Basis of Reporting

GREENHOUSE GAS (GHG) EMISSIONS

Guidance and Boundary

Within the ESG Report, The Cigna Group measures and discloses the company's Scope 1, Scope 2, and relevant categories of Scope 3 GHG emissions in accordance with the following guidance and standards:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)
- WRI/WBCSD GHG Protocol Scope 2 Guidance
- WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

For Scope 1, as well as Scope 2 location and market-based GHG emissions, The Cigna Group selected an organizational boundary based on operational control. Therefore, only assets or facilities where our business operates and has the ability to directly influence emissions-generating activities are included in our Scope 1 and Scope 2 GHG emissions calculations.

Boundaries for Scope 3 categories can vary slightly, as detailed below, but are generally defined as activities upstream from The Cigna Group operational control and downstream from The Cigna Group operational control but limited to transactions made directly by The Cigna Group with vendors/suppliers, investees, etc.

Scope 1 Emissions

Scope 1 GHG emissions were measured in accordance with GHG Protocol. The Cigna Group selected an organizational boundary based on operational control, and direct emissions sources include stationary and mobile combustion. Fuel sources included in The Cigna Group calculation of Scope 1 GHG emissions include natural gas, propane, gasoline, diesel, and jet fuel.

Our Scope 1 GHG footprint is made up of three primary activities: operating our buildings, operating emergency generators, and operating company-owned aircraft and vehicles. The Cigna Group obtains primary data from utility invoices and aviation reports. Data for fleet vehicles comes from our fleet vehicle partner's system of record and emissions are calculated based on fuel type and fuel consumption. Where primary data is not available, The Cigna Group team uses generally accepted methods to estimate in order to calculate emissions using a complete and accurate population of data for the reporting period.

For facility-level data gaps, The Cigna Group uses facility square footage intensity values to estimate. When appropriate, The Cigna Group uses the average ratio of natural gas to electricity and applies proportionately (natural gas ratio = natural gas kilowatt-hours (kWh) / electric power kWh; electric power ratio = electric power kWh / natural gas kWh). These ratios tell us that for every *X* kWh of one energy type consumed at a site, we should expect to consume *Y* kWh of the other energy type.

Scope 1 Emissions Factors:

- U.S. Portfolio
  - 2023 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub

- Canadian Portfolio
  - Emission factors for number 2 fuel oil and liquid petroleum gas are obtained from the Climate Registry Default Emission Factors
  - Emission factors for natural gas are obtained from province-specific Marketable Natural Gas National Inventory Report 1990-2020 (2022) - Table A6.1–1 and Table A6.1–3 (Residential, Construction, Commercial/Institutional, Agriculture)

- Countries outside the U.S. and Canada
  - Emission factors for stationary combustion of fuels are obtained from the WRI Stationary Combustion Tool V4.1., reported in CO2e. Low heating values are used.
  - Australia – Emission factors for natural gas and fuel oil are obtained from the Australian Government's National Greenhouse Accounts Factors. The latest published version of emission factors available at the end of the corresponding calendar year of the annual inventory are used.

- United Kingdom – Emission factors for natural gas and fuel oil within the UK are obtained from the UK Government GHG Conversion Factors for Company Reporting. The latest published version of emission factors available at the end of the corresponding calendar year of the annual inventory are used.

Scope 2 Emissions

Scope 2 GHG emissions were measured using the location- and market-based methods in accordance with GHG Protocol Scope 2 Guidance. The Cigna Group selected an organizational boundary based on operational control. Sources of emissions included in The Cigna Group calculation of Scope 2 GHG emissions includes electricity, chilled water, and steam. The Cigna Group obtains primary data to calculate Scope 2 GHG emissions from utility invoices at sites that are within The Cigna Group operational control. Where primary data is not available, The Cigna Group team uses generally accepted methods to estimate in order to calculate emissions using a complete and accurate population of data for the reporting period. The following summarizes estimation methodologies used by The Cigna Group for Scope 2:

- For facility-level data gaps, The Cigna Group uses facility square footage intensity values to estimate.
- To generate market-based emissions values, The Cigna Group applies the applicable market-based emissions factors, as outlined below, to the total consumption per site that is not provided from renewable sources. Therefore, consumption that is used to calculate emissions equals total annual consumption less annual consumption from renewable sources (in the case of The Cigna Group, renewable sources consist of on-site photovoltaics and green power contracts through utilities).

Scope 2 Emissions Factors:

- Location-based method emission factors
  - 2023 EPA eGRID Emission Factors
  - 2023 EPA Emission Factor Library
  - 2023 Canadian National Inventory Report
  - 2023 UK Government GHG Conversion Factors for Company Reporting (DEFRA)
  - 2023 International Energy Agency (IEA) Emission Factors
  - 2010 US EIA Form 1605
  - Where country specific emission factors are available, they are used in the emissions calculation. This includes Australia, Switzerland, Taiwan, China, Singapore, Belgium, France, Germany, Spain, New Zealand, and Thailand.

- Market-based method emission factors
  - For the purpose of this inventory, electric power supplier-specific emission factors to calculate Scope 2 emissions are not considered. However, an effort is being made to source supplier specific emission factors from utility companies and their sustainability (or related) reports, or to refer the contractual agreements (if any) with energy suppliers.

Scope 3 Emissions

Prior to measuring and disclosing Scope 3 GHG emissions, The Cigna Group team assessed each of the 15 categories of emissions, as defined by GHG Protocol, for relevancy. Based on The Cigna Group understanding of each category's definition and our business operations, we elected to exclude the following categories from our boundary based on the conclusions listed below:

- **Category 5 – Waste Generated in Operations:** Currently, The Cigna Group does not collect sufficient data to report this category with limited assurance. This is planned for inclusion in the 2024 inventory.
- **Category 8 – Upstream Leased Assets:** The Cigna Group leases the majority of its real estate portfolio; however, due to the nature of the leases, we chose to categorize these properties in Scope 1 and 2, which aligns with the guidance provided by GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- **Category 9 – Downstream Transportation and Distribution:** As the Cigna Group pays for the transportation and distribution of goods to the customer, we include emissions related to this business activity within Category 4: Upstream Transportation and Distribution, which aligns with the guidance provided by GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- **Category 10 – Processing of Sold Product:** The Cigna Group does not manufacture intermediate goods that require additional processing following sale to customers.
- **Category 11 – Use of Sold Products:** The Cigna Group does not sell goods that emit use-phase emissions.
- **Category 12 – End-of-Life of Sold Products:** The Cigna Group does sell goods that require disposal at their end-of-life; however, the emissions from some products were measured in 2023 and they were found to be de minimus.
- **Category 13 – Downstream Leased Assets:** The Cigna Group does not act as a Lessor.
- **Category 14 – Franchises:** The Cigna Group does not operate as a franchisor or franchisee.

The following table contains details regarding boundaries, activity data, and emissions factors used for each Scope 3 category.

Scope 3 Category	Methodology	Emissions Factors
1: Purchased Goods & Services	Emissions are calculated using a spend-based calculation: • Across each of The Cigna Group business units, we obtained annual direct and indirect spend dollars by supplier from our accounts payable and procurement systems. • Supplier spend was converted into emissions using the industry-based environmentally extended input–output (EEIO) emission factors published by the EPA; then extrapolated to represent emissions generated from upstream purchasing activity.	EPA EEIO
2: Capital Goods	Emissions from capital goods are calculated using a spend-based method: • The Cigna Group tracks actual spend that occurs during the fiscal year for information technology projects. • Actual spend figures are converted into emissions using the commodity-based EEIO emission factors published by the EPA.	EPA EEIO
3: Fuel & Energy	Emissions from fuel- and energy-related activities were calculated by fuel and energy type, by country, following the guidance set forth by GHG Protocol Technical Guidance for Calculating Scope 3 Emissions Chapter 3 utilizing the average-data method requiring the quantities and types of fuel consumed and estimating emissions by using secondary (e.g., industry average) emissions factors.	IEA

Scope 3 Category	Methodology	Emissions Factors
4: Upstream Transportation & Distribution	Emissions from upstream transportation & distribution are calculated using a spend-based method: • The Cigna Group tracks actual spend that occurs during the fiscal year for transportation equipment and leasing, postal services, and warehousing/storage activities. • Actual spend figures are converted into emissions using the commodity-based EEIO emission factors published by the EPA.	EPA EEIO
6: Business Travel	Emissions from business travel include air, rail, and rental car usage by The Cigna Group employees when traveling away from their home. Data for each mode of transportation comes from our travel booking partner's system of record and emissions are calculated based on passenger miles traveled. The Cigna Group boundary for the calculation is inclusive of all business-related travel activity that is booked using our partners, which aligns with The Cigna Group Travel Policy.	DEFRA
7: Employee Commuting	Emissions from employee commuting are calculated for U.S. employees only. To be overly conservative, if employees are not classified as full-time remote workers, they are assumed to travel to the office 5-days per week. Currently, the methodology used in the Quantis Scope 3 GHG Tool is applied. We acknowledge that the Quantis Tool has been discontinued as of 2023 and are actively seeking alternative calculation methodologies. Emissions are also calculated for U.S. employees who are identified as being full-time remote workers, using a methodology published in a white paper by Anthesis Group in February 2021.	Quantis; Anthesis Group

Scope 3 Category	Methodology	Emissions Factors
15: Investments	Emissions from investments was calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology. We included all Assets Under Management (AUM), which are broken down into several classes: listed equities, corporate bonds, real estate investments, and sovereign debt. Other PCAF asset classes such as project finance and motor vehicle loans do not apply to the company's investment portfolio. Short-term investments were excluded based on PCAF guidance. Non-managed assets and funds of funds were excluded since they are considered not applicable in the Science Based Target initiative (SBTi) guidance for financial institutions. Emissions were calculated on 72% of the company's AUM. The remaining 28% – comprised of cash, asset-back securities, select mortgage-backed securities, and other unclassified assets – are excluded due to either lack of methodology or lack of data. The reported investment data aligns with The Cigna Group 2023 Annual Report and Form 10-K, which is available on the company's website. The PCAF methodology aims to assess how much of the emissions from the entities The Cigna Group invests in should be attributed back to our investment portfolio. This is achieved by measuring an attribution factor based on the amount of The Cigna Group investment and total value of those assets and applying it to the measured or estimated emissions from each entity. PCAF allows for different level of data sources and acknowledges that part of the journey is to improve data quality over time. As such, a data quality score is measured from 1 to 5 with 1 being the most accurate data available and 5 using industry average data. Data for 2024 was sourced from FactSet, CDP, and The Cigna Group internal investment data. Data quality for 2024 was scored at 3.75, which indicates that most of The Cigna Group emissions data was derived using financial proxies, with emissions calculated based on asset's revenue or the amount invested in the asset. In cases where actual data is available (e.g., via CDP disclosures), this data lags one year as a result of disclosure timelines.	Factset; PCAF

Cautionary Note

Uncertainties are inherent in collecting data from a wide range of facilities and operations in a global health services company such as The Cigna Group. The GHG emissions information reflected in the 2023 ESG Report is subject to measurement uncertainties resulting from limitations inherent in the nature and available methods for determining this data. Such reported emissions data is necessarily based on estimates, and the selection of different but acceptable measurement techniques can result in materially different measurements. The estimated emissions and the methods used to calculate those estimated emissions are good faith estimates based on our interpretation of reputable third-party guidance and standards.

The Cigna Group understands that third party guidance, standards, methodologies, and protocols are continuing to evolve and develop, as are our systems and sources of information. Accordingly, our basis of reporting may change in the future, including as referenced herein.