

UNITEDHEALTH GROUP

9900 Bren Road East, Minnetonka, MN 55343

The Environment

UnitedHealth Group is dedicated to helping people live healthier lives and making the health system work better for everyone. We recognize that the environment plays an important role in the well-being of every community. Our awareness and concern for the environment fits within our core values of Integrity, Compassion, Relationships, Innovation and Performance.

We believe: The environment is a key part of what makes the communities in which we live and work sustainable, viable and healthy; we have the ability to influence this. We also appreciate that a changing environment can impact our ability to accomplish our mission, and we manage accordingly.

We value: We encourage and promote genuine, environmentally responsible behavior on behalf of our company, our employees and our partners in the communities that we serve.

We behave: We will reduce our company's overall environmental impact by reducing our carbon footprint, ensuring efficient use of water and energy, developing and implementing comprehensive recycling and waste management programs, and engaging our employees and partners through thoughtful, goal-based environmental stewardship.

Governance

The Public Policy and Responsibility Committee is a committee of the Board of Directors and oversees UnitedHealth Group's Corporate Environmental Policy. The Public Policy Strategies and Responsibility Committee's primary purpose is to carry out and perform the responsibilities and duties set forth in its Charter, including reviewing and recommending to the Board policies, positions and practices concerning broad public policy issues, including those that relate to responsible environmental practices.

Governance mechanisms into which climate-related issues are integrated:

- Reviewing and guiding strategy
- Reviewing and guiding business plans
- Monitoring implementation and performance of objectives
- Monitoring and overseeing progress against goals and targets for addressing climate-related issues

Strategy

Beyond operational impacts experienced due to weather-related events, climate change has not been identified to be a material risk; and therefore, is not identified as a significant driver for business strategy. However, if materiality of climate-related risks from weather-related events increases, then we may formally integrate climate-related issues into our business strategy.

Risks & Opportunities

Processes for identifying, assessing, and managing climate-related issues are integrated into a multi-disciplinary company-wide risk identification, assessment, and management process.

UnitedHealth Group incorporates comprehensive energy and sustainability management into its Enterprise Real Estate Services platform. The energy and sustainability management program inherently encompasses a climate change risk management process to assess the materiality of climate change risks and opportunities as part of UnitedHealth Group's ongoing CDP and Dow Jones Sustainability Index reporting processes. UnitedHealth Group's energy and sustainability management team actively monitors climate change related risks and opportunities for materiality, specifically pertaining to our global operations and the health care services marketplace. If this dedicated team senses an emerging material risk, then it is that team's responsibility to engage UnitedHealth Group's Enterprise Risk Management team for further review.

In order to identify inherent risks and opportunities associated with changes in regulations, UnitedHealth Group's energy management program includes a Center of Excellence team that has developed a matrix of U.S. regulations that includes benchmarking, auditing and retrocommissioning ordinances. The energy management team also manages risks and opportunities associated with changes in regulation at the asset level and takes specific action to mitigate risk through deregulated energy market opportunities.

Inherent risks associated with physical climate parameters, such as natural disasters, may have a potential impact on our facilities and business operations. To identify inherent risks and opportunities associated with physical climate parameters, UnitedHealth Group's Enterprise Resiliency and Response team constantly monitors weather conditions and uses established processes and systems to avoid weather-related business interruption. To manage these risks, we have identified critical sites within our portfolio and built in redundancies to handle weather related natural disasters.

Performance

We have a solid track record that we're proud of. Building on our successful 2010-2016 goal success in energy consumption reduction, we saw an additional year-over-year energy consumption reduction of 2.54% per square foot across our US administrative portfolio alone, as well as a 1.95% reduction in our greenhouse gas emissions in 2018. This was driven by focused investment and 35 low cost/no cost energy and water efficiency projects and 15 funded energy projects including interior and exterior lighting upgrades and water reduction projects. Additionally, our paper and waste recycling efforts in 2018 resulted in the equivalent of over 129,940 trees saved; this includes the continued encouragement of paperless communications to our customers. Finally, our Twin Cities campuses include 1.6M of LEED certified facilities. We are continuing these focus areas in 2019, and established new multi-year goals to reduce 2017 Scope 1 and Scope 2 (Market-Based) GHG emission by 3% by the end of 2023 (for our U.S. Administrative Portfolio and Large Pharmaceutical Sites); implement water efficiency measures across the controllable domestic office portfolio (70 U.S. locations in 18 states) to ensure a minimum of 75% of the occupied square footage meet or exceed LEED Guidelines for indoor water efficiency by the end of 2020; and implement an enhanced waste management strategy at one of our headquarters office complexes, focused on food waste management and evolved recycling practices, to increase the amount of waste diverted from landfills. This will allow for future portfolio-wide diversion rate goal to be established. We've addressed environmental issues and established environmental KPIs through our CDP Climate Change response, our Corporate Social Responsibility report and our Corporate Environmental Policy.

Green Business Practices – GHG Emissions Reduction

UnitedHealth Group's green business practices are reducing our impact on the environment in daily office work in a number of different ways across the enterprise:

In 2015 we developed the framework for a new goal to reduce controllable energy use and carbon footprint of our domestic U.S administrative office portfolio (normalized for climate, building use and occupancy). Our multi-year target is to reduce controllable energy use by approximately 20,000,000 kBTUs within our U.S. administrative portfolio by the end of 2018 (normalized for climate, building use and occupancy).

- Scope 1 greenhouse gas emissions are directly generated emissions. Scope 1 includes natural gas burned on site, corporate jet fuel, diesel fuel for emergency generators and refrigerant leakage.
- Scope 2 greenhouse gas emissions are indirectly generated emissions. Scope 2 includes electricity consumed from the power grid.

In Goal Year 1, 2016, UnitedHealth Group reduced normalized year-over-year energy consumption by 2.69% and year-over-year Scope 1 and Scope 2 GHG emissions by 2.51%.

In Goal Year 2, 2017, UnitedHealth Group reduced normalized year-over-year energy consumption by 1.59% and year-over-year Scope 1 and Scope 2 GHG emissions by 3.65%.

In Goal Year 3, 2018, UnitedHealth Group reduced normalized year-over-year energy consumption by 2.54% and year-over-year Scope 1 and Scope 2 GHG emissions by 1.95%. UnitedHealth Group has met the intent of the multi-year normalized energy consumption goal and greenhouse gas emissions reduction goal.

Green Business Practices – Building Construction

UnitedHealth Group has over 1.6M square feet of LEED New Construction facilities throughout our Twin Cities headquarters campuses. LEED (Leadership in Energy & Environmental Design) is a globally recognized green building rating system that certifies high performance design and construction practices.

Green Business Practices – Water Reduction

UnitedHealth Group completed a multi-year water efficiency goal that focuses on three areas of water use: indoor water use, outdoor water use and cooling tower water use. The goal identifies sites where water usage exceeds the LEED Guidelines for efficient operation.

In 2016 UnitedHealth Group evaluated water usage at sites in water sensitive regions.

In 2017 UnitedHealth Group evaluated water usage in the balance of the U.S. administrative portfolio. In 2017 a project was initiated to reduce the exterior water usage for a site where exterior water usage exceeded LEED Guidelines.

In 2018, water-related projects were developed for the 21 locations that fall outside the LEED Guidelines for indoor water use. Water-related projects were also developed for the 12 locations that fall outside the LEED Guidelines for exterior water use. Three water-related projects to improve interior water use were implemented.

Green Business Practices – Waste & Recycling

UnitedHealth Group completed a multi-year waste and recycling initiative. The initiative focuses on alignment with LEED Guidelines for effective management of ongoing waste streams across our domestic office portfolio in order to reduce the waste that is generated by our operations and disposed of in landfills.

In 2017 UnitedHealth Group identified domestic office locations where UnitedHealth Group is responsible for hauling municipal waste & recycling, food/composting waste, grease recycling and paper shredding in order to establish effective tracking and management of waste and recycling.

In 2018, a waste and recycling pilot program was completed, which included a waste audit that is consistent with LEED for Existing Buildings best practice guidelines, for the largest headquarters office complex in UHG's real estate portfolio. The pilot established the current diversion rate for the facility, reviewed current waste and recycling practices, met with key stakeholders and proposed recommendations to improve the diversion rate at the facility and implement best practices across UHG's domestic office portfolio.

Through our Shred-All, Paperless Solutions and other print programs, we strive to increase the amount of paper we recycle and reduce the amount of paper used by our customers and providers and in our daily operations. Through our efforts, we recycled more than 7,743 tons of paper and saved more than 129,940 trees.

Through a variety of online tools, we offer customers, clients, partners and employees paperless options:

- Customers can sign up for online bills, explanation of benefits statements and health statements.
- Brokers receive their commission statements and quotes online, while physicians can find remittance advice, electronic payments and real-time adjudication online.
- Our shareholders receive proxy statements and annual reports online, and can vote online or by phone.
- Our employees receive their orientation packets, benefits enrollment materials and W-2 statements electronically.

Other Initiatives

UnitedHealth Group has expanded its conservation efforts by expanding teleconference capabilities to reduce business travel and supporting telecommuting.

Environmental Metrics¹

KPI		2016	2017	2018	KPI
Total Energy	MWh	372,857	366,475 ⁴	364,678	Reduce controllable energy use by approximately 20,000,000 kBtUs by the end of 2018
Non-Renewable	MWh	N/A	N/A	363,942	
Renewable	MWh	N/A	N/A	736	
Carbon² (mtCO₂e)	Scope 1	15,838	16,570 ⁴	13,924	Reduce controllable Scope 1 and Scope 2 greenhouse gas emissions by 2,900 mtCO ₂ e by the end of 2018
	Scope 2 (Location-Based)	161,303 ⁵	156,719 ⁵	157,029 ⁶	
	Scope 2 (Market-Based)	N/A	N/A	158,042	
	Scope 3	146,373	127,671	301,410 ⁷	
Water³	Mio. m ³	0.853831	0.843992	0.743100	Identify sites where water usage exceeds the LEED Guidelines for efficient operations.
Total Waste Generated³	Metric Tonnes	13,487	15,898	15,521	A waste and recycling pilot program is in progress, which includes a waste audit that is consistent with LEED for Existing Buildings best practice guidelines, for the largest headquarters office complex in UHG's real estate portfolio.
Total Waste Used/Recycled/Sold³	Metric Tonnes	7,514	8,824	8,475	
Total Waste Disposed³	Metric Tonnes	5,973	7,074	7,046	

Paper Recycling³ (included in Total Waste Used/Recycled/Sold)	U.S. tons	7,263	8,355	7,743	Annually increase the amount of paper we recycle and reduce the amount of paper used by our customers and providers and in our daily operations
LEED Certified Facilities	Square Feet	1.7M	1.6M	1.6M	

1 - Our coverage for environmental data includes our U.S. portfolio which represents 100% of our U.S. business operations

2 - Assurance Statement (link) for 2017 Scope 1, 2 and 3 emission

3 - Assurance Statement (link) for 2018 water and waste

4 - Our 2017 total energy use and Scope 1 emissions have been updated to reflect actual 2017 diesel and aviation fuel use (previously estimated)

5 - 2016-2017 Scope 2 Location-Based emissions have been updated using eGRID2016 (released 2/15/2018) emissions factors

6 - 2018 Scope 2 Location-Based emissions have been calculated using eGRID2016 (released 2/15/2018) emissions factors. Will be updated with eGRID2018 after the next planned release in 1Q2020

7 - 2018 Scope 3 emissions include two (2) additional Scope 3 categories not calculated for years 2015-2017: (1) emissions from employee commuting and (2) emissions from waste generated in operations