



Alignment Healthcare

# LEADING WITH A SERVING HEART

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2023



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# ABOUT THIS REPORT

This Environmental, Social and Governance Report (ESG Report) presents Alignment Healthcare’s (Alignment’s or the Company’s) environmental, social and governance (ESG) approach, policies, practices, performance and commitments centered around our core value of leading with a serving heart.

The information contained herein reflects decisions and actions through the first quarter of fiscal year 2024 and unaudited quantitative data that is not deemed material for the fiscal year 2023 (Jan. 1, 2023 – Dec. 31, 2023), unless otherwise noted.

The appendices of the report contain supplemental information and data about our approach, programs, policies and practices across ESG domains, aligned with the Managed Care SASB Standards (SASB), now part of International Financial Reporting Standards (IFRS) Foundation, and the United Nations Sustainable Development Goals (UN SDGs). It also contains a list of abbreviations and endnotes featured throughout the ESG Report.



## MESSAGE FROM OUR FOUNDER AND CEO

Every year, I am impressed by the profound impact we all make on the lives of our members and the health care industry. When I started Alignment, my mission was to treat each member as if they were my own mother or father – never losing sight of the personal and human aspect of providing care to seniors, where and when they need it most.

Throughout our history, I have emphasized leading with a serving heart, a practice I believe to be foundational to a sustainable company. At Alignment, we care for one another, are thoughtful in our decisions and take accountability for our actions by being attentive to factors that impact our business, our communities and our environment. We put seniors first, support health care providers, improve care with data and technology, elevate our employees, maintain strong business partnerships, build long-term value for our shareholders and empower seniors to lead healthier lives.

Highlights of our progress, initiatives and continued consistency in our service, which are further explored in this ESG Report, include:

### SERVING MEMBERS AND HEALTH CARE PROVIDERS

- Enhanced ACCESS On-Demand Concierge Card program and offerings for low-income members and members with chronic illnesses – elevating our service quality.
- Onboarded 200+ local bilingual concierge care navigators for personalized assistance of all members’ health needs – improving our wellness and care coordination.
- Streamlined AVA® integration and accessibility for health care providers – saving time and increasing efficiency.
- More than 90% of our members enrolled in a 4-star plan or greater with an overall net promoter score (NPS) of over 65 – reflecting our commitment to members.

### SERVING OUR EMPLOYEES

- Implemented parental and bereavement leave policies – supporting work-life balance and employee well-being.
- Maintained a 10% increase in our employee engagement survey index – reinforcing employee satisfaction and development.

### SERVING INCLUSIVELY

- Offered new training modules on diversity, equity and inclusion (DEI) – raising awareness of our collective efforts.
- Continued to engage diverse suppliers – expanding our network of partners.

### SERVING CONSCIOUSLY

- Completed our inaugural greenhouse gas (GHG) emissions inventory – enhancing our environmental monitoring.

### SERVING RESPONSIBLY

- Renewed our HITRUST CSF® certification for our AVA® platform – demonstrating our dedication to cybersecurity and member privacy.

Our teams are passionately leading the way with service and staying true to our mission of delivering the best care for each member, no matter their health or wealth.

Sincerely,



**John Kao**  
Founder and CEO, Alignment Healthcare



**AS WE LOOK AHEAD, WE WILL CONTINUE TO INNOVATE, COLLABORATE AND LEVERAGE OUR RESOURCES AND INFLUENCE TO DRIVE POSITIVE CHANGE WITHIN OUR ORGANIZATION AND BEYOND.**

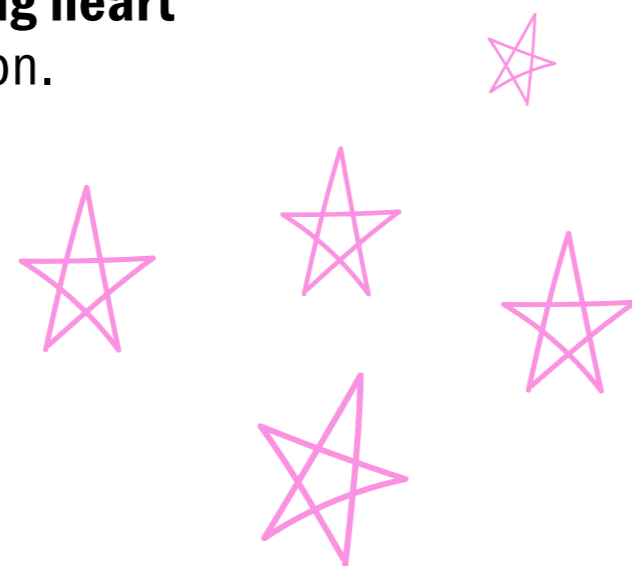
# ABOUT ALIGNMENT

**WE ARE PURPOSEFUL,  
PASSIONATE BELIEVERS IN  
WHAT WE CAN DO FOR SENIORS.**

Alignment is championing a new path in senior care that empowers members to age well and live their most vibrant lives. As a Medicare Advantage (MA) company, Alignment's mission-focused team makes high-quality, low-cost care a reality for its members every day.

Members benefit from Alignment's customized care model, powered by its Care Anywhere program and purpose-built AVA<sup>®</sup> technology. AVA<sup>®</sup> enables improved clinical outcomes and equips our care specialists to predict members' complex care needs, often before care is even needed. By synthesizing and simplifying the complexities within the U.S. health care system and attuning to the needs of our members' daily lives, we are creating the health care ecosystem of tomorrow, today.

Our mission-driven teams make high-quality, low-cost care a reality by living two of Alignment's core values of **leading with a serving heart** and **putting the senior first** every day and in every interaction.



# ALIGNMENT AT A GLANCE

## AS OF OUR 2023 FISCAL YEAR END

### Members Served

- 119,000+** Health plan members
- 52** Markets across 6 States
- 100%** are Medicare enrollees
- 30%** are Medicare and Medicaid enrollees
- 55%** of Members are women
- 45%** of Members are Black, Asian, Hispanic/Latino, Indigenous or other<sup>1</sup>
- 73** Average member age
- 2.6** Average number of chronic conditions per member

ARIZONA  
CALIFORNIA  
FLORIDA  
NEVADA  
NORTH CAROLINA  
TEXAS

### Outcomes Delivered

- 65+** Overall NPS
- 80+** Care Anywhere NPS
- 353** Emergency room (ER) visits per thousand members  
44% Lower than 2019 Medicare Fee for Service (FFS)
- 156** Inpatient admissions per thousand members  
38% lower than 2019 Medicare FFS
- 36** Skilled nursing facility admissions per thousand members  
45% lower than 2019 Medicare FFS
- 14%** Member 30-day hospital readmission rate  
28% lower than 2019 Medicare FFS

### Operational Achievements

- 1,500+** Employees
- 260+** Employed clinicians
- 73%** of Employees are women
- 66%** of Employees are Black, Asian, Hispanic/Latino, Indigenous or other<sup>3</sup>
- 4** Generations of employees represented from Gen-Z to Baby Boomers
- 17** Different languages spoken among employees other than English
- 36%** Women on the Board of Directors (Board)
- LEED** Gold and Energy Star certified headquarters

### Quality Awarded

- (Based on the CMS, MA and Part D Star Ratings System)*
- 4+** Overall\* CMS star rating for the last 7 years
  - 4+** Star rating on the Consumer Assessment of Healthcare Providers and Systems (CAHPS) measure “Rating of Health Plan” from 2019 to 2022<sup>2</sup>
  - 4+** Star rating on all medication adherence measures (diabetes, hypertension and cholesterol) from 2019 to 2022<sup>4</sup>
  - 4+** Star rating for Healthcare Effectiveness Data and Information Set (HEDIS) measures across 10 key quality metrics from 2019 to 2022<sup>5</sup>
- \*Specific to CA HMO contract H3815, which accounts for more than 90% of our members

### MA STAR RATING SYSTEM

CMS publishes Star Ratings each year to measure the quality of health and drug services received by consumers enrolled in MA and MA Prescription Drug (MAPD) plans. It helps Medicare consumers compare quality, so they are empowered to make the best health care decisions for them. All MA health plans are scored the same way and participate in the Star Ratings program. CMS gives each MA health plan (Part C) and prescription plan (Part D) a rating of 1–5 stars with 5 being the highest. MAPD plans that offer both Part C and Part D plans get an overall rating as well as individual ratings for each component.

# OUR AGING POPULATION

Aging in America is becoming more complicated as demographics shift toward an older population with longer life expectancies and evolving health care needs.

For Alignment to meet our members' needs, we must continue to adapt to this changing landscape by improving health care delivery, enhancing preventive care, controlling costs and sustainably supporting the growing number of people turning 65 every day. Our team of passionate, member-centric industry experts are championing higher-quality care by approaching health holistically in a way that considers the financial, physical and emotional well-being of seniors.

## SOCIAL THREATS TO AGING WELL IN AMERICA SURVEY

In 2023, we conducted our second annual *Social Threats to Aging Well* in America survey.<sup>7</sup> We asked seniors, ages 65 and up, about their greatest obstacles to health care and the support they need to overcome those challenges.

The responses inform our benefit offerings and how they address aspects of seniors' lives that impact Social Determinants of Health (SDoH), including income, reliable transportation and access to healthy foods. The findings showed a slight change from prior year's results. Food insecurity rose to the second spot, with transportation access slipping to the third barrier alongside lack of support. Economic instability continued to be the primary barrier to health care.

See [Appendix A - Access to Health](#) to learn more about our approach to SDOHs.



**BY 2030, ALL BABY BOOMERS, EQUIVALENT TO ONE IN FIVE AMERICANS, WILL BE AT LEAST 65 YEARS OF AGE. AN ESTIMATED 9 MILLION WILL BE OVER 85, REPRESENTING A 50% INCREASE FROM A DECADE EARLIER.<sup>6</sup>**

## 2023 TOP THREE SOCIAL THREATS TO SENIOR HEALTH

**1 ECONOMIC INSTABILITY**



**2 FOOD INSECURITY**



**3 TRANSPORTATION ACCESS & LACK OF SUPPORT**



# OUR ESG APPROACH

We are a company fueled by our core value of **leading with a serving heart**. This ethos is integrated into everything we do – improving member health outcomes, nurturing our diverse teams and operating sustainably and responsibly. Serving also motivates us to continually evolve in meaningful ways that advance our corporate strategy and performance.

## TRANSPARENCY, REPORTING AND OVERSIGHT

Regular assessment, monitoring and mitigation of our relevant ESG factors drive impactful results at Alignment. Since 2021, we have been on a steady path integrating ESG stewardship companywide under the direction of our CEO, the Board and our ESG Steering Committee.



Our annual ESG reports leverage the IFRS reporting frameworks and our practices align with four of the 17 UN SDGs.

See [Appendix A](#) for our contributions and responses to ESG frameworks and [Appendix A – Serving Consciously](#) for information on our ESG governance and oversight.

## ALIGNMENT ESG GOALS

Our six core goals, developed by our ESG Steering Committee, serve our key stakeholders and are driving our priorities through 2025.

<b>SERVING MEMBERS</b>	<ol style="list-style-type: none"> <li>1. Proactively provide all members with access to high-quality, low-cost care.</li> <li>2. Advance health equity initiatives to help build healthier communities.</li> </ol>
<b>SERVING HEALTH CARE PROVIDERS</b>	<ol style="list-style-type: none"> <li>3. Support health care providers with the tools and resources needed for easier access to data and better care.</li> </ol>
<b>SERVING OUR EMPLOYEES</b>	<ol style="list-style-type: none"> <li>4. Create an organization where employees feel a sense of engagement, ownership and belonging.</li> </ol>
<b>SERVING CONSCIOUSLY</b>	<ol style="list-style-type: none"> <li>5. Support environmental health by understanding and improving the impact of our footprint.</li> </ol>
<b>SERVING RESPONSIBLY</b>	<ol style="list-style-type: none"> <li>6. Maintain effective, transparent and ethical governance of Alignment’s business.</li> </ol>

# WHAT SETS US APART

## AVA® - PURPOSE-BUILT MEDICARE ADVANTAGE PLATFORM

Our integrated AVA® health platform functions as an integrated ecosystem assessing members' health care needs with the assistance of 200+ data sources and 13,000+ attributes. Members are stratified into personalized risk categories enabling tailored care journeys. This is paired with AVA®'s secure insights and real-time visibility that is provided to members, caregivers, providers, internal teams and health plan operators 24/7.

In 2023, we focused on delivering more tailored support and better care coordination. This resulted in the enhanced integration of our teams and improvement to each members' profile by:

- Adding member-level benefits into our customer relationship management (CRM) system for our member experience team.
- Integrating specialized AVA® platforms and dashboards for our pharmacy team.



"I was diagnosed with stage 3 breast cancer in November 2022. Alignment staffers acted promptly every step of my treatment to approve services necessary for my survival. I'm thrilled to report I am cancer free, while still undergoing treatment and reconstructive surgeries. Everyone was top-notch. You sent a home health care nurse to check on me, you provided Uber rides to my treatment when I was too sick to drive and you even sent frozen meals to feed me. All these were provided without my asking. So, thank you Alignment for saving my life and for making the fight easier."

Rena W., Alignment Health Plan Member

## AVA® IN ACTION

Our virtuous cycle keeps our members front and center, delivering personalized, high-quality, low-cost care.





## CARE ANYWHERE – PROACTIVE ENGAGEMENT FOR MEMBERS WITH CHRONIC ILLNESSES

**Our signature Care Anywhere program, powered by AVA<sup>®</sup>, focuses on the 12% of members with chronic illnesses, who account for almost three-quarters of our institutional claims.** It is a physician-led model that provides comprehensive care at home, both in person and virtually. Care Anywhere is free for all eligible members and provides 24/7 access to a team of multidisciplinary specialists, including primary care providers (PCP), medical assistants, advanced practice clinicians, health coaches, case managers and care coordinators. In 2023, we intentionally changed our Care Anywhere operations and optimized our Advanced Practice Clinicians' capacity to enable more high-risk members to be seen.



“Thanks for the care you’ve provided. I’ve been sick since January, and just a few calls with you have helped me more than all other doctors’ appointments I have had this year. If it wasn’t for you, I don’t think I would be alive.”

**Christine K., Care Anywhere Member**

## CLINICIAN DESIGNED – MEMBER-CENTRIC PRODUCT AND SERVICE DEVELOPMENT

Our AVA<sup>®</sup> platform, along with our products and services, are developed from the vision of clinicians and designed with member care and clinical functionality front and center. We actively seek clinician input to gain insights and amplify their voices. We do this by hosting quarterly clinical group meetings, shadowing day-to-day operations, soliciting feedback through regional surveys, engaging clinicians in pre-deployment testing and leveraging AVA<sup>®</sup> analytics on usage pain points.

In 2023, clinician input led to simplified upgrades resulting in improved care delivery. This included a single sign-on integration for streamlined member eligibility checks and improved navigation of our Patient 360 Dashboard.

**10K+** New external AVA<sup>®</sup> users\* added

**~45** Minutes of administrative processing time per member alleviated

\*Users include all provider networks

### AVA<sup>®</sup> AND CARE ANYWHERE HELP US CONTROL THE MEDICAL EXPENSES OF OUR HIGHEST-COST MEMBERS BETTER.

**12K+** Members eligible for the Care Anywhere program

**81** Care Anywhere NPS

**8.5K** Members participate in the Care Anywhere program

**24** Touchpoints\* per year per member

	HEALTHY	HEALTHY UTILIZER	PRE-CHRONIC	CHRONIC
MEMBERSHIP	74%	7%	7%	12%
INSTITUTIONAL CLAIMS	5%	19%	1%	74%

Based on at-risk members, August 2022 to July 2023 dates of service

\*Include average telephonic, face-to-face, virtual, tuck-in calls and unique engagements



“I’ve been working with AVA<sup>®</sup> for three years. The improvements made over the years have been for the better. It has been beneficial for keeping track of pending measures to be closed. Overall, [AVA<sup>®</sup>] is a great tool that helps perform patient care more comprehensively and makes it a lot easier at the same time.”

**Dr. Padilla, Alignment Health Network Provider**

# ACCESS TO CARE

## RAISING THE BAR FOR INTEGRATED CARE

Our products and services are designed to offer every member the plan that fits their needs best. We understand that needs change, and that is why we keep innovating and improving our plan coverage and support.

We enhanced our signature ACCESS On-Demand Concierge Card program in 2023 to make it more user-friendly, accessible and streamlined.

- **A single debit card** offers an array of benefits for over-the-counter items, groceries, utilities and home safety items. Some plans also include a FLEX allowance that can be used for dental, vision, hearing, acupuncture, chiropractic and podiatry services. Benefits vary by plan.
- **Healthy Rewards program** gives members additional reward dollars for participating in qualifying wellness activities, like preventive doctor visits or healthy grocery purchases.
- **24/7 Concierge team** assists with scheduling appointments, navigating benefits and resolving payment issues.
- **User-friendly app** helps members use their ACCESS On-Demand Concierge Card - including checking balances, accessing online shopping catalogues and scanning products at store for eligibility.
- **48-hour card delivery** ensures convenience and uninterrupted access to benefits for new and replacement cards.

## OUR GROWING NETWORK |

Accepted at over 69,000 stores across our largest wellness retailer network, our ACCESS On-Demand Concierge Card allows members to shop at major retailers and neighborhood specialty stores, so our members can choose the best options that suit their lifestyle. We took it a step further in 2024 with a newly launched partnership with Instacart in California and Nevada. Now, our members have easier access to nutritious foods, which especially benefits those who live in remote areas or do not have reliable transportation options



**97K+ UNIQUE MEMBERS SUCCESSFULLY USED THE ACCESS ON-DEMAND CONCIERGE CARD**

**1.5M+ ACCESS ON-DEMAND CONCIERGE CARD TRANSACTIONS PLACED**



“I’ve had so many things done for me as far as customer service... with ACCESS card you’re able to get medicine or anything over-the-counter that you may need... it also works for things like shampoo and body wash and things along that line!”

**Anthony, Alignment Member**



“I am extremely pleased with the service when I call with questions I need answers to. The ACCESS On-Demand Concierge has always been extremely helpful with their knowledge and provides answers with professionalism in a timely manner.”

**Beverly, Alignment Member**

## PARTNERS IN RESILIENCE

We understand that economic hardship remains seniors’ greatest obstacle to wellness. That is why we craft offerings to nurture equitable and inclusive care, so members do not have to compromise on their health or well-being. Our offerings promote dignity through difficult seasons, crises and personal challenges by treating all members with compassion while providing care with individualized attention.

**33%** of Members are part of the Medicare Low-Income Subsidy (LIS) program

**32%** of Members are Medicaid and Medicare enrollees and Chronic Condition Special Needs Plan (C-SNP) members

LEVERAGING AVA®’S ANALYTICS, WE IDENTIFIED INDIVIDUALS LISTING SOCIAL SECURITY OFFICES FOR MAILING PURPOSES – A SIGN OFTEN LINKED TO HOUSING INSECURITY. OUR CASE WORKERS MET THOSE MEMBERS ON-SITE, READY TO LISTEN AND HELP THEM FIND A NEW HOME.



WHEN A HOSPITAL IN CALIFORNIA LOST POWER DURING A STORM, WE DISPATCHED A CLINICIAN ON-SITE TO BE WITH OUR MEMBERS AND HELPED COORDINATE SAFE TRANSFERS TO ANOTHER FACILITY TO SUSTAIN CARE. BY PAIRING TECHNOLOGY INSIGHTS WITH COMPASSIONATE ACTION, WE CREATE RESILIENT SYSTEMS OF MEDICAL CARE.



In 2023, we streamlined our financial assistance programs into a unified solution – a single debit card and online platform to track consolidated offerings. By integrating FLEX allowances and ACCESS On-Demand Concierge Card benefits, qualifying members can allocate essential support towards personalized priorities. We empower members to focus funds on their well-being goals and to address needs on their terms.

### IMPROVED CHRONIC ILLNESS OUTCOMES

Our C-SNPs, Care Anywhere clinical model and supplemental benefits help members better manage their conditions day-to-day and avoid delays in care. Those with ongoing health issues, such as diabetes, can access resources to take charge of their well-being, ranging from kidney health tracking to healthy blood glucose level maintenance.



An 82-year-old member with Type 2 Diabetes and a hemoglobin A1c (HbA1c) of 8.0 was engaged by one of our Care Anywhere Health Coach Educators in July 2023. With direct intervention and extensive education on diabetes and how nutrition and diet impact their condition, the member’s PCP reported that their patient’s HbA1c dropped from 8 to 6.8 within four months.

## CARE THAT ACTS BEFORE YOU ASK

Our clinical model emphasizes comprehensive, preventive care across all member health profiles. We proactively support healthy and at-risk members alike with outreach that addresses conditions before care becomes urgent.

**100%** of Members have access to dental, vision and preventive hearing services and free flu vaccinations

**5 STARS** CMS score for completed breast cancer screenings among female members

**5 STARS** CMS score for completed body/bone density (DEXA) scans among female members

**5 STARS** CMS score for completed colorectal screenings among eligible members

### JUMP START ASSESSMENTS

Jump Start Assessments (JSAs) are our free comprehensive annual health assessments offered to all members for a complete head-to-toe exam and medical history review to better develop individualized care plans tailored to each member's unique health care needs.

**31K+** JSAs completed



Powered by AVA®, we deliver customized support aligned with our whole-person approach. Frequently, we provide care even before our members reach out themselves.

**ARRANGING NUTRITIOUS POST-HOSPITAL MEALS FOR A MEMBER HEALING AT HOME FOLLOWING A RECENT DISCHARGE.**

**SCHEDULING A RIDE TO A GRANDCHILD'S GRADUATION FOR A MEMBER WHO NO LONGER DRIVES ON THEIR OWN.**

**COVERING PET-CARE SERVICES FOR A MEMBER NEEDING TO STAY IN THE HOSPITAL FOR A FEW DAYS FOLLOWING SURGERY.**

**DELIVERING FALL PREVENTION KITS AND SAFETY GEAR FOR A MEMBER WHO STRUGGLES WITH BALANCE.**

**LOCATING A GRIEF COUNSELOR AND SUPPORT GROUP FOR A MEMBER WHO HAS LOST A LOVED ONE.**

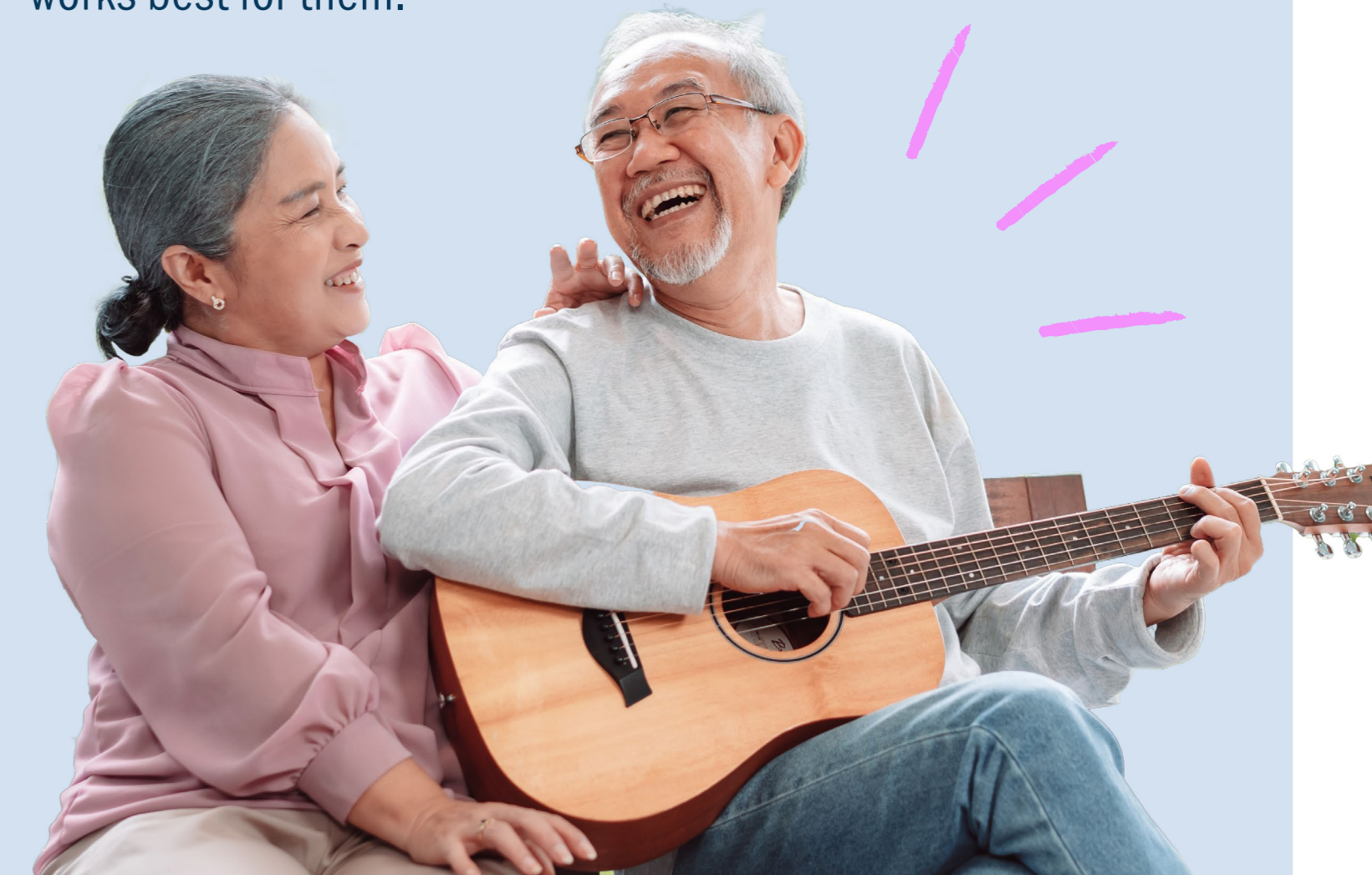
**MAKING CONNECTIONS TO A LOCAL EXERCISE GROUP FOR A MEMBER IN SUPPORT OF THEIR SMOKING CESSATION GOALS.**

We not only care for our members, but their caregivers, too. In 2023, we introduced a caregiver benefit for select plans to recognize the contributions of those caring for our aging population.

**63K** of Members eligible for the caregiver benefit

## PHARMACY SUPPORT

By collaborating with Pharmacy Benefits Managers, Alignment provides crucial access to over 30,000 affordable medications with comprehensive prescription coverage. We supplement pharmacy benefits with 24/7 support offered in our members' preferred language, with interpreter assistance available as needed, to guide our members to find the medical treatment that works best for them.



**91% OF PHARMACY CLAIMS HAVE A COST SHARE OF \$10 OR LESS**

See Appendix A - Improving Access to Health for a full list of our supplemental services.

# QUALITY FOCUS

We embarked on a member experience transformation in 2023. Our focus was on enhancing our customer service capabilities and care coordination processes to deliver exceptional value and attention for every member.

KEY ASPECTS OF OUR TRANSFORMATION INVOLVED BRINGING OUR CUSTOMER SERVICE TEAM IN-HOUSE, REDUCING OUR RELIANCE ON EXTERNAL VENDORS AND FOCUSING ON SINGLE-CALL RESOLUTIONS.

- **In-House Member Experience Team** – We hired and trained more than 200 local and bilingual concierge care navigators and prioritized service in our members’ communities to provide the personalized and culturally nuanced care and support our members deserve.
- **Improved Escalation Process** – We created efficient processes for specialized teams to address complex and urgent member cases and timely follow-up procedures to deliver quality care when our members need it.

See [Appendix A – Quality and Satisfaction of Members](#) to learn more about our approach to member services.



“We really do want members to reach out to us. We [Alignment’s leadership level] all have a handful of members we speak with on a regular basis, because they may be experiencing more complex clinical or behavioral health situations. We want to make sure all of our members have a place and feel valued here.”

Alexandria “Zan” Margolis, Vice President of Member Engagement and Retention

## MEMBER SATISFACTION

**65+ OVERALL NPS SINCE 2023**

**4+ OUT OF A 5-STAR RATING ON THE CAHPS MEASURE “RATING OF THE HEALTH PLAN” FROM 2019 TO 2022**

**92% WOULD RECOMMEND ALIGNMENT TO A FRIEND OR RELATIVE**

**50% AVERAGE CALL HANDLE REDUCTION TIME IN 2023**

**93%+ OF CALLS RECIEVE 5 STARS FROM MEMBERS**

**4.9 AVERAGE GOOGLE REVIEW RATING OUT OF 5**

## RECOGNITION

Alignment’s dedication and commitment to member support was recognized in 2023 with two industry excellence awards.



# EMPOWERING CULTURE

Alignment is dedicated to fostering an empowering culture where our employees can excel and feel valued. Our Human Resources team supports talent growth through a multi-year strategy that enhances both inclusion and workforce capabilities. With a people-centric approach at our core, we strive to nurture skilled, diverse teams who are aligned behind our member-focused mission.

**IN 2023, WE INTRODUCED NEW, PEOPLE-FOCUSED POLICIES THAT ENHANCE OUR WORK-LIFE CULTURE AND ELEVATE EMPLOYEE WELL-BEING AND GROWTH, INCLUDING:**

- Parental and bereavement leave policies
- Tuition reimbursements for classes from accredited universities

See [Appendix A – Serving Our Employees](#) to learn more about our human resources management policies and practices.

## SERVING HEART AWARDS

Our Serving Heart Award, initiated in 2022, is a peer-nominated, values-based annual recognition program for employees who personify our core values in their daily roles. Our 2023 winners were recognized for Putting Seniors First, Supporting our Doctors, Having a Serving Heart and Revolutionizing Care Using Data and Technology.



Left to right: CEO John Kao, Mona Alatorre: Supporting our Doctors, Amani Osman: Putting Seniors First, Sakina Dawoodbhai: Revolutionizing Care using Data and Technology and Jani Cordova: Having a Serving Heart.


## EMPLOYEE ENGAGEMENT

We are committed to listening to our employees and delivering changes that encourage them to thrive in their careers and personal lives. For our 2023 employee engagement survey, we added 28 targeted questions that provided granular insights to further empower our teams and identify areas for improvement. The survey yielded greater participation and surpassed Fortune 500 benchmarks for responses across key focus areas.

### PARTICIPATION RATE

 **80% VS 61%  
IN 2022**

### ENGAGEMENT INDEX

 **77% VS 70%  
IN 2022**

**93% UNDERSTAND HOW THEIR ROLE DIRECTLY CONTRIBUTES TO ALIGNMENT'S SUCCESS**



“I joined Alignment in 2017 as an intern. One thing that positively sticks out to me about working here is the approachability of our leadership team. What makes Alignment a great place to work is that we all genuinely want to make health care easier for seniors.”

**Hilarie C., Director, Development of Ethnic Products**

# DIVERSITY, EQUITY AND INCLUSION

DEI plays an important role in how we effectively serve one another and our members. We recognize the value of creating an inclusive work environment that generates a sense of belonging for our employees and building diverse networks that represent our members.

## OUR MEMBERS

Our products and services are designed to best fit our members and the communities in which they live and seek care. In 2023, we enhanced our Harmony HMO and the ONE (el ÚNICO) plan, two of our culturally tailored plans. Expanded features included language-preferred materials, providers and service agents, traditional wellness services and local grocery store options.

## OUR EMPLOYEES

In 2023, we continued to engage an external consultant to evaluate our internal programs and policies and connected with a variety of universities to expand our talent pools. We were encouraged by our employee engagement survey response rates of 93% for employees who agree that discrimination and harassment are not tolerated and 96% who believe that people from all backgrounds can succeed at Alignment. This past year, we also offered a wider range of DEI courses for our employees to access through our Cornerstone OnDemand training platform.

[See Appendix A - Serving Our Employees to learn more about our approach to DEI.](#)

## SUPPLIER DIVERSITY

Partnership decisions at Alignment are data-driven and mission-led in an effort to advance the services we provide among our networks. In 2023, we continued to review DEI factors within our supply chain in an effort to elevate the diversity of vendors within our community. We are proud to support inspirational and transformational leaders in our industry. Our partners include HCP National, one of the largest minority-woman-owned commercial insurance brokerages in the USA. HCP National’s CEO, Cris Dyer, was drawn to the insurance industry after noticing the lack of minority women business owners in the commercial space.

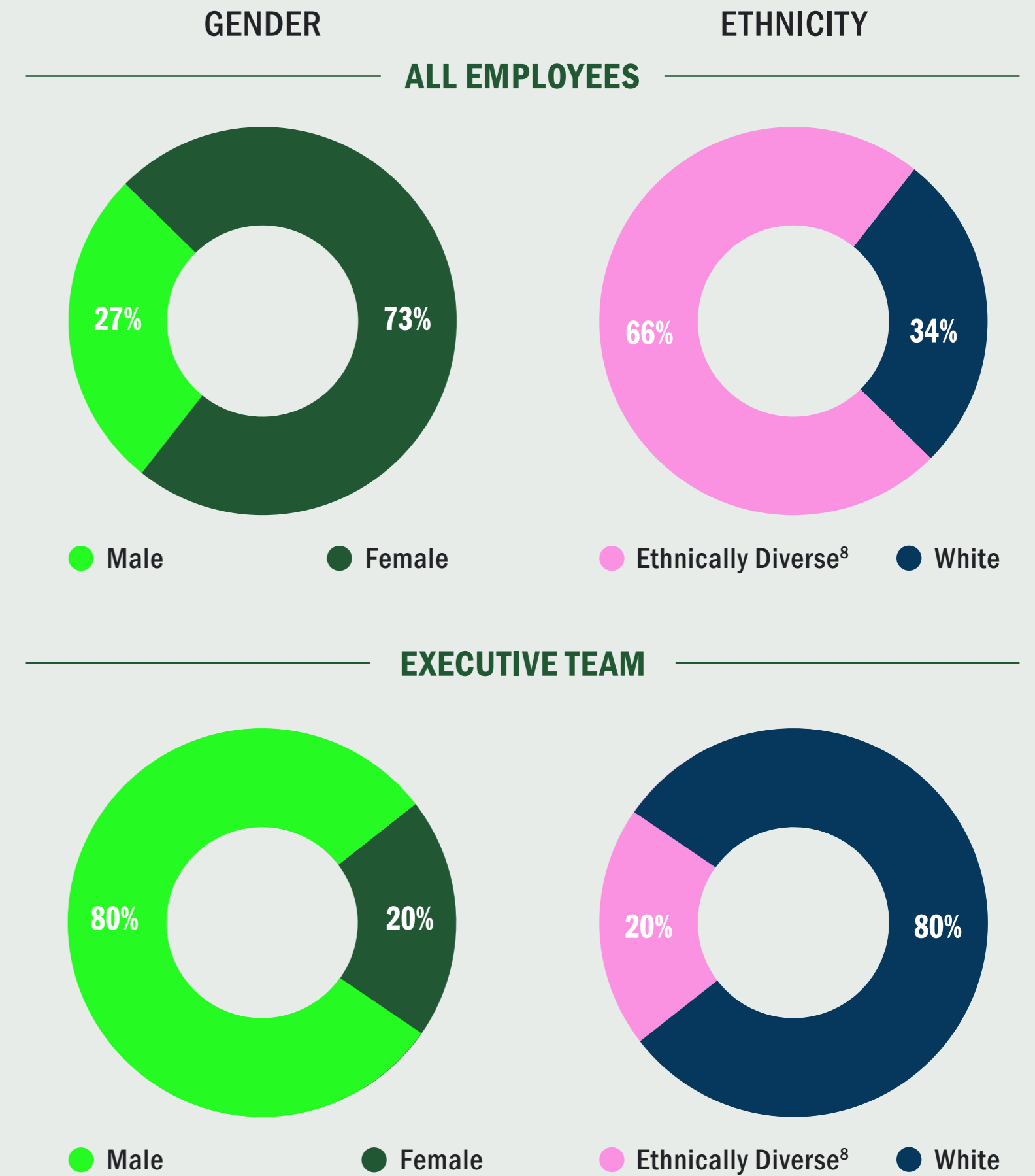


“I hope my daughters, people of color, immigrants, women and LGBTQ communities can see me and see the possibilities for their lives in an industry with very few like us in senior positions... Alignment Health Plan has been a great partner, and we applaud their commitment to the community it serves by supporting a company like ours.”

**Cris Dyer, CEO of HCP National**



## DIVERSITY BY THE NUMBERS



# SUSTAINABLE OPERATIONS

In our day-to-day, we are focused on delivering better health outcomes for our members. This commitment extends to our employees and surrounding communities as we strive to better understand how we contribute to greater environmental stewardship.

## IN 2023, OUR OPERATIONS TEAM PRIORITIZED MORE SUSTAINABLE PRACTICES THROUGH FACILITY UPGRADES, VEHICLE SELECTION AND SERVICE ENHANCEMENTS.

- **Solar Panels** – At our headquarters, solar panels were installed to directly power the ventilation system with renewable energy and improve overall energy efficiency.
- **Energy-Efficient Building** – We opened a new location to serve members that meets California’s Title 24 energy building standards, features LED lighting, employs automated lighting controls and has an ENERGY STAR-certified ventilation system.
- **Hybrid Vehicles** – We lease hybrid vehicles for our sales fleet and are exploring electric vehicles, where feasible.
- **Zero-Touch Shipments** – We engaged our Value-Added Reseller of endpoint computing devices to configure, prepare and deliver all of our new work stations to employees, resulting in an approximate 50% reduction in shipping-related emissions by removing interim shipments to our headquarters.

# GREENHOUSE GAS EMISSIONS

It is estimated that the U.S. health care sector accounts for approximately 8.5% of the national GHG emissions and 25% of global emissions.<sup>9</sup> As part of our commitment to understand and improve our impact, we conducted our first-ever GHG emission inventory for calendar year 2022, and have since followed up with an additional GHG inventory for 2023. Based on the unaudited estimates of an independent third party, our annual Scope 1 and 2 GHG emissions were approximately 1,425 metric tons (MT) of carbon dioxide equivalents (CO<sub>2</sub>e) in 2022 and 1,180 MT CO<sub>2</sub>e in 2023.<sup>10</sup> For context, our 2023 emissions are similar to driving approximately 281 gasoline-powered passenger vehicles for one year, or less than 0.000002% of the health care industry’s emissions.<sup>11</sup>

See [Appendix A – Serving Consciously](#) to learn more about the impact of our clinical model on GHG emissions.

**1,180 MT CO<sub>2</sub>E** Total Scope 1 and 2 GHG emissions in 2023\*

**17%** Reduction in GHG emissions from 2022 to 2023

**<1 MT CO<sub>2</sub>E** Total Scope 1 and 2 GHG emissions per million (USD) of revenue

\*Scope 1 and 2 GHG emissions have not been externally validated or assured by a third party.





# CORPORATE GOVERNANCE

Our Board is comprised of 11 directors who have a diverse range of experiences, expertise and backgrounds. As a whole and through its committees, the Board provides comprehensive counsel and guidance to drive Alignment's success. Its primary functions include oversight of risk management and transparent and engaging advisement to leadership.

Leadership on the Board is structured in a way that provides robust, independent processes. In 2022, our Board Chair, Joseph Konowiecki, assumed an executive officer position to lead our strategic network and business development. As part of this transition, Margaret McCarthy was appointed as our Board's Lead Independent Director. Mr. Konowiecki's tenure as an executive officer ended on December 31, 2023. We believe the combination of these roles provide objective evaluation and oversight of management's performance, ensure management accountability, implement and enforce strong corporate governance and align management with the best interests of the Company and our shareholders.

**36% OF DIRECTORS ARE WOMEN**

**9 OUT OF 11 DIRECTORS ARE INDEPENDENT**

**100% OF DIRECTORS HAVE EXPERIENCE IN THE HEALTH CARE INDUSTRY**

# ENTERPRISE RISK MANAGEMENT

The management of risks is critical to our success. It supports our ability to provide quality, high-performance health care delivery amidst increasing regulatory scrutiny and public demands. Our centralized Enterprise Risk Management (ERM) program carries out end-to-end risk activities that capture, assess, aggregate, monitor, evaluate and remediate high-profile exposures with business support.

In 2023, we continued to build out our ERM program. We enhanced our internal communications with the release of our risk management intranet portal and development of an ERM white paper that translates complex and technical topics into easy-to-understand language which

is accessible to all employees. We also completed an organization-wide risk survey, which achieved 100% participation among the group of surveyed Directors and above, and aligned risk perceptions between senior and mid-level management.

[See Appendix A - Serving Responsibly](#) to learn more about our approach to corporate governance and ERM.



# CULTURE OF COMPLIANCE

Serving seniors requires the navigation of a highly complex health care ecosystem alongside members, providers, regulators and employees. Our compliance program is designed to strictly adhere to local, state and federal requirements across all our operations. Our performance reflects comprehensive organizational readiness and a proactive compliance culture.

As an MA organization, we are subject to regular Medicare Part C and Part D program audits by CMS. In 2023, we attained a nearly perfect score of 0.08, with zero being the highest level of achievement, across all our MAPD contracts as well as perfect component ratings in Part D, Compliance Effectiveness and SNPs. These audits included assessments of Alignment's compliance and fraud, waste and abuse prevention training program. Our achievements are a testament to the commitment we have to quality and robust operational performance.



## RESPONSIBLE AND PERSONALIZED CARE WITH ARTIFICIAL INTELLIGENCE (AI)

We develop our AI models not to dictate actions, but to support optimal clinical decisions that improve health care outcomes without denying necessary patient care. Our AI systems are rigorously designed and tested at each phase for accuracy and impartiality. We regularly evaluate model inputs and effectiveness through a member-focused lens, ensuring our AI recommendations enhance high-touch care aligned to real needs. Rather than replace human expertise, our approach amplifies knowledge to serve our health care providers and members.

See [Appendix A - Serving Responsibly](#) to learn more about our approach to compliance and data privacy and security.

# DATA PRIVACY AND SECURITY

Information security and data privacy are foundational priorities in our daily operations, especially when handling protected health information (PHI) and personally identifiable information (PII). Our Chief Information Officer and Chief Information Security Officer ensure we have comprehensive programs, policies and procedures in place to maintain the safety and security of the most sensitive information entrusted with us.

In 2023, Alignment completed an independent audit of AVA<sup>®</sup>, which obtained an unqualified opinion – or clean report – on security practices, software development and deployment control cycles and software implementation. The result validated the robust processes and diligence we apply from design through execution. We also renewed our HITRUST CSF<sup>®</sup> certification and completed a SOC 2 Type 2 audit, meeting control objectives for all criteria. We also continued to emphasize vigilance across the organization with routine training and awareness programs.



**100% OF EMPLOYEES TRAINED ON ANTI-PHISHING TECHNIQUES**



## WE ARE PURPOSEFUL AND PASSIONATE IN ALL THAT WE DO

From serving our employees to our members, we are doing so consciously and responsibly along the way.

With the leadership of our CEO and direction from our Board, our ESG Steering Committee continues to make great strides in advancing our six goals and delivering on our mission of putting seniors first.

### Our accomplishments this past year included:

- Expansion of plan benefits that enhance members' health outcomes.
- Greater flexibility and integration with our AVA® platform for ease of care delivery.
- Migration of all of our member customer service lines in-house for improved service delivery.
- Additional employee benefit offerings like tuition reimbursement and paid parental and bereavement leave.
- Execution of an assessment of our GHG emissions to better understand our environmental impact.
- Publication of the ESG Report as a commitment to ongoing transparency and accountability.

As we look to the future, we are inspired and motivated by the opportunity to make a positive and meaningful impact on the lives of our members. With the growth of an aging population, seniors need a reliable partner they can trust. We are committed to being that partner. We are also dedicated to our employees, health care providers and all stakeholders in our vast ecosystem working tirelessly to improve health care one person at a time with a serving heart.



# APPENDICES

## APPENDIX A: SUPPLEMENTAL DISCLOSURES

The following tables provide supplemental qualitative and quantitative information on Alignment’s ESG approach, policies, practices and performance for each of the sections within the ESG Report: Serving Members and Health Care Providers, Serving our Employees, Serving Inclusively, Serving Consciously and Serving Responsibly. Quantitative data includes actual and average values. Certain data has been rounded to the lowest tens, hundreds or thousands and marked with a plus sign (+).

### ALIGNMENT PILLARS & GOALS

#### Serving Members and Health Care Providers

**Goal 1.** Proactively provide all members with access to high-quality, low-cost care.

**Goal 2.** Advance health equity initiatives to help build healthier communities.

**Goal 3.** Support health care providers with the tools and resources needed for easier access to data and better care.

### DISCUSSION

Alignment’s passionate, member-focused experts champion top-tier care through a holistic health approach attentive to seniors’ financial, physical and emotional wellness. As an MA company, all of our members are Medicare enrollees, with an additional subset enrolled under Medicaid, C-SNP and/or Medicare’s LIS. Putting seniors first is core to everything we do to drive tangible health outcomes for our members.

Pillar Metrics	2023
Number of markets	52
Number of states with markets	6
Number of health plan members	119,000+
Average chronic conditions per member	2.6
Average age of members	73
Percentage of members who are Medicare and Medicaid enrollees	30%
Percentage of members who are Medicare, Medicaid and C-SNP enrollees	32%
Percentage of members who are part of the Medicare LIS program	33%
Percentage of members who are Medicare enrollees	100%

Our Board takes an active role in overseeing clinical operations, receiving quarterly updates on key data such as benefit utilization, SDoH and member needs. Directors guide discussions and participate in regular teach-in sessions on relevant clinical and health care data topics. New products and services receive Board approval prior to launch, benefiting from the directors’ extensive health care expertise and strategic focus on growth and quality.

Cross-functional collaboration powers our programs. Our Data Science team (led by the Chief Medical Informatics Officer), Clinical team (led by the Chief Medical Officer), Product team (led by the SVP of Product), Member Experience team (led by the Chief Experience Officer), Marketing team (led by the President of Markets) and Corporate Communications team (led by the Chief Communications Officer, as of May 2024) work closely together. This cohesive approach ensures clinical excellence, technical experience, product innovation and member-centric communication uniformly drives ongoing enhancements and improved health outcomes.

Our focus is on understanding and proactively managing member disease burden and utilization patterns. We believe our Medical Benefits Ratio (MBR) demonstrates the ability of our clinical model to produce superior outcomes by identifying and providing targeted care to our high-risk members, which results in improved member health and reduced total population medical expenses. The MBR also serves as an indicator of our gross profit for our MA plans. As an MA company, we satisfy the minimum 85% MBR required by CMS and the states in which we operate.

### ESG FRAMEWORK ALIGNMENT

#### IFRS S-1/SASB

##### Activity Metric

- Number of enrollees by plan type [HC-MC-000.A]

##### Plan Performance

- Average MA plan rating for each of the following plan types: HMO, local PPO, regional PPO, PFFS and SNP [HC-MC-250a.1]
- Enrollee retention rate by plan type, including: HMO, local PPO, regional PPO, PFFS and SNP [HC-MC-250a.2]
- Percentage of claims denied that were appealed by customers and ultimately reversed [HC-MC-250a.3]
- Plan enrollee grievance rate [HC-MC-250a.4]

##### Improved Outcomes

- Percentage of enrollees in wellness programs by type: diet and nutrition, exercise, stress management, mental health, smoking or alcohol cessation, or other [HC-MC-260a.1]

##### Access to Coverage

- Medical Loss Ratio (MLR) [HC-MC-240a.1]
- Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for MLR [HC-MC-240a.2]
- Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for MLR [HC-MC-240a.2]

##### Climate Change Impacts on Human Health

- Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographical incidence, morbidity and mortality of illnesses and diseases are incorporated into risk models [HC-MC-450a.1]

#### UN SDG



Ensure healthy lives and promote well-being for all at all ages

**ALIGNMENT PILLARS & GOALS**

**Serving Members and Health Care Providers**

- Goal 1.** Proactively provide all members with access to high-quality, low-cost care.
- Goal 2.** Advance health equity initiatives to help build healthier communities.
- Goal 3.** Support health care providers with the tools and resources needed for easier access to data and better care.

**DISCUSSION**

Pillar Metrics	2023
Number of 30-day hospital readmissions rate per thousand	14%
Number of skilled nursing facility admissions per thousand	36
Number of inpatient admissions per thousand	156
Number of ER visits per thousand members	353
MBR based on adjusted gross profit for the MA business, excluding ACO REACH	87.6%

**Access to Health**

Our MA plan offerings include, among others, HMOs, PPOs and C-SNPs, and reflect our focus on improving seniors’ health care experiences, addressing SDoH and improving our members lives and lifestyles. They go beyond traditional health care to address our members’ individual health care factors as it relates to health care access and quality, education access and quality, economic stability, neighborhood and built environment and social and community context. Each of our plans are priced competitively, including some with zero premiums or copays.

Pillar Metrics	2023
Percentage of members with \$0 premiums	84%
Percentage of pharmacy claims with a member cost share of \$10 or less	91%
Percentage of plans with \$0 copays for preventive services	100%
Percentage of members with \$0 copay fitness benefit	100%

We personalize each member’s plan benefits and enhance access to care with the frequency of our interactions and touchpoints. A member’s wellness journey starts with the JSA, which can be conducted virtually, at home or in-person in our care centers. The Alignment clinical team spends up to an hour with each member to understand their unique medical history and completes a comprehensive head-to-toe examination to develop individualized care plans that bridge existing health care gaps or address early warning signs of health risks. Our member experience teams conduct outreach campaigns to encourage completion of JSAs with an Alignment clinician.

Pillar Metrics	2023
Percentage of members who scheduled a JSA following an outreach campaign	75%
Number of members who completed a JSA	31,000+
Number of virtual care touchpoints	165,000+
Number of health care interactions and touchpoints	260,000+

Alignment aims to improve health care access for all members by removing common barriers such as distance, language or income through targeted services and programs. Our comprehensive coverage includes dental, vision, preventive hearing services and vaccinations, preventive care services, diet and nutrition support, culturally and linguistically appropriate plans, smoking and alcohol cessation, mental health and psychiatric services, a Virtual Care Center with 24/7 support and a 24/7 ACCESS On-Demand Concierge Card with access to live agents, who deliver an end-to-end experience.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1/SASB**

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**DISCUSSION**

Pillar Metrics	2023
Percentage of members with access to dental services, vision services, preventive hearing services and free flu vaccinations	100%
Number of gym locations available to members	5,000+
Percentage of members with ACCESS On-Demand Concierge Cards	100%
Number of unique members successfully using the ACCESS On-Demand Concierge Card	97,000+
Number of ACCESS On-Demand Concierge Card transactions placed	1.5 million+
Number of members eligible for the Care Anywhere program	12,000+
5-Star CMS score for completed breast cancer screenings among female members	5 Stars
5-Star CMS score for completed body/bone density (DEXA) scans among female members	5 Stars
5-Star CMS score for completed colorectal screenings among eligible members	5 Stars

Our programs also include pharmaceutical coverage with expansive formularies and generic options. We engage members to ensure they are adhering to their health care needs through direct touchpoints and have staff members equipped to assist members in the languages they prefer, where possible.

Pillar Metrics	2023
Number of drugs in Alignment formularies	30,000+
Number of medication prescriptions processed	3 million+
Percentage of pharmacy member services staff who speak languages other than English	79%
Percentage of filled prescriptions that are generic	82%
Percentage of members with diabetes who adhered to their medication	94%
Percentage of members with high cholesterol who adhered to their medication	95%
Percentage of members with hypertension who adhered to their medication	96%

We offer specialized programs for our members with chronic illnesses, including late-stage diabetes and kidney disease. Our Care Anywhere program is designed to prioritize compassionate and effective care delivery with proactive health management. We provide at-home monitoring tools and ensure timely and consistent treatment as a part of our chronic care coordination. Members transitioning from the hospital to their home are offered a specialized 60-day care facilitation program, called Healthy at Home, which includes weekly in-person or virtual follow-ups to monitor progress and ensure a full recovery.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1/SASB**

**Activity Metric**

- Number of enrollees by plan type [HC-MC-000.A]

**Plan Performance**

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**Improved Outcomes**

- Percentage of enrollees in wellness programs by type: diet and nutrition, exercise, stress management, mental health, smoking or alcohol cessation, or other [HC-MC-260a.1]

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- Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographical incidence, morbidity and mortality of illnesses and diseases are incorporated into risk models [HC-MC-450a.1]

**UN SDG**



Ensure healthy lives and promote well-being for all at all ages

**ALIGNMENT PILLARS & GOALS**

**Serving Members and Health Care Providers**

**Goal 1.** Proactively provide all members with access to high-quality, low-cost care.

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**DISCUSSION**

Pillar Metrics	2023
Number of members in Care Anywhere Program	8,500+
Average number of Care Anywhere member touchpoints per year*	24
Average point reduction in HbA1c for all diabetic members after 12 months of Care Anywhere enrollment	1.5
Average HbA1c for all diabetic members eligible and enrolled in Care Anywhere	6.95
Number of post-discharge meal deliveries for members with diabetes	8,300+
Percentage of high-risk members enrolled in clinical programs who completed an annual exam	83%

\*Include average telephonic, face-to-face, virtual, tuck-in calls and unique engagements

By incorporating SDoH into our holistic care model, our predictive data enables customized services that support low-income and chronically ill members. These insights inform our teams and support referrals to improve the health care outcomes of our members. Since joining CMS's Value-Based Insurance Design (VBID) program in 2022, we have provided qualifying members additional financial assistance for health care access and living expenses based on social needs and chronic conditions.

Eligible seniors receive cash on a monthly basis alongside other services that may include utility benefits, pest control, home safety and housing referrals, companion care, grief support and chronic care groups, pet sitting and walking services, FLEX allowance (part of the ACCESS On-Demand Concierge Card program) to cover dental, vision and hearing expenses, grocery allowance, over-the-counter allowance, fitness benefits and transportation allowances. Under the grocery benefit, members' top grocery items included basics such as produce, dairy, bread and meat. Over-the-counter purchases included oral care, vitamins and supplements, pain relief and first aid, while top wellness items included perishable and non-perishable food, beverages and snacks. We designed the offering to alleviate economic health care barriers and address the challenges vulnerable groups uniquely face when working to fulfill their care plans.

Pillar Metrics	2023
Number of offerings and supplementary benefits that address SDoH	20+
Number of offerings and supplementary benefits for culturally diverse, low-income or dual-eligible members	15 Plan benefit packages 12 Supplementary benefits
Number of socioeconomic disparities addressed by our services of LIS members	20+
Number of SDoH referrals provided to members	32,400+
Number of behavioral health, social isolation or advanced care planning referrals provided to members	2,600
Number of housing or home safety referrals provided to members	2,800
Number of financial assistance referrals provided to members	3,600
Number of health literacy referrals provided to members	7,000
Number of social work referrals provided to members	8,000+

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1/SASB**

**Activity Metric**

- Number of enrollees by plan type [HC-MC-000.A]

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**DISCUSSION**

Pillar Metrics	2023
Number of care navigation or resource referrals provided to members	13,100
Number of meals delivered post-discharge through our meal delivery program	13,900+
Number of total companion care visits	14,700+
Number of members eligible for and enrolled in the companion care benefit	1,200+
Number of members eligible for utility benefits	4,700
Number of members eligible for pest benefits	39,400+
Number of members eligible and qualified to receive the grocery benefits	52,000
Number of members eligible for the caregiver benefit or support for respite care	63,800+
Number of members eligible for pet benefits	87,400
Number of members eligible for and enrolled in the transportation benefit	93,600
Percentage of members who qualify for our meal-delivery program	68%

We are dedicated to improving member education and awareness while empowering members to proactively manage their health in ways that integrate SDoH. We invest substantial time and resources into member programs and awareness campaigns on topics including nutrition, smoking cessation, alcohol abuse treatment, medication management and overall wellness. This includes addressing new and emerging issues, including climatic events, that may impact our members' health. We host regular member town halls, both virtually and in-person, and customize communications tailored to our members' needs and preferred style of outreach. Together, these initiatives promote positive health outcomes by meeting members where they are and arming them with relevant knowledge and support. In 2023, we launched a new member onboarding process to retain and engage new enrollees. Now, new members receive materials via email, text and print with resources on "Next Best Action" checklists, benefits education and provider network information.

We equip physicians and health providers with timely, relevant data via custom dashboards and messaging platforms. Solutions like Patient Priority and Patient 360 simplify compiling and submitting medical records. We highly value clinician feedback, as our products are designed by physicians for physicians. We engage physicians in a variety of ways, including our networks such as the Access Medical Independent Physicians Association, to listen to them and address their concerns.

Pillar Metrics	2023
Number of AI models	200+
Number of new AVA users* added	10,000+

\*Users include all provider networks

**Quality and Satisfaction of Members**

Our Quality Management program, coordinated by the Quality Management team and Quality Improvement Committee, drives continuous improvement initiatives through monitoring and evaluation of our practices, regular surveys and roundtables. Our work is guided by our [Member Rights and Responsibilities](#) and [Quality Assurance Policy](#). We also have strong grievance and appeals processes, and are compliant with CMS requirements, through which we are able to deliver swift resolutions to members' concerns.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1/SASB**

**Activity Metric**

- Number of enrollees by plan type [HC-MC-000.A]

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**DISCUSSION**

Our signature Voice of Customer program underpins the mission and culture of our ACCESS On-Demand Concierge team. We regularly review relevant metrics, such as reasons for disenrollment, complaints to Medicare, grievances, customer satisfaction (CSAT surveys) and social media posts to improve our services, identify root causes and mitigate common issues. The member experience team engages closely with sales, clinical and product teams to continuously implement changes that drive our member satisfaction.

Pillar Metrics	2023
Year-over-year improvement in member retention	25%
CMS 2022 voluntary disenrollment performance as compared to the national average	>50%
Concierge team first call resolution based on post-call CSAT	90%
Percentage of successful ACCESS On-Demand Concierge Card transactions with the new platform	99%
Overall NPS	65+
Care Anywhere NPS	80+
5-Star overall CMS rating from 2015 to 2022*	4+ Stars
5-Star CAHPS rating for “Rating of the Health Plan” from 2019 to 2022	4+ Stars
5-Star CAHPS rating for all medication adherence (diabetes, hypertension and cholesterol) from 2019 to 2022	4+ Stars
5-Star HEDIS measures across 10 key quality metrics from 2019 to 2022	4+ Stars
Rating of members choosing to leave the plan	5 Stars

\*Specific to CA HMO contract H3815, which accounts for more than 90% of our members

Our in-house member engagement team onboards new members with welcome calls, annual visit scheduling and provider term reviews. Each member of the team undergoes an extensive five-week onboarding training in addition to specialized training for different roles. We emphasize first-contact resolution and have a specialized team that follows-up on more complex or escalated cases to ensure timely resolutions. This team maintains regular contact with our Chief Experience Officer to collaboratively identify more efficient responses and develop new case workflows. Underpinning it all, our AVA® CRM and care coordination system records and facilitates support across member interactions.

Pillar Metrics	2023
Total number of Google reviews	2,400+
Average Google review rating (out of 5)	4.9
Percentage of calls that receive 5-stars from members	93%+

As a MA organization, we are subject to regular Medicare Part C and Part D program audits by CMS. In 2023, Alignment underwent CMS’s full program audit and received perfect scores with minor observations, reflecting tangible operational improvements and our focus on quality.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1/SASB**

**Activity Metric**

- Number of enrollees by plan type [HC-MC-000.A]

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**Access to Coverage**

- Medical Loss Ratio (MLR) [HC-MC-240a.1]
- Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for MLR [HC-MC-240a.2]
- Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for MLR [HC-MC-240a.2]

**Climate Change Impacts on Human Health**

- Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographical incidence, morbidity and mortality of illnesses and diseases are incorporated into risk models [HC-MC-450a.1]

**UN SDG**



Ensure healthy lives and promote well-being for all at all ages

**ALIGNMENT PILLARS & GOALS**

**Serving Members and Health Care Providers**

**Goal 4.** Create an organization where employees feel a sense of engagement, ownership and belonging.

**DISCUSSION**

Our focus is always on our people. We lead with a serving heart and aim to cultivate an empowering, inclusive workplace where employees can thrive with continuous support along their Alignment journey. Our Human Resources team, led by the Chief Human Resources Officer, drives our people and culture strategy, and executes vital programs related to talent acquisition, learning, benefits and rewards, business partnerships and compliance, performance and succession planning, data and systems analytics, operations and facilities. Nearly all of our employees are full-time with the certain of them serving on a seasonal basis during Medicare’s annual enrollment period. Routine updates on people and culture matters are provided to the CEO, Board and Nominating, Corporate Governance and Compliance Committee.

Pillar Metrics	2023
Number of executives	11
Number of employed clinicians	269
Number of all full-time and seasonal employees	1,536

We seek to continuously improve our hiring and retention practices. We recruit and onboard diverse, skilled talent, including advance clinical practitioners, to match our growth and ensure we have a sustainable workforce for the future. We offer fair and competitive pay to all of our employees in addition to comprehensive benefits for full-time employees, which include medical, dental, vision, life and accident insurance, short- and long-term disability insurance, 401(k) matching programs, hybrid- and remote-first options for certain positions and other well-being offerings. Beginning in 2023, our benefits include a 12-week parental leave policy and generous bereavement leave.

Alignment offers comprehensive training at all levels. Onboarding training is provided to all new employees (“Business Foundation Series”), leadership training (“Serving Leader Program”) for managers and above and specialized training for specific job functions to improve their skills and knowledge. We also encourage our employees to access college and university-level courses and degrees through our tuition reimbursement program. Performance management plans are part of our talent management program and are one of the tools leveraged in manager-employee development conversations.

Pillar Metrics	2023
Percentage of Alignment leaders (Director and above) who have completed the Serving Leader Development program	50%
Percentage of new employees completing foundational business training	87%
Number of internal promotions	170

We invest substantial time listening to our employees and creating an environment where everyone feels heard. We conduct annual engagement surveys, host quarterly all-employee and leadership meetings and hold monthly CEO Connection meetings.

Pillar Metrics	2023
Participation rate in annual employee engagement survey	80%
Engagement index for annual employee engagement survey	77%
Percentage of employees that would recommend Alignment Health to people they know as a great place to work	77%
Percentage of employees that are proud to work for Alignment Health	88%
Percentage of employees that would recommend Alignment to a friend or relative	92%
Percentage of employees that understand how their role directly contributes to the Alignment’s success	93%

**ESG FRAMEWORK ALIGNMENT**

**UN SDGs**



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Achieve gender equality and empower all women and girls



Reduce inequality within and among countries

**ALIGNMENT PILLARS & GOALS**

**Serving Members and Health Care Providers**

**Goal 4.** Create an organization where employees feel a sense of engagement, ownership and belonging.

**DISCUSSION**

Percentage of employees that agree that discrimination and harassment are not tolerated	93%
Percentage of employees that believe people from all backgrounds can succeed at Alignment	96%

**Diversity, Equity and Inclusion**

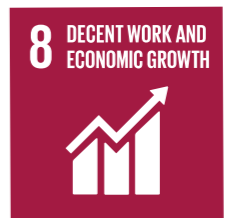
Our DEI strategy plays a role in every part of our business. We seek to build processes, programs and structures that are inclusive and attentive to the needs of our communities. By integrating DEI principles, we are elevating our talent, enhancing our services and broadening our partnerships. We strive to build a positive work environment where everyone is treated with respect and dignity. Our operations, policies and procedures are in full compliance with applicable laws and provide equal employment opportunities regardless of race, color, religion, sex, age, national origin, marital status, disability or veteran status. We do not tolerate any workplace violence, threats of harm or harassment, and have procedures in place to report and investigate misconduct. A positive workplace involves the contributions of everyone at Alignment. We include DEI-related questions in our annual surveys to listen to our employees about the topic. In addition, we provide voluntary training courses to our employees.

Pillar Metrics	2023
Number of languages spoken by employees	17
Number of voluntary DEI courses available	100+
Number of generations of employees represented (Baby Boomers to Gen Z)	4
Percentage of all employees who self-identify as African American, Asian, Hispanic/Latino, Indigenous or Other <sup>12</sup>	66%
Percentage of all employees who self-reported as female	73%
Percentage of members of the executive team who self-identify as African American, Asian, Hispanic/Latino, Indigenous or Other <sup>13</sup>	20%
Percentage of members of the executive team who self-reported as female	20%
Percentage of health plan members who self-identify as African American, Asian, Hispanic/Latino, Indigenous or Other <sup>14</sup>	45%
Percentage of health plan members who self-reported as female	55%

The integration of SDoH into our programs and services as well as certain other equity-based health care programs have opened up opportunities to more widely serve our diverse members. We address socioeconomic factors through our LIS and VBID programs, which provide additional services to members in financial need. We offer culturally based services through tailored health plans that expand our services to incorporate a wide base of traditions and practices, including Eastern medicine, language-specific materials and local grocers.

**ESG FRAMEWORK ALIGNMENT**

**UN SDGs**



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Achieve gender equality and empower all women and girls



Reduce inequality within and among countries

**ALIGNMENT PILLARS & GOALS**

**Serving Consciously**

**Goal 5.** Support environmental health by understanding and improving the impact of our footprint.

**DISCUSSION**

We believe businesses have a responsibility to protect the environment by establishing sustainable best practices that will benefit future generations. We remain committed to strengthening our environmental stewardship efforts, which includes monitoring and managing our environmental footprint.

At the Board level, the Nominating, Corporate Governance and Compliance Committee oversees our ESG risks, including climate-related risks and opportunities. Our Chief Communications Officer oversaw the work of the ESG Steering Committee, which consists of more than 20 key leaders from different teams across the organization, and provided updates to the CEO, the Board and its committees through May 2024.

Our facilities team, led by a dedicated VP, actively seeks real estate partners committed to safe, secure workplaces with sustainable operations and negotiates upgrades, such as energy efficiency, into our existing leased spaces. Our daily operations rely primarily on leased physical buildings and third-party cloud-based data centers. Despite this asset-light approach, we make environmental management a priority by pursuing partnerships grounded in sustainability and tracking the environmental impact of our decisions. Our headquarter building is LEED Gold and Energy Star-certified. We continue to encourage a flexible work culture that minimizes emissions related to commuting and office maintenance. Our facilities offer waste recycling, including ethical electronic waste management initiatives like e-Stewards and/or R2.<sup>15</sup> Alignment partners with a carbon-neutral, cloud-based data service provider that strives to transition to 100% carbon-free energy by 2030. Through our data center partnership, the energy consumption of our data platform computing process and storage has been reduced. Our sales agents' vehicle fleets are 100% hybrid, and we are assessing opportunities to transition to fully electric vehicle fleets. In 2023, we finalized our baseline GHG emissions report to better understand the source and magnitude of our Scope 1 and Scope 2 GHG emissions.<sup>16</sup>

Pillar Metrics*	2022 (MT CO2e)	2023 (MT CO2e)
Scope 1 emissions - Refrigeration**	116.48	77.95
Scope 1 emissions - Purchased fuel stationary sources***	14.98	13.28
Scope 1 emissions - Company vehicles****	38.51	39.53
<b>Total Scope 1 emissions</b>	<b>169.97</b>	<b>130.76</b>
Scope 2 emissions - Utilities	1,254.83	1,049.19
<b>Total Scope 2 emissions</b>	<b>1,254.83</b>	<b>1,049.19</b>
<b>Total Scope 1 and 2 emissions</b>	<b>1,424.80</b>	<b>1,179.96</b>
Total Scope 1 and 2 emissions intensity per million (USD) of revenue	0.99	0.65
Electricity Use*****	5,107 MWh	4,528 MWh
Percentage of hybrid vehicles for sales agent fleet	100%	100%

\*Scope 1 and 2 GHG emissions calculations have not been externally verified or assured.

\*\*Emissions from refrigerants include those used in air conditioners, heat pumps and commercial refrigeration units, with emissions calculated based on GWP provided by US EPA Emissions Hub Table 11 and 12 for each refrigerant type. Refrigerant emissions estimated based on the refrigerant capacity of equipment for 79% of emissions due to lack of available data on recharge quantities.

\*\*\*Purchased fuel includes natural gas used for on-site energy with emissions calculated based on emissions factors from the US EPA Emissions Hub Table 1.

\*\*\*\*Company vehicle emissions are calculated using the mileage and vehicle data and utilizing the US EPA Emissions Hub Table 2, with a typical mileage per vehicle type based on Bureau of Transportation published numbers.

\*\*\*\*\*Emissions from electricity are based on kWh consumption and converted using emissions factors from the EPA Emissions & Generation Resource Integrated Database (eGRID) 2021 Table 1 Subregion Output Emission Rates.

Health care delivery is shifting to virtual care for safety, ease of accessibility and 24/7 availability. Our virtual care platform enables phone or video visits with clinicians to address medical concerns without travel. Virtual visits greatly lower associated carbon emissions – approximately 6,655 metric tons of CO2 are avoided per million visits by reducing travel to in-person appointments.<sup>17</sup>

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-2/TCFD**

**Governance**

- Understand governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.

**Strategy**

- Understand a company's strategy for managing climate-related risks and opportunities.

**Risk Management**

- Understand the processes to identify, assess, priorities and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the company's overall risk management process.

**Metrics and Targets**

- Understand a company's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

**UN SDG**



Ensure sustainable consumption and production patterns

**ALIGNMENT PILLARS & GOALS**

**Serving Responsibly**

**Goal 6.** Maintain effective, transparent and ethical governance of Alignment’s business.

**DISCUSSION**

**Data Privacy and Security**

Information security and privacy of protected health and personal information is a top priority at Alignment. Our HITRUST®-certified information security and risk management programs are aligned with the National Institute of Standards and Technology (NIST) framework and Common Security Framework (CSF). We comply with HIPAA, ISO 27000, PCI-DSS and all federal and state data privacy and security regulations and requirements to ensure confidentiality, integrity and availability of sensitive data.

Our Board provides oversight of information security and data privacy through the Audit Committee. The CEO incorporates feedback from the Board while the Chief Information Officer (CIO) holds direct responsibility for strategy, execution, management and regular reporting on these matters. The Chief Information Security Officer (CISO), who reports to the CIO, specifically manages system security. Our Information Security and Privacy teams, carrying out programs and procedures under the CIO and CISO, execute our information security and data privacy programs and procedures.

We implement rigorous security controls, audits and business continuity planning across our systems and processes. Standard general IT controls and SOX compliance uphold financial data integrity and transparency while twice-yearly HITRUST® assessments ensure compliant protection of health care information. We utilize a 24/7 third-party operation response service to receive real-time notifications about any system vulnerabilities or threats, enabling rapid mitigation. We also conduct encounter claims checks, utilize SymKey quality assurance tools and perform regular third-party penetration tests and vulnerability identification. Our Application Security team is closely involved in the development of new products and scans the products while they are still in the production phase. Alignment practices data redundancy to back up our information across the U.S. as part of our business continuity plans (BCP) and disaster recovery (DR) purposes.

Pillar Metrics	2023
Percentage of systems that have completed a HITRUST® audit without findings	100%
Number of reportable data breaches	0
Number of affected users from reportable data breached	0
Percentage of reportable data breach involving PHI or PII	0%
Number of critical vulnerabilities reported	0
Average time to remediate critical vulnerabilities	24 hours
Percentage of sustained uptime over the last 24 months	99%+
Percentage of critical systems with geographically diverse data backup locations	100%
Percentage of critical systems with annual BCP and DR tests	100%
Percentage of critical applications covered by formal BCP and DR Plan	100%

Our [Privacy Policy](#) and [Terms of Use](#) are communicated to all employees, members and contractors. Aligning with CMS regulations, we encrypt all member PHI data and retain it for 10 years before permanent removal. For product and service improvements, identifiable data may be utilized internally under our robust security controls safeguarding external exposure. Our data protection and privacy programs cover our vendors and suppliers. We conduct inspections and verifications for suppliers and business partners that are not able to produce SOC2 Type 2 or HITRUST® certification.

We have a comprehensive cybersecurity and privacy training program that includes onboarding, annual and supplemental training across protocols, techniques and awareness to ensure employees and contractors can protect against threats. Initiatives include HIPAA compliance, proper handling protocols, seasonal awareness and anti-phishing. We also provide live training sessions for repeat offenders to keep all parties vigilant. In 2023, we continued to enhance our security training programs, adding training on holiday shopping awareness and tax fraud prevention. Our 2023 Cybersecurity Awareness month marked another year of engaging all employees in critical privacy and security learnings like “The Inside Man,” a video training series. Participation was encouraged through fun prize incentives for completing the training modules.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1**

**Customer Privacy & Technology Standards**

- Description of policies and practices to secure customers’ PHI records and other PII [HC-MC-230a.1]
- Number of data breaches, percentage involving: personal data only and personal health data, number of customers affected in each category: personal data only and personal health data [HC-MC-230a.2]
- Total amount of monetary losses as a result of legal proceedings associated with data security and privacy [HC-MC-230a.3]

**ALIGNMENT PILLARS & GOALS**

**Serving Responsibly**

**Goal 6.** Maintain effective, transparent and ethical governance of Alignment’s business.

**DISCUSSION**

Pillar Metrics	2023
Percentage of employees trained on anti-phishing techniques	100%

Alignment continues to maintain strategic collaborations with specialized institutions that help us strengthen our cybersecurity and privacy practices, like Health Information Sharing Analysis Center (H-ISAC), FBI InfraGard program and other strategic consultancies with global research and advisory firms.

**Compliance**

Our dedication to regulatory compliance is evident in strict adherence to guidelines from the Department of Health and Human Services (HHS) and CMS. We follow state and federal regulations, including those by CMS, the Office of Inspector General, the Office for Civil Rights, state insurance departments and Medicaid divisions.

With oversight from the Board, Nominating, Corporate Governance and Compliance Committee and our CEO, compliance at Alignment is executed through our President of Markets and Chief Compliance Officer (CCO), with regular coordination with the MA Prescription Drug Boards and ACO REACH Board. Our dedicated ERM team, Compliance and Regulatory Affairs (CRA) team, ACO REACH Compliance team, Medicare Risk Adjustment Compliance team and Regulatory Compliance Internal Audit and Monitoring team ensure we are conducting our business ethically, honestly and in strict adherence to relevant rules, laws, regulations and guidelines by conducting annual risk assessments, preparing mitigation plans, monitoring, audit submissions and longitudinal studies. Cross-functional committees like our Operational Compliance, Enterprise Risk Steering and HIPAA Privacy Working Group integrate compliance across the organization.

Our [Code of Conduct](#) and other ethics and compliance policies apply to all our employees, third-party vendors, clinicians, contractors and other health care professionals. The Code of Conduct is intended to deter wrongdoing and promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosures, compliance with laws, rules and regulations, prompt internal reporting of violations and compliance concerns and accountability. Topics addressed include, among others, fraud, waste and abuse, conflicts of interests, gifts and business courtesies and fair dealing. Our comprehensive fraud, waste and abuse training program is an integral component. We reinforce proper behavior and monitor performance via training completion rates.

Pillar Metrics	2023
Percentage of employees and applicable health plan board members completing annual compliance training	100%
Percentage of employees completing general compliance training in fraud, waste and abuse	100%

Our ERM program, overseen by a dedicated ERM Director and guided by our CCO, CEO Council and Board’s Audit and Nominating, Corporate Governance and Compliance committees, has focused on building risk awareness across all levels of the organization. The annual ERM risk survey identifies top organizational exposures across functions. Aligned to our risk appetite, high-scoring items undergo thorough review for mitigation plan validity or development. At a minimum, results are reported quarterly to the Board’s committees and the ERM Steering Committee. Additionally, the ERM Steering Committee supplies quarterly top-down risk insights. This combined approach grants the ERM team a comprehensive and actionable risk view.

We maintain a specialized anonymous hotline for anyone, including our employees, vendors, members and other stakeholders, to report events of non-compliance. Alignment’s CCO and the CRA team investigate each reported potential concern, develop prompt responses and corrective actions and approve recommendations for prevention. In addition, for concerns related to financial fraud, mismanagement or unethical behavior, the Company has a strong Whistleblower policy aligned with federal and state requirements. All employees and third parties have access to the 24/7 hotline and website to report their concerns without fear of retaliation. Members of the management team and the Board review and investigate each case, and determine the appropriate course of action. Information about the policy is communicated through our training and Code of Conduct.

**ESG FRAMEWORK ALIGNMENT**

**IFRS S-1**

**Customer Privacy & Technology Standards**

- Description of policies and practices to secure customers’ PHI records and other PII [HC-MC-230a.1]
- Number of data breaches, percentage involving: personal data only and personal health data, number of customers affected in each category: personal data only and personal health data [HC-MC-230a.2]
- Total amount of monetary losses as a result of legal proceedings associated with data security and privacy [HC-MC-230a.3]

**ALIGNMENT PILLARS & GOALS**

**Serving Responsibly**

**Goal 6.** Maintain effective, transparent and ethical governance of Alignment’s business.

**DISCUSSION**

**Governance**

Our Board and its three committees provide comprehensive oversight and guidance to drive Alignment’s success. The Board’s main function is to supervise risk management and mentor leadership in a transparent and engaging manner. The Audit Committee oversees issues pertaining to finances, internal controls, data privacy and security and whistleblowing. The Compensation Committee addresses issues related to compensation and human resources management. The Nominating, Corporate Governance and Compliance Committee advises on director selection, governance, compliance, ERM and ESG matters. Each of the committees bolsters effective governance and accountability across the Company. The Committee charters are available on our [Governance](#) site.

Our Board consists of 11 directors with a diverse range of experiences, expertise and backgrounds. We apply sound corporate governance practices to comply with regulatory requirements, meet best practices and facilitate transparency with our stakeholders. These include, among others, independent executive sessions, independent Board committees, external and internal teach-in sessions for our directors, annual Board self-evaluations and separation of Chair and CEO positions with a Lead Independent Director. See our [Proxy Report](#) for more information on our governance practices.

Pillar Metrics	2023
Number of Board members	11
Number of Board members who self-identify as African American, Asian, Hispanic/Latino or Other <sup>18</sup>	2
Number of Board members who self-identify as women	4
Number of independent Board members	9
Percentage of Board members who self-identify as African American, Asian, Hispanic/Latino or Other <sup>19</sup>	18%
Percentage of Board members who self-identify as women	36%
Percentage of Board members who are independent	82%

**ESG FRAMEWORK ALIGNMENT**

**UN SDGs**

**5 GENDER EQUALITY**  
 Achieve gender equality and empower all women and girls

**10 REDUCED INEQUALITIES**  
 Reduce inequality within and among countries

<sup>19</sup>Same as endnote 1.

## APPENDIX B: ABBREVIATIONS AND ACRONYMS

<b>ACO</b>	Accountable Care Organization	<b>ER</b>	Emergency Room	<b>MAPD</b>	Medicare Advantage Prescription Drug
<b>AI</b>	Artificial Intelligence	<b>ERM</b>	Enterprise Risk Management	<b>MBR</b>	Medical Benefits Ratio
<b>BCP</b>	Business Continuity Plan	<b>ESG</b>	Environmental, Social and Governance	<b>NIST</b>	National Institute of Standards and Technology
<b>Board</b>	Board of Directors	<b>FFS</b>	Fee for Service	<b>NPS</b>	Net Promoter Score
<b>CAHPS</b>	Consumer Assessment of Healthcare Providers and Systems	<b>GHG</b>	Greenhouse Gas	<b>PCI-DSS</b>	Payment Card Industry Data Security Standard
<b>CCO</b>	Chief Compliance Officer	<b>H-ISAC</b>	Health Information Sharing Analysis Center	<b>PCP</b>	Primary Care Provider
<b>CISO</b>	Chief Information Security Officer	<b>HbA1c</b>	Hemoglobin A1c	<b>PHI</b>	Protected Health Information
<b>CMS</b>	Centers for Medicare & Medicaid Services	<b>HEDIS</b>	Healthcare Effectiveness Data and Information Set	<b>PII</b>	Personally Identifiable Information
<b>CO2</b>	Carbon Dioxide	<b>HHS</b>	Department of Health and Human Services	<b>REACH</b>	Realizing Equity, Access and Community Health
<b>CO2e</b>	Carbon Dioxide Equivalents	<b>HIPAA</b>	Health Insurance Portability and Accountability Act	<b>SASB</b>	Sustainability Accounting Standards Board
<b>CRA</b>	Compliance and Regulatory Affairs	<b>HITRUST</b>	The Health Information Trust Alliance	<b>SDoH</b>	Social Determinants of Health
<b>CRM</b>	Customer Relationship Management	<b>HMO</b>	Health Maintenance Organization	<b>SOX</b>	Sarbanes-Oxley Act
<b>CSF</b>	Common Security Framework	<b>IFRS</b>	International Financial Reporting Standards	<b>UN SDG</b>	United Nations Sustainable Development Goal
<b>C-SNP</b>	Chronic Condition Special Needs Plan	<b>ISO</b>	International Organization for Standardization	<b>VBID</b>	Value-Based Insurance Design
<b>DEI</b>	Diversity, Equity and Inclusion	<b>JSA</b>	Jump Start Assessment		
<b>DEXA</b>	Dual X-ray Absorptiometry	<b>LEED</b>	Leadership in Energy and Environmental Design		
<b>DR</b>	Disaster Recovery	<b>LIS</b>	Low-Income Subsidy		
		<b>MA</b>	Medicare Advantage		





## APPENDIX C: ENDNOTES

1. Other includes the remaining definitions according to U.S. Equal Opportunity Commission's EEO-1 race and ethnicity categories, excluding White. U.S. Equal Opportunity Commission. (2023, June 30). *2021 EEO-1 Component 1 Data Collection Instruction Booklet*. EEOC Data. [www.eeocdata.org/pdfs/2023\\_EEO\\_1\\_Component\\_1\\_Instruction\\_Booklet.pdf](http://www.eeocdata.org/pdfs/2023_EEO_1_Component_1_Instruction_Booklet.pdf)
2. At the time of the ESG Report publication, CMS statistics were only available for 2019-2022 period.
3. Same as endnote 1.
4. Same as endnote 2.
5. Same as endnote 2.
6. Zbrog, M. (2023). *Aging demographics & long-term care in the U.S.* MHA Online. [www.mhaonline.com/blog/crisis-in-long-term-care](http://www.mhaonline.com/blog/crisis-in-long-term-care).
7. Alignment Health. (2023, September 7). *2023 Social Threats to Aging Well in America*. Alignment Health. [www.alignmenthealth.com/Alignment/media/pdf/ALHC-2023-Social-Threats-to-Aging-Well-in-America-Survey-Final-2-508.pdf](http://www.alignmenthealth.com/Alignment/media/pdf/ALHC-2023-Social-Threats-to-Aging-Well-in-America-Survey-Final-2-508.pdf)
8. Ethnicity refers to all U.S. Equal Opportunity Commission's EEO-1 race and ethnicity categories, excluding White.
9. Dzau, V.J., Levine, R., Barrett, G., & Witty, A. (2021, December 2). Decarbonizing the U.S. Health Sector – A Call to Action. *New England Journal of Medicine*, 385(23), 2117–2119. [www.nejm.org/doi/10.1056/NEJMp2115675](http://www.nejm.org/doi/10.1056/NEJMp2115675)
10. Scope 1 and 2 emissions are consistent with the GHG Protocol methodology. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. US EPA. (2025, March 8). Scope 1 and Scope 2 Inventory Guidance. [www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance](http://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance)
11. US EPA. (2015, August 28). *Greenhouse Gas Equivalencies Calculator*. US EPA. [www.epa.gov/energy/greenhouse-gas-equivalencies-calculator](http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)
12. Same as endnote 1.
13. Same as endnote 1.
14. Same as endnote 1.
15. Honeyager, M. (2015, July 15). *What Do the R2 and e-Stewards Certifications Mean?* RecycleNation. [www.recyclenation.com/2015/07/what-do-r2-and-e-stewards-certifications-mean/](http://www.recyclenation.com/2015/07/what-do-r2-and-e-stewards-certifications-mean/).
16. Same as endnote 11.
17. Morcillo Serra, C., Aroca Tanarro, A., Cummings, C. M., Jimenez Fuertes, A., Tomás Martínez, J. F. (2022). Impact on the reduction of CO2 emissions due to the use of telemedicine. *Scientific Reports*, 12(1). [www.nature.com/articles/s41598-022-16864-2](http://www.nature.com/articles/s41598-022-16864-2)
18. Same as endnote 1.
19. Same as endnote 1.



## FORWARD-LOOKING STATEMENTS

The information and opinions presented in this report are current as of the date of this report, but are subject to change without prior notice. We do not commit to updating or revising any such statements. This report reflects our current policy and intent, and is not meant to establish any legal rights or obligations. The report may contain or reference public information that has not been independently reviewed, approved, or endorsed by us. We make no representation, warranty, or undertaking as to the accuracy, reasonableness, or completeness of such information. The inclusion of any information in this report does not indicate that the subject or data is material to our business, results of operations, or financial position.

Throughout this report we make “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Report are forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning. The forward-looking statements contained in this Report are generally located in the material set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but may be found in other locations as well. These statements are based upon management’s current expectations, assumptions and estimates and are not guarantees of timing, future results or performance, many of which are beyond Company’s control. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report on Form 10-K. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this Report in the context of these risks and uncertainties.

