that are convenient for travelling to work, doing errands or visiting tourist attractions. The bikes are outfitted to track miles, calories burned and the carbon offsets they generate. Residents and visitors can check out bicycles on the B-Cycle website or at physical stations located across participating cities.

B-Cycle began with a successful pilot program called Freewheelin at the 2008 Denver and Minneapolis-St. Paul Democratic and Republican conventions, respectively. It captured the attention of residents, policymakers and elected officials. The program returned to Denver in April 2010 with 500 bikes at 50 stations, and came to Chicago a few months later with 100 bicycles at six stations around the city.

ENVIRONMENTAL DEFENSE FUND/CLIMATE CORPS

Humana participated for the first time in 2011 in the Environmental Defense Fund's Climate Corps program. From May to August 2011, an MBA candidate examined our Louisville data center operations. He specifically analyzed opportunities for further reduction in the number of cooling server racks.

Although we had already had put many efficiency measures into effect, the Climate Corps fellow recommended further improvements. Among them: variable frequency drives attached to each individual computer room air-conditioner unit, improvements to air-flow management and airside economies to allow for free cooling from the outside to remove server heat. The fellow estimated that employing the cooling projects would save about 15.42 million kWh or \$620,000 in electricity costs per year, which translates into 10.79 fewer metric tons of carbon emissions.





Humana associates in several cities enjoy sharing bikes with B-Cycle.

Healthy Planet in the Workplace Associate Engagement

Humana associates play an incalculable role in supporting our *Healthy Planet* platform. Some offices have Green Teams that encourage participation in our environmental stewardship. This grassroots effort enables associates to take leadership roles, pursue creative solutions and build the morale of their peers.

The Kansas City Green Team, formed in April 2008, started a comprehensive recycling program for plastic bottles, shopping bags, cardboard, tin and aluminum cans, ink-jet cartridges, compact fluorescent bulbs and alkaline batteries. Team members also worked with the office building's owner to install a recycling receptacle in the parking lot so the 180 other tenants could participate.

The Atlanta Green Team has decreased its paper use by printing most of the office's large copy projects on both

sides of a sheet of paper, halving the amount of paper needed. User-identifier sheets no longer accompany non-confidential print jobs and associates are encouraged to share documents electronically. The Atlanta team also is working to reduce waste by phasing out disposable plates, cups and utensils, as well as switching to paper towels made from recycled paper.

To align operations with Humana's *Healthy People* strategy, the CSR team from our Desert Ridge, Ariz., office began an effort to eliminate disposable cups, plates and plastic ware from the office. All associates received reusable cups to replace the disposable Styrofoam cups used before. This transition decreased the office's waste footprint and yielded a financial saving from no longer purchasing disposable kitchen goods.

Environmental Health & Safety

Humana commits to providing a workplace that promotes health and safety while encouraging environmental stewardship and helping associates attain lifelong well-being.

Through the official Environmental Health & Safety Policy, Humana pledges to:

- Comply with or exceed requirements of federal, state and local statutes and regulations and standards that protect health, safety and the environment.
- Establish robust, scientifically-sound standards and best practices that promote health, safety and environmental sustainability.
- Use a Safety Management System to manage and continually improve the policies, procedures and processes that directly impact health, safety and the environment.
- Promote and maintain a work environment in which associates accept personal responsibility for their own safety and actively intervene to ensure the safety and well-being of others.
- Establish specific metrics to measure our adherence to these environmental health-and-safety principles and provide meaningful information about our performance to our internal and external stakeholders.

Each business unit is responsible for allocating adequate resources to employ this policy and to participate in the Safety Management System. This policy is reviewed annually and updated as needed.

HOW DOES OUR OWN GARDEN GROW?

Seventy-five associates from our Green Bay, Wis., office have been watching their Humana Associate Garden grow since beginning the project in October 2010. Harvests of produce, herbs and flowers from the community garden helped charities — primarily Golden House, a Green Bay nonprofit organization that supports victims of domestic violence — and the families of the 50 garden-tending associates.

The garden is located on the grounds of the sprawling Green Bay facility that houses more than 2,500 associates. From the garden's 16 individual plots, each roughly the size of a mid-sized car, have come rich summer harvests, including 29 pounds of produce and herbs delivered to Golden House.

"Having the garden here provides a place to find serenity during the day, to see what other people are growing, to learn new planting techniques, to meet associates you normally wouldn't have the opportunity to meet and to engage in a healthy activity promoting healthy lifestyles," says Sarah Nanna, a learning consultant team lead at Humana's National Education & Policy Development group. She helped organize the garden project and serves as its chief volunteer.

After getting approval for the garden, associates began tilling it the fall of 2010 and continued doing that in the spring. They planted their plots in the spring and harvested several times in the summer as crops matured. The associates furnished the seeds and Humana has provided a large water container for their use. In 2012, the group plans to add two raised garden plots accessible by associates with special needs.



Humana's 2012 Energy Savings Targets

Our 2012 target is a

10%

reduction in energy consumption, greenhouse gas emissions and energy expenses by the end of the year, compared to the 2009 baseline.

Annual Energy Expense

We expect to decrease our annual energy expense by 10 percent.

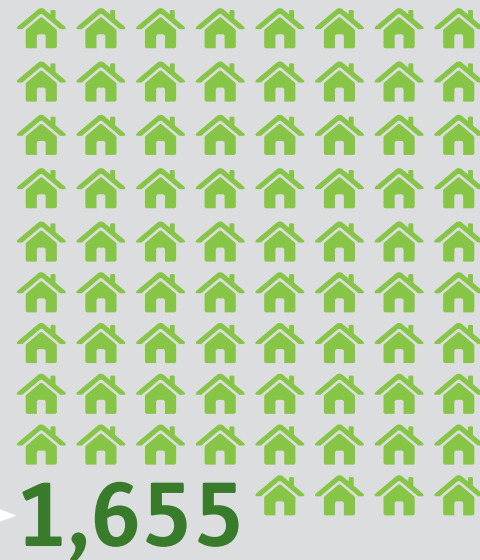


Annual Building Energy Consumption

Humana expects to conserve 19,245 megawatt hours of electricity by the end of 2012.



... is equal to* ...



Homes eliminating CO₂e** emissions from electricity use for one year

Annual Greenhouse Gas Emissions

Humana expects to conserve 13,255 metric tons of CO₂e** by the end of 2012.



... is equal to* ...



2,599

Greenhouse gas-producing passenger vehicles eliminated from the road

...or...▶



131

Acres of forest preserved from deforestation

*Equivalency calculations from the U.S. Environmental Protection Agency
**CO₂e equals carbon dioxide equivalents

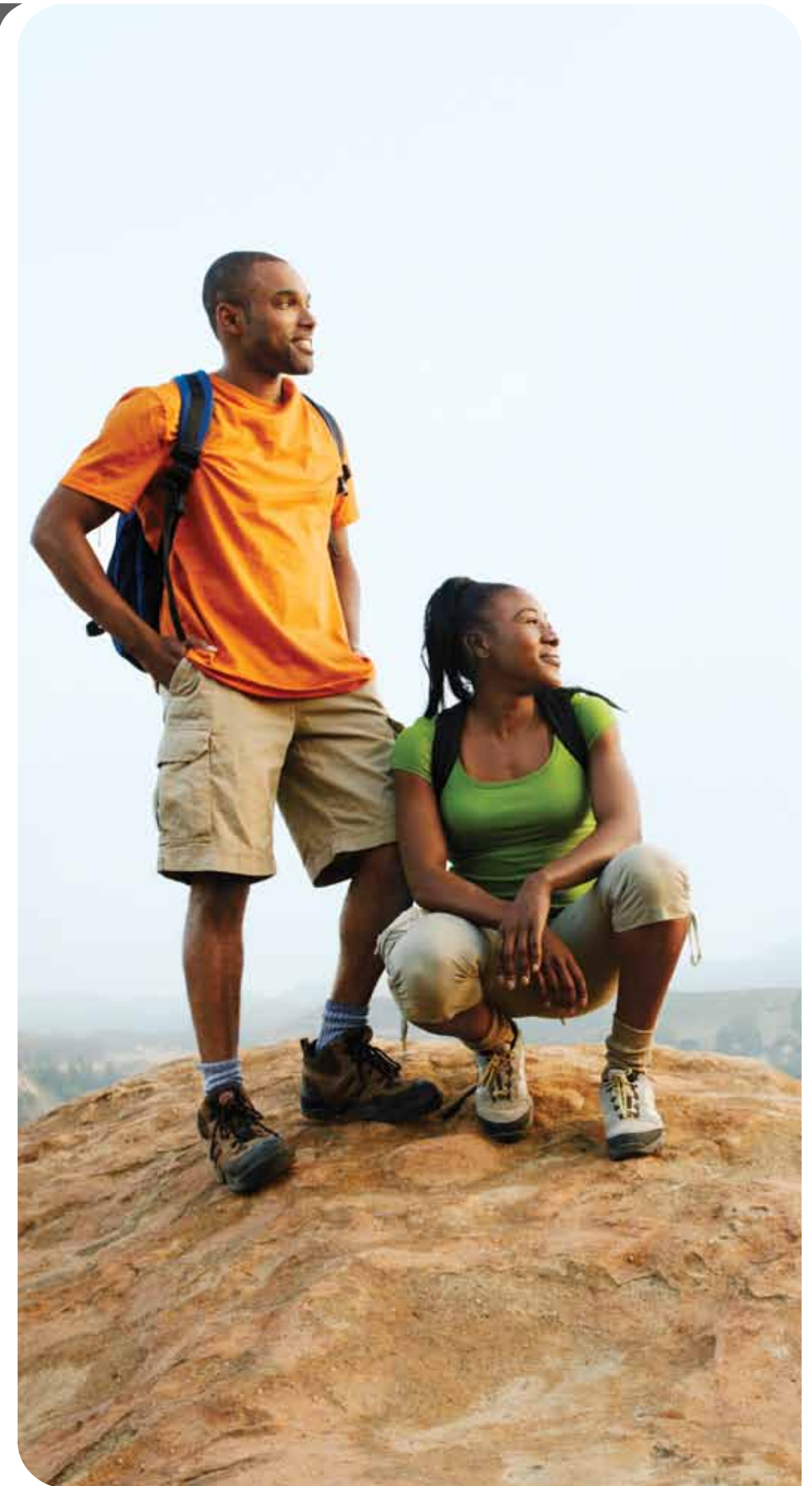
HEALTHY PERFORMANCE

Since our inception in 1961, we have followed ethical business practices and pursued excellence.

We recognize that accountability and transparency are an integral part in how we do business as a leading healthcare company. We promote compliance and diversity in our supply chain, maintain high standards of ethical governance, promote well-being throughout our health services for our members and train our associates annually on ethical business practices.



Outdoor activities are an important way to maintain physical, emotional and mental well-being.



Our associates' understanding of this commitment and willingness to raise ethical and compliance concerns proves vital to protecting the well-being of our associates, members and communities.

Associate Training

At Humana, we foster growth and leadership development through providing learning opportunities for associates. Professional development offerings for all associates include:

• **The Learning Center**

This is Humana's single location for all internal training-and-development opportunities, both online and instructor-led. Associates can search for trainings by competency or key word, register for courses, and view their registration history.

• **Harvard Manage Mentor Plus**

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

• **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).

• **Toastmasters**

The Humana chapter of this international group meets biweekly to develop oral communication and leadership skills. This learning-by-doing workshop provides a mutually supportive and positive learning environment in which to foster self-confidence and personal growth.

Promoting Well-Being Services

Well-being permeates Humana's core business. As part of our commitment to maximize the health and well-being of our associates, members and the communities we serve, we seek to improve our members' access to affordable, convenient and high-quality care.

Expanded Care with Concentra Inc.

In December 2010, Humana acquired Concentra Inc., a privately held healthcare company that delivers occupational medicine, urgent care, physical therapy and wellness services through nearly 600 facilities in 43 states. Concentra enables Humana to expand services to patients and employers as nearly three million Humana members live near a Concentra center and Concentra operates more than 240 work-site medical facilities.

More Affordable Options with Walmart Stores

Humana partnered with Walmart to create the nation's lowest-cost Medicare Part D prescription-drug plan for seniors and people living with disabilities — the same plan for all people eligible for Medicare no matter where they live. This first-of-its-kind plan, which became available on Jan.1, 2011, provides significant savings on premiums and prescription-medicine copayments. Beneficiaries can realize further savings by using preferred pharmacies and Humana's mail order option. For those who use these preferred sources, the Humana Walmart-Preferred Rx Plan saved each enrollee an average of \$450 in 2011 (as compared with average total costs for a Part D prescription drug plan in 2010). As nearly 18 million Americans rely on Medicare Part D for their prescriptions, this plan plays an important role in making healthcare affordable for those who need it most.



Patients wait in a Concentra clinic.

Total number of management and non-management employees who have received ethics training

	12/31/2010	12/31/2011
Management	7,553	8,721
Non-Management	34,066	40,964

100% of management and non-management associates completed annual ethics training in 2010 and 2011. This data includes Concentra associates.

Total and average hours of training per associate

	2010	2011
Humana Exempt Associates	1,933,369 total hours, 124 average hours	1,104,284 total hours, 9 average hours
Humana Non-Exempt Associates	380,415 total hours, 34 average hours	773,927 total hours, 15 average hours
Concentra Exempt Associates	25,242 total hours, 8 average hours	20,261 total hours, 5 average hours
Concentra Non-Exempt Associates	52,372 total hours, 11 average hours	42,965 total hours, 8 average hours

Note: The Humana figures are based on learning data pulled from Humana's learning management system (the Learning Center), and are submitted by individual system administrators across the enterprise. The data reflects all types of learning tracked in the system (in-person, eLearning, etc.). Concentra associates, contractors, contingent workers and temporary workers do not have access to the Learning Center.

Workforce by Full-Time Regular and Part-Time Regular

	12/31/2010	12/31/2011
Full-Time Regular	32,669	36,722
Part-Time Regular	274	300

*Contractors, part-time less than 20 hours, limited term and variable staffing pool are not reflected.

Total number of permanent employees broken down by employment type

	12/31/2010	12/31/2011
Total Associates	35,200	40,000
Total Contractors (supervised workers)	17,417	18,695

*Part-time less than 20 hours, limited term and variable staffing pool are not reflected. Total associate counts are approximate and from our 10-K. Concentra associates are reflected in the total associate counts for 2010 and 2011. Concentra associates are not reflected in the total contractors counts.

Health Economy Simulator

Sponsored by Humana, in collaboration with BTS Group, the Health Economy Simulator workshop is a learning experience that fosters a deeper understanding of the healthcare system and the resources that affect a community's health and well-being. The two-day workshop provides representatives of payers, providers and hospitals, as well as key business and community leaders, with new insights into the roles, functions and unique challenges facing consumers and each stakeholder group. By taking a broad look at this system, participants build the groundwork for future collaboration and innovation that can create a more efficient healthcare system.

Participants in teams compete to build a healthcare system for fictitious counties. Through a computer-based simulator, they see how a single action creates ripple effects on the entire health system. By the end of the second day, each team creates a three-year plan to cut costs, improve health outcomes, cover more people and enhance the overall healthcare system. This exercise

prompts brainstorming and discussion about how best to move the healthcare economy forward. After the event, Humana facilitates ongoing collaboration, best practice sharing and problem solving among participants, who see first-hand that collaboration and constructive dialogue at the local level can achieve systemic change in healthcare. Health Economy Simulator learning experiences have been held in Chicago, Knoxville, Santa Fe, Las Vegas, Phoenix, Denver and Salt Lake City.

Advancing a Sustainable Supply Chain Sustainable Procurement

Humana is assessing future opportunities to further our sustainable procurement efforts. We already have developed Standards of Excellence for Procurement and next intend to develop and conduct an assessment of 300 of our largest suppliers. The assessment, conducted in 2011 and currently under analysis, will identify potential areas of opportunities and provide a starting point to measure the impact of internal changes in procurement processes and collaboration with our supply chain. Humana intends to explore these possible opportunities when the analysis is complete:

- Partnering with (or employing) suppliers that demonstrate cost savings from sustainable activities and/or sharing tools used for environmental improvement.
- Using efficient shipping and eco-friendly packaging associated with pharmaceuticals, medical devices and office supplies.
- Reducing consumption and increased recycling efforts in conjunction with external print suppliers.
- Devising ways to retrieve and recycle or refurbish end-of-life items and packaging.
- Partnering with a supplier(s) to manage inventories.
- Researching alternative materials, products, equipment and processes with lower life-cycle impacts.

Supplier Diversity

Humana believes that a diverse base of suppliers is not only integral to our success as a healthcare organization, but to our overall objectives and imperatives as a socially responsible corporation. We also believe our success with achieving overall inclusion and diversity hinges largely on the success of others — a diverse group of people who work at Humana and those whose businesses provide us with valuable goods and services.

Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation

		CUSTOMER CARE SPECIALIST	OPERATION SPECIALIST	CLAIMS SPECIALIST
CITY	STATE	RATIO	RATIO	RATIO
Green Bay	WI	2.3:1		
Irving	TX	1.9:1	1.8:1	
Louisville	KY	2.1:1	1.8:1	2.1:1
Miami	FL	1.8:1	1.5:1	1.9:1
Miramar	FL	1.8:1	1.6:1	
Phoenix	AZ	2.1:1	1.7:1	
San Antonio	TX	2.3:1		
San Jaun	PR	2.4:1	2.1:1	2.7:1
Tampa	FL	2.1:1		2.1:1

		CUSTOMER CARE SPECIALIST	OPERATION SPECIALIST	CLAIMS SPECIALIST
CITY	STATE	RATIO	RATIO	RATIO
Cincinnati	OH	2.0:1	1.8:1	
Green Bay	WI	2.2:1	1.8:1	
Irving	TX		1.8:1	2.1:1
Louisville	KY	2.1:1	1.4:1	2.1:1
Miami	FL	1.9:1		
Miramar	FL	1.8:1		
Phoenix	AZ		1.6:1	
San Antonio	TX	2.1:1		
San Juan	PR	2.2:1		
Tampa	FL	2.1:1		2.3:1
Tempe	AZ	2.1:1		
West Chester Twp	OH		1.7:1	

Significant locations are defined as locations with more than 400 associates. A significant proportion of the population is compensated based on wages subject to minimum wage rules.



A Humana corporate marketing associate interacts with a colleague.

Humana's commitment to inclusion and diversity extends from our workplace to our supply chain. Our Supplier Diversity Program, created in 1994, helps our communities locally, regionally and nationally by establishing meaningful relationships with suppliers who provide quality goods and services. We aim to create a supplier base that reflects our diverse associates and the communities we serve. We achieve this goal by seeking opportunities to maximize the participation of approved enterprises owned by minorities, women, GLBT, and persons with disabilities, as well as small-business enterprises (SBE). Our Supplier Diversity program supports Humana's contractual commitments to commercial and federal government customers. Our goal is to continuously pursue our dedication to fair and equitable business practices through the inclusive diversification of our supplier base. In 2010, we spent 11.95 percent of our total spend on goods and services with diverse suppliers and from these relationships realized a total cost savings of 6.25 percent. In 2011, we spent 13.84 percent of our total spend

on goods and services with diverse suppliers and realized a total cost savings of 6.7 percent.

Our subsidiary company, Humana Military Healthcare Services, Inc., is a prime contractor to the federal government. Federal contracts require that we engage SBEs for purchasing products and services. Goals are set based on the percentage assigned to each SBE classification as defined by the contract. Diverse businesses qualifying as SBEs are given additional opportunities to do business with Humana through government contracting efforts. We constantly are seeking qualified diverse businesses as suppliers to help us achieve contract compliance goals and to support our overall commitment to being a corporate leader in CSR. Beyond fulfilling specific contractual requirements, diverse suppliers broaden our access to innovation and creativity. We set targets for continued use of diverse suppliers to ensure solid relationships and growth.

Humana maintains memberships and affiliations with various councils and organizations sharing like interests and advocacy for supplier diversity. These affiliations include such groups as:

- National Minority Supplier Development Council*
- Women's Business Enterprise National Council*
- National Gay and Lesbian Chamber of Commerce*
- U.S. Business Leadership Network
- Small Business Administration
- National Veteran-Owned Business Association
- Hispanic Latino Business Council
- Women's Business Enterprise Council

*** Corporate membership**

Integrating Ethics into Our Business

Ethics in the Workplace

Associates understood the essential importance of conducting themselves ethically and with integrity well before Humana formalized its ethics code in 1995. We also know that the involvement of our senior management, directors, associates and suppliers is essential to that integrity. To underscore workplace ethics, associates (management and non-management) must participate in about two hours of ethics training annually. In addition, employees receive an ethics manual and have 24-hour access to an independent and confidential Ethics Help Line.

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, it 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 also can report a concern (anonymously, if desired) by using the Ethics Help Line web reporting site at www.ethicshelpline.com.

Principles of Business Ethics

Humana's Principles of Business Ethics guides suppliers about ethical behavior for conducting business. Humana commits to maintaining high ethical standards in conducting business. The key to upholding those standards involves acting ethically in every daily decision and action of every Humana associate. We also require highly ethical conduct from our vendors.

The Principles of Business Ethics for Vendor Relationships seeks to ensure that suppliers fully understand Humana's commitment to integrity and our expectations for ethical conduct by our suppliers. Some basic guidelines our suppliers are asked to follow include:

- **Honesty**
Act fairly and honestly with those affected by their actions. Treat them as one would expect them to be treated if the situation were reversed.
- **Compliance with Laws**
Comply not only with the letter of all applicable laws and regulations, but also with the spirit of the law or regulation. Act in such a manner that the full disclosure of all facts related to any activity would reflect favorably upon their company.
- **Business Responsibility**
Adhere to the highest ethical standards of conduct in all business activities and act in a manner that enhances Humana's standing as a corporate citizen and ethical competitor within the business community. Pursue no business opportunity that requires violation of these principles.
- **Responsibility for Reporting Violations**
Humana promotes relationships based on mutual trust and respect and provides an environment in which suppliers may question a company practice without fear of adverse consequences. Ethical violations include, but are not limited to, violations of laws or policies, dishonest or unethical behavior, conflicts of interest, fraud, questionable accounting and internal controls, criminal misconduct, or any suspicious activity. All people doing business with Humana are required to avoid conflicts of interest.

Humana promptly investigates any reported potential violations of its Principles of Business Ethics. All potential violations are treated confidentially, as circumstances allow.



Interview with Chief Privacy and Ethics Officer James S. Theiss

In what ways has Humana been committed to ethics since its founding in 1961?

The vision for the business that was started in 1961 was that of "respect for patients and personalized attention." Respect is one of the words included in our ethical culture description today.

What does ethics look like at Humana today?

Ethics is at the core of Humana's culture. It begins with the support and engagement of senior leadership, and it's visible through Humana's Perfect Service commitment, of which all associates play a part.

How do associates benefit from annual ethics training? What kind of change does it create?

During annual ethics training, associates are reminded of Humana's commitment to Perfect Service and to "doing the right thing for the right reason." This includes examples of appropriate ethical behavior, how to identify inappropriate ethical behavior, and how to ask questions about ethical issues and/or report situations regarding inappropriate behavior.

How do you work to create a culture of high ethical standards?

A culture of high ethical standards begins with a commitment from Humana leadership. Humana's Chairman and CEO of the Board has a strong commitment to high ethical standards, which he frequently refers to, both internally and externally.

How would you like to see Humana's ethics programs continue to improve in the short- and long-term future?

I would like programs to focus on ethical leadership: how to develop a leader's ethics toolkit and equip leaders with information to provide better guidance. I would also like to increase associate involvement throughout the year, including recognizing associates who have displayed appropriate ethical behavior and publishing "ethical moments" — scenario-based snippets of guidance.

Supplier Standards Of Excellence

At Humana, we are committed to integrating CSR into our business strategy.

We consider our supply chain an extension of our company; we involve our suppliers in maintaining our ethical and sustainable business standards. All suppliers are expected to follow our Supplier Standards of Excellence:

People

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

Planet

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

Performance

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

Associates and Contractors Broken Down by Region

STATE	12/31/2010 SUM OF CONTRACTORS & ASSOCIATES	12/31/2011 SUM OF CONTRACTORS & ASSOCIATES
AL	233	264
AZ	2,782	4,331
CA	731	868
CO	529	532
CT	157	155
FL	5,092	5,870
GA	891	929
IL	922	1,001
IN	293	432
KS	196	182
KY	23,114	25,188
LA	372	367
MD	290	283
ME	103	104
MI	528	556
MN	166	142
MO	258	263
MS	176	111
NC	319	386
NJ	330	357
NV	243	272
NY	181	145
OH	2,590	3,077
OK	235	266
OR	6	110
PA	423	436
PR	815	863
RI	152	127
SC	384	340
TN	851	715
TX	3,525	4,756
UT	95	100
VA	110	194
WA	42	130
WI	4,073	4,437

*Part-time less than 20 hours, limited term and variable staffing pool are not reflected. The associate count may vary depending on the time at which the data were aggregated. This data includes Concentra associates. Only states with 100 or more associates in 2010 or 2011 are shown.

Ethical Communications

Humana commits to providing accurate and truthful information in any transaction. We have developed internal controls and procedures to ensure that any report or record is accurate and reliable. This includes a system of internal accounting controls that maintains the integrity and reliability of our financial reporting to the Securities and Exchange Commission, state insurance departments and other state and federal regulatory agencies. The internal controls also are programmed to detect and prevent illegal activities in compliance with the Foreign Corrupt Practices Act.

Humana's financial reporting system also provides assurance to these regulatory agencies, stockholders, the Board of Directors and management that our assets are safeguarded and transactions are executed and recorded properly in accordance with appropriate authorization.

Humana's Board of Directors has an Audit Committee composed of independent directors. The Audit Committee meets regularly with management and the internal and external auditors to oversee the company's financial reporting processes. Humana complies with all laws and regulations that apply to its marketing communications and activities. These include Centers for Medicare and Medicaid Services Medicare Marketing Guidelines, Federal Employee Retirement Income Security Act rules, National Association of Insurance Commissioners Model Regulations and State Department of Insurance rules as appropriate, as well as Humana's own ethics and compliance policies. All communications must adhere to strict corporate internal review processes, which promote accuracy, quality and compliance. Humana also is engaged actively with our industry association, America's Health Insurance Plans, to collaborate and provide feedback to various regulatory considerations. All communications are reviewed against these standards prior to use. Ongoing communications or marketing communications that are in continued use are generally reviewed annually.

Humana does not market products that are banned in certain markets. With regard to the ongoing public debate on healthcare in the U.S., the Corporate Communications area routinely communicates the company's positions on these topics.

To help maintain compliance, Humana leaders from all business units and geographies meet regularly to review current and planned communications. Humana also engages in "audit readiness" activities and uses a robust process to address new and updated regulations and laws as they occur.



HUMANA'S SUPPLIER DIVERSITY EFFORTS HONORED

Humana's commitment and initiatives to diversify its supplier base were recognized by the Tri-State Minority Supplier Development Council (TSMDC). This nonprofit group creates partnerships between companies and minority-owned businesses within southern Indiana, Kentucky and West Virginia. In 2010 and 2011, TSMDC awarded Humana with its Chairman's Challenge Award and the Agavé Keystone Award for Corporation of the Year, respectively.

Humana believes that using a diverse group of suppliers strengthens its opportunities to innovate procurement and to enhance creativity, quality, cost savings and investments in our communities.

"The ongoing success of our supplier diversity program is the result of an enterprise-wide commitment. I am proud to be a part of an organization that supports supplier diversity as a business imperative and recognizes the importance of inclusion and diversity as an inherent part of our culture," said Sandra Harper, Supplier Diversity Manager.

"Humana's diverse supplier relationships are critical to our growth as an enterprise," said Deb Beavin, Chief Procurement Officer. "Our ongoing achievement hinges upon our ability to continue to engage suppliers with a shared commitment for success."

4 OF 5 ESG RATING

IN 2011, HUMANA EARNED AN OVERALL ENVIRONMENTAL, SOCIAL GOVERNANCE (ESG) RATING OF 4 OF 5 IN THE FTSE4 GOOD INDEX

Leadership in Ethics

In May 2010, Humana Military Healthcare Services, a wholly owned subsidiary of Humana, joined the Business Ethics Leadership Alliance (BELA). BELA is an ethics and compliance council founded by the Ethisphere Institute, a leader in business ethics and anti-corruption. BELA comprises 200 of the world's leading brand corporations, universities and institutions dedicated to sharing practices in business ethics, corporate social responsibility, anti-corruption and sustainability. It strives to set the foundation for improved ethical behavior in the corporate environment in four core values: legal compliance, transparency, conflict identification and accountability. In 2010, Humana Military Healthcare Services ranked among the top 20 "Best Corporate Citizens in Government Contracting" as chosen by *Corporate Responsibility Magazine*. Humana Military Healthcare Services ranked 17 of 100, the highest ranking of any U.S. healthcare company. In 2011, Humana Military Healthcare Services ranked 21.

As a government contractor, Humana complies with various federal and state laws, which often impose stringent requirements and explicit compliance, including the U.S. Foreign Corrupt Practices Act and the Procurement Integrity Act.

Board Governance

Humana is governed by a 10-member Board of Directors (which includes Chairman and CEO Michael McCallister) elected annually by stockholders. The Board fosters a culture of integrity in Humana's governance structure. During its six regularly scheduled meetings, the Board reviews and discusses the company's management and performance. More specifically, the Board advises on:

- Selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- Providing counsel and oversight on the selection, evaluation, development and compensation of senior management;

- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Assessing major risks facing Humana and reviewing options for their mitigation.

All of the members of our Board of Directors, with the exception of our CEO, are considered independent, meeting the independence standards established by the Securities and Exchange Commission (SEC), the New York Stock Exchange (NYSE). Additionally, the Board must determine affirmatively that a director does not have any material relationship with Humana.

Committees of the Board

Five Board committees ensure efficient and responsible governance: Audit, Executive, Investment, Nominating and Corporate Governance, and Organization and Compensation. Only directors meeting 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.

Carbon Disclosure Project

Since 2007, Humana has provided information on our carbon-reduction efforts in the Carbon Disclosure Project (CDP), an independent nonprofit organization with the largest database of corporate climate change information in the world.

The data originates from responses to CDP's annual information requests, issued on behalf of institutional investors, purchasing organizations and government bodies. Since its formation in 2000, CDP has become the gold standard for carbon disclosure methodology and process, providing primary climate-change data to the global marketplace. For our 2010 data, Humana received a 72 percent ranking on the CDP Leadership Index, up from 69 percent in 2009. In 2011, we improved yet again and received a score of 81 percent for the depth and comprehensiveness of our disclosure.

External Recognition

In the past several years, a number of third parties have recognized our commitment to ethical and sustainable practices.

FTSE4Good Index

In 2011, Humana earned an overall Environmental, Social Governance (ESG) rating of 4 of 5 and a Supersector Relative ranking of 95 of 100. Humana initially appeared on the FTSE4Good Index in September 2009. By measuring objectively the stock performance of responsible corporations, the FTSE4Good index acts as a resource for fund managers, asset owners, investment banks and stock exchanges.



Humana celebrates its 50th anniversary at the New York Stock Exchange.

Newsweek Green Rankings

In the Newsweek Green Rankings, companies are ranked by their overall Green Score, derived from three component scores: the Environmental Impact Score, the Green Policies Score and the Reputation Survey Score, weighted at 45 percent, 45 percent and 10 percent, respectively. In 2010, Humana ranked 317, up from 392 in 2009. In 2011, Humana ranked 72, an improvement of 245 positions.

Newsweek Green Rankings assess the 500 largest U.S. public companies on their environmental footprint, management of that footprint (including policies and strategies) and environmental reputation. Scores reflect how a company performed relative to the universe of companies being ranked. Rankings are based on company disclosed information, surveys with companies and third-party research.

Dow Jones Sustainability Indexes (DJSI)

Humana has been recognized on the Dow Jones Sustainability World Index and the Dow Jones North America Sustainability Index for four consecutive years. Established in 1999, the DJSI Indexes were the first global sustainability benchmarks. DJSI identifies sustainability leaders using rigorous environmental, social and governance criteria, such as corporate governance, social policies, environmental management and corporate citizenship and philanthropy. The indexes use a best-in-class approach, meaning they only include companies that fulfill sustainability criteria better than the majority of their industry peers. In 2011, Humana ranked among only two health insurers recognized on the North America Index.

Human Rights Campaign

Humana earned a score of 90 of 100 on the Human Rights Campaign's 2012 Corporate Equality Index. Released each

fall, the civil rights organization's index analyzes and rates large U.S. employers on their policies and practices in support of GLBT employees. The 2012 index evaluates companies on a scale from 0 to 100 percent on GLBT-related policies and practices including transgender health benefits and domestic partner benefits. Humana's score of 90 compared with its score of 45 in 2010.

Stakeholder Engagement

Humana retains a tradition of open communication and cooperation with our stakeholders on environmental, social and governance issues, and invites questions and comments. Our stakeholders are interested in Humana's performance, operations and products, and include:

- Associates and their families
- Industry analysts
- Members
- Neighbors and community groups
- News media
- Non-governmental organizations
- Regulators, legislators and political leaders
- Stockholders
- Suppliers, vendors and contractors

We actively seek dialogue with our stakeholders to discuss environmental, social and governance issues that confront our company and the healthcare industry, and to review the actions we are taking on these fronts, including:

- Expectations from the investment community, nonprofit organizations and regulatory authorities
- Feedback from our members on product and company performance
- Suggestions from vendors on opportunities to improve productivity
- Community feedback on facility operations and emergency-response procedures
- Input from our associates

Our associates, who collectively have the largest impact on our CSR performance, are essential to our success. We foster communications and dialogue with them through a variety of initiatives, including functional and cross-functional support teams, regular "all-associate" addresses, our intranet, our internal e-newsletter, video monitors and an associate-only social networking site. We encourage associates to assume an active part in sharing with others our company's expectations and our CSR platform and strategy. We consider information sparked by stakeholder engagements in assessing our company's CSR performance and strategy, determining the scope and content of information shared with the public, and shaping the company's programs and actions.

About this Report

This report documents Jan. 1, 2010, through Dec. 31, 2011. To develop this report we used the Global Reporting Initiative (GRI) framework and self-declare the report to be GRI level C. It is our first report since our 2009 Report to the Community. Going forward we plan to report on a biennial basis. The boundary of the report includes all of our operating units, 100 percent of our leased and owned facilities and 100 percent of our workforce in all regions in which we operate. The report covers joint ventures and subsidiaries, unless expressly noted otherwise. There are no limitations on the scope or boundary of the report.

To determine the content of this report, we first conducted a materiality assessment to evaluate the priorities of our key stakeholders. Our stakeholders are people who are interested in Humana's performance, operations and products. Feedback from stakeholders informed our selection of content and GRI indicators. The report's content selection and production process was guided by a CSR report task force composed of 20 individuals from various business units.

Questions regarding this report can be sent to csr@humana.com.

Humana has invited **Delia Pompa**, senior vice president for programs at the **National Council of La Raza**, to provide external commentary to this report. Humana and the National Council of La Raza are engaged in a partnership to help Hispanic seniors with diabetes to better manage their disease.

Humana Stakeholders,

For our nation's Hispanics, diabetes ranks among the most serious health problems. An estimated 2.5 million Hispanic adults — more than one in 10 of those at least 20 years old — have been diagnosed with the disease, and it's our fifth leading cause of death. Diabetes is of special concern to our seniors who are disproportionately affected with type 2.

Sadly, the greatest challenge to fighting diabetes in our community is access to health education and overall healthcare. With Humana's assistance, we are striving to knock down this barrier through a unique partnership. Together, the National Council of La Raza and Humana are testing the community health worker — or “promotores de salud” — approach to help Hispanic seniors with type 2 diabetes better manage their disease and improve their health and well-being.

The program ran through the end of 2011 in San Antonio, Texas, and initial results are very positive. The program studies how interventions from community health workers can better serve and support 100 diabetic seniors. Participating seniors are members of the Mexican American Unity Council, a community-based organization.

Community health workers help participants incorporate nutritional management and physical activity into their lifestyles; learn how to use medications safely and for maximum therapeutic effectiveness; find out how to prevent, detect and treat acute and chronic complications; and learn how to adopt strategies to promote health and behavior changes.

Preliminary results from the first group of 50 seniors completed the program is effective. In December 2011, the second group of 50 seniors will complete the intervention, with a final report to Humana delivered in 2012. This program should provide us with best practices for improving the health and well-being of Hispanic seniors and others with diabetes.

The National Council of La Raza is proud to partner with Humana on this innovative project that contributes to “Healthy People,” and we are hopeful that this is the beginning of a long-term partnership to improve the well-being of the Hispanic community. So on the occasion of Humana's CSR report, we would like to say ¡A su salud!

Sincerely,

Delia Pompa
Senior Vice President for Programs



G3.1 Content Index Standard Disclosures Part I: Profile Disclosures

1. Strategy and Analysis

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
1.1	Statement from the most senior decision-maker of the organization.	Fully	1

2. Organizational Profile

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
2.1	Name of the organization.	Fully	1
2.2	Primary brands, products, and/or services.	Fully	2
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	2
2.4	Location of organization's headquarters.	Fully	2
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	2
2.6	Nature of ownership and legal form.	Fully	2
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2
2.8	Scale of the reporting organization.	Fully	2
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	28
2.10	Awards received in the reporting period.	Fully	37-39

3. Report Parameters

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	39
3.2	Date of most recent previous report (if any).	Fully	39
3.3	Reporting cycle (annual, biennial, etc.).	Fully	39
3.4	Contact point for questions regarding the report or its contents.	Fully	39
3.5	Process for defining report content.	Fully	39
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	39
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	39
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	39
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	39
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	39
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	41-43

4. Governance, Commitments, and Engagement

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	2
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	2
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	2
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	38-39
4.14	List of stakeholder groups engaged by the organization.	Fully	39
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	39

Economic

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	2
Market presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Partially	31

Environmental

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	20
EN4	Indirect energy consumption by primary source.	Fully	20
Emissions, effluents and waste			
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	20

Social: Labor Practices and Decent Work

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Employment			
LA1	Total workforce by employment type, employment contract, and region.	Partially	30, 35

Social: Labor Practices and Decent Work (con't)

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Occupational health and safety			
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	6-7
LA10	Average hours of training per year per employee by employee category.	Partially	28

Social: Society

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Corruption			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	28, 32

Social: Product Responsibility

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	PAGE
Product and service labeling			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	35

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