



All of us experienced 2020 as a challenging year no one could have predicted. But while the year brought uncertainties, it also gave rise to accelerated transformation in HII's benefits and wellness strategy and illustrated the key role HII's benefits play in the lives of our employees and their families.

The COVID-19 pandemic took hold in the United States in March 2020, upending our plans for the year and causing the company to adjust day-to-day operations across the business to continue serving our government and industry customers. To accomplish this, we provided greater flexibility and enacted several benefits changes so our employees could make plans to best protect themselves and their families and seek care when they needed it most. While some of these changes were



temporary, others proved to be long-term adjustments to how we offer benefits to our workforce. The shift to virtual care and wellness offerings, for example, served employees on leave and those working remotely, but also sparked a second look at how we offer programs and services to an increasingly disperse population. Similarly, we made the decision to suspend employee fees for telemedicine through Teladoc, which led to significant increases in utilization that we hope to carry forward in 2021 and beyond. In this way, while these changes met our employees' immediate needs at the beginning of the pandemic, they are also shaping our benefits strategy for years to come.

In addition to changes brought on by COVID-19, 2020 marked a year of progress and enhancements for HII's benefits to further our goal of supporting a healthy body, a healthy wallet and a healthy mind. As you'll read in this report, developments such

as Anthem's Total Health Total You solution, the Alight Protection Program and continued focus on rebranding our HERO program led to employees increasingly engaging in their health and well-being, despite a year of turmoil and uncertainty.

While 2020 brought unexpected needs, our commitment to our employees never faltered. From day-one we've strived to achieve our goal: To make sure every employee has the opportunity to do hard stuff right.



Bill Ermatinger | HII Executive Vice President and Chief Human Resources Officer

# 



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Hard stuff. That's the first part of the Huntington Ingalls Industries' (HII) motto. We pride ourselves on our toughness, and we know it's one of the many reasons why we're able to deliver the best solutions for our customers. And yet, no year has been as tough as 2020. The COVID-19 pandemic changed our lives in unthinkable ways — from social distancing and wearing masks, to quarantining and virtual school. We were suddenly confronted with challenges never imagined at the beginning of the year.

**Done right.** That's the second half of the HII motto. In ordinary times, it's a reminder of our dedication to solid, excellent work. In 2020, it also served as a challenge. Despite a global pandemic, we kept going. Together, we worked as one HII.

During the past decade, HII has revolutionized the way we think about our employee-focused health care and wellness benefits. While we may not have had a global pandemic in mind when we began shaping our benefits, there is no doubt that our forethought allowed us to mobilize quickly when COVID-19 hit. With services designed to support a healthy body, healthy wallet and a healthy mind already in place, we swiftly adapted our programs to this strange new normal.

While it's true that we never want to face another year like 2020 again, we also take pride in the resilience of our HII team. We've made it through a difficult year with our optimism intact. On March 31, 2021, HII celebrated its 10-year anniversary, and we've already experienced so much. Imagine what awaits us in 2021 and beyond.

# PREPARED FOR A PANDEMIC

Quality health care isn't just a luxury. It's a necessity. And as the COVID-19 crisis hit in March 2020, this became more apparent than ever before. HII leadership took action immediately, giving employees and their families additional options and increased flexibility. Together with HII's benefits providers, we made changes to our benefits and wellness programs in order to meet the needs of our workforce.

#### Our benefits changes made an immediate impact.

By increasing our email, digital and social media communications, we were able to share benefits changes with employees who were taking leave or working remotely. These changes included:





# IMMEDIATE COVERAGE

Waiving the seven-day elimination period for receiving short-term disability benefits for covered illnesses and injuries.

Suspending the waiting period for newly hired represented employees, providing immediate access to medical coverage.



# PROGRAM EXTENSIONS

Extending vision insurance coverage for the 2019-2020 plan year so employees and dependents could use their benefits until Sept. 1, 2020.

Extending the grace period for the dependent care flexible spending account so employees could incur expenses through Sept. 15, 2020 and submit claims by Dec. 31, 2020.



# SHORT-TERM DISABILITY AWARENESS

Communicating to employees that HII's disability benefits service providers Prudential and Unum would offer short-term disability coverage for employees who have a doctor-approved and documented immune-compromising health condition, and who affirm that they are at high risk.

# ANNUAL ENROLLMENT DURING A PANDEMIC



Despite the pandemic, HII executed a successful Annual Enrollment in April 2020. By focusing on digital assistance for employees and their families, we helped our workforce access high-quality benefits tailored to their individual needs.

2019

2020





In previous years, HII hosted benefits fairs and offered in-person support to assist employees as they made changes to their benefit elections. However, in March 2020, COVID-19 brought our in-person outreach to a standstill. All planning for in-person benefits fairs halted and we pivoted to an online-focused Annual Enrollment. With employees working remotely or on leave, we relied heavily on employee communications channels, direct mail and our online benefits support tool ALEX.



#### Choose a benefits plan that works harder.

How can you make sure that you're choosing the financial and health care plan that best fits your family? ALEX can help. Introduced in 2018, ALEX is HII's interactive video guide for benefits decisions. Straightforward, jargon-free and completely confidential, ALEX asks basic questions about health care spending, medical habits and more — making it much easier for families to make smart choices and save money.

ALEX is available during Annual Enrollment and to new hires, or to employees who have experienced a qualified life event such as a marriage or a new baby. As enrollment shifted online, ALEX was ready to deliver both personalized solutions and peace of mind.

#### Introducing new benefits education videos.

Above all, our goal is to educate employees on how their benefits work for them. In April 2020, HII and ALEX rolled out a new series of short informational videos, which cover key benefits topics in an engaging and easily understandable way.

ALEX EDUCATION VIDEOS HAD 1,248
VIEWS IN 2020\*

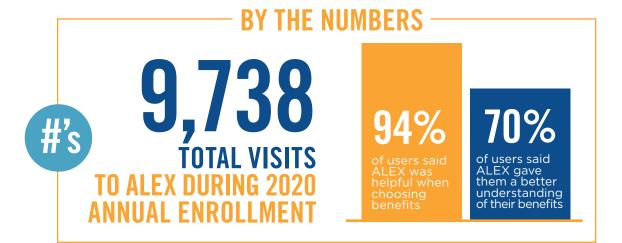
#### **NEW TOPICS INCLUDED:**

- Medical plan basics
- Saving money with preventive care
- Health savings accounts versus flexible spending accounts
- Managing medical bills and prescription costs
- Benefits of saving for retirement

\*From Annual Enrollment through Dec. 31, 2020

ALEX was great at providing the level of detail I needed to make an informed decision."

— HII USER



"First time I have even seen the full picture comparison between medical plans. Awesome!"

— HII USER

# **ANNUAL ENROLLMENT RESULTS**

# OVERALL PARTICIPATION IS HIGH



64% of eligible Ingalls, Newport News and HII corporate employees participated in 2020 Annual Enrollment

(REPRESENTING 24,052 EMPLOYEES)

62% of eligible Technical Solutions employees participated in 2020 Annual Enrollment

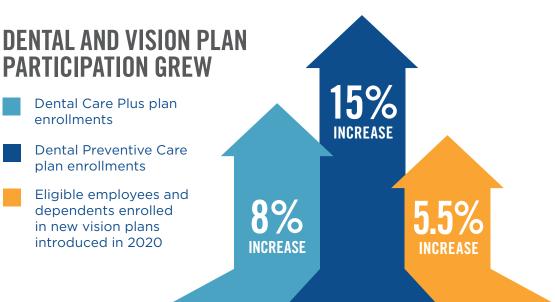
(REPRESENTING 5,346 EMPLOYEES)

# +4 NEW BUSINESSES

2020 Annual Enrollment also included the on-boarding of four new businesses to Technical Solutions' benefits.

## **EMPLOYEES MADE NEW ELECTIONS**





<sup>\*</sup>Data represents eligible Ingalls Shipbuilding, Newport News Shipbuilding and HII corporate employees.

# TAKING ADVANTAGE OF TOBACCO-FREE SAVINGS

**EMPLOYEES WHO ARE TOBACCO-FREE CAN** 

**SAVE AT LEAST \$650\*** on their medical insurance each year. The number of tobacco-free employees rose across all locations, indicating that HII's financial incentives are making a positive impact.



Newport News Shipbuilding Steelworkers declared a tobacco-free status



Non-represented Ingalls, Newport News and HII corporate employees declared a tobacco-free status



Technical Solutions employees declared a tobacco-free status



\*Technical Solutions employees save \$650 on their HII medical insurance. Ingalls Shipbuilding, Newport News Shipbuilding and HII corporate employees save \$660.

\*\*Compared to 2019

# EMPLOYEES CONTINUED TO FOCUS ON SMART SAVINGS

Despite financial uncertainty in 2020, 60% of participants who engaged with their 401(k) plans during Annual Enrollment either enrolled in the plan or increased their savings contribution.\*



# ONLINE ENROLLMENT IS UP SIGNIFICANTLY

The COVID-19 pandemic led to higher utilization of online tools and resources.

# 1.2 MILLION UNIQUE VIEWS

via UPoint,
HII's Annual
Enrollment
site
Up from 980,710
unique views in 2019

Employees who accessed the Health Plan Comparison chart

Up from 22% in 2019





Up from 22% in 2019

22% 34%

\*Data represents eligible Ingalls Shipbuilding, Newport News Shipbuilding and HII corporate employees.

PHYSICAL HEALTH



# INTRODUCING TOTAL HEALTH TOTAL YOU

What if you could have your own personal health advocate? What if you had a digital resource you could turn to that could help you identify health issues and proactively implement an individual plan for care?

#### **Enter Anthem's Total Health Total You.**

Introduced by HII during the 2020-2021 benefit plan year, this health solution is available to non-represented employees\* through their Anthem PPO and CDHP medical plans. Designed to manage the health needs of employees and their family members, this holistic program uses advanced technology to integrate clinical, behavioral, financial and social factors.

This digital-first solution represents an investment in people, tools and technology. Rather than cold-calling patients based solely on past medical claims, Anthem uses Total Health Total You to understand an individual's overall health needs. Through artificial intelligence and predictive modeling, HII employees can quickly access relevant information — including personalized resources to help them make healthier choices.

Customer service interactions are prompted by email and mobile app, and relevant information is shared with members' health care providers. It's easy and seamless, and it ensures that patients are able to access the best care.



<sup>\*</sup>Total Health Total You available to non-represented Ingalls Shipbuilding, Newport News Shipbuilding and HII Corporate employees and their dependents enrolled in an HII Anthem medical plan.

# **ENGAGE WELLBEING**

## YOUR PERSONALIZED BENEFITS HEALTH ASSISTANT

As a key element to the success of Total Health Total You, Engage Wellbeing is Anthem's patient-facing portal for personalized health care, resources and benefits information. Available via mobile app or desktop computer, it connects users with relevant content based on Anthem claims data, their enrollment in HII benefits and more.

# ENGAGE WELLBEING MAKES IT EASIER TO CREATE AN INDIVIDUAL HEALTH CARE PLAN.

- Automatically links to each user's Anthem medical plan
- Easily connects user to Anthem and HII-specific health programs like HII Family Health Center services and Teladoc
- Provides real-time benefit updates, including claims, deductible amounts and more
- Alerts user to individual treatment plans and clinical recommendations
- Connects user with in-network doctors based on medical needs

## BY THE NUMBERS

LAUNCHED ON SEPT. 1, 2020



1,012 REGISTRATIONS 5,172 TOTAL VISITS 4,335 MOBILE VISITS

Specific to Engage Mobile app





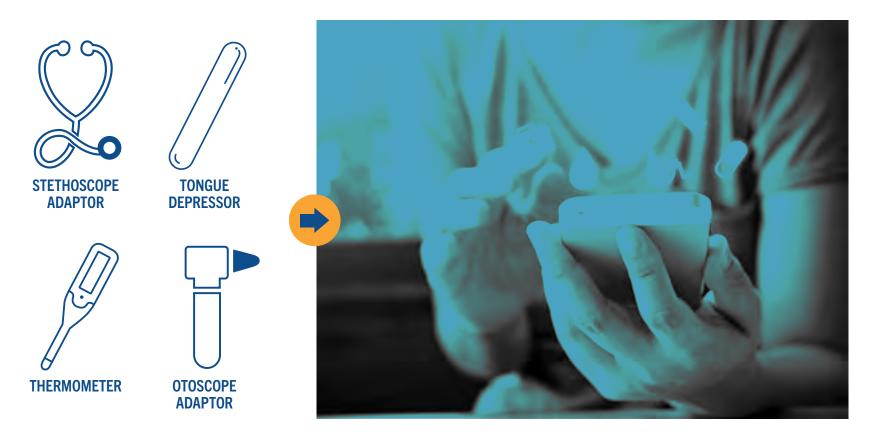
Data reflects utilization from Sept. 1 through Dec. 31, 2020.

# **CONCIERGE CANCER CARE**

## PROVIDING PATIENT SUPPORT WHEN IT'S NEEDED MOST

Launched in July 2020, Anthem's new Concierge Cancer Care program gives additional support to employees and family members who receive a cancer diagnosis. It provides patients with a free remote monitoring kit — including a stethoscope adaptor, tongue depressor, otoscope adapter and thermometer — to track vital signs. The kit connects to WiFi, providing Anthem doctors with continuous, round-the-clock feedback on patient vitals. Not only does this make telehealth consultations easier and more effective, it can also help reduce complications during chemotherapy.

Through artificial intelligence, the Concierge Cancer Care monitoring kit analyzes data and matches patients with appropriate specialists and clinical trials.





# **STAYING HEALTHY DURING 2020**

For the last five years, the HII Family Health Centers have served as a place to come when employees and their families need high-quality, convenient and affordable health care. While HII's health centers saw fewer in-person patients this year due to COVID-19, the quality of care never wavered and satisfaction numbers remained high.

#### HII Family Health Centers added safety measures to combat COVID-19.

- Access to virtual visits
- Enhanced screenings for all patients, visitors and staff members entering the building
- Staggered appointment times

- Contactless check-in
- · Cleaning schedules to disinfect high traffic areas
- Face mask and social distance requirements

#### Virtual visits were available for a variety of illnesses and conditions, including:

- Diabetes
- Headaches
- Cough, cold and flu
- Nausea or stomach issues

- Anxiety and depression
- Ear infections
- High blood pressure
- Skin conditions

- Sore throat
- Prescription refills



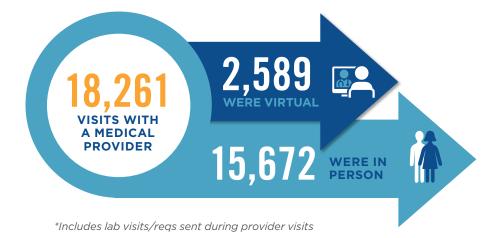
The COVID-19 pandemic influenced Americans' willingness to seek care in 2020. Despite these hesitations, the HII Family Health Centers still provided high-quality care for thousands of patients.

# HII FAMILY HEALTH CENTERS PERFORMANCE OVERVIEW



Total visits to the Family Health Centers in 2019

Total visits to the Family Health Centers in 2020 Compared to 2019, the health centers had 19% fewer visits in 2020





# ENCOURAGING HEALTHY FAMILIES

Despite a decrease in the overall number of patients, both health centers continued to see a steady number of spouses and dependents.

## PERCENT OF MARKET SHARE

INGALLS SHIPBUILDING Patients who were spouses

NEWPORT NEWS SHIPBUILDING Patients who were spouses

INGALLS SHIPBUILDING
Patients who were dependents

NEWPORT NEWS SHIPBUILDING Patients who were dependents



# HEALTH CENTER USAGE AMONG REPRESENTED EMPLOYEES

18.70%

INGALLS
SHIPBULDING REPRESENTED
EMPLOYEES' UTILIZATION

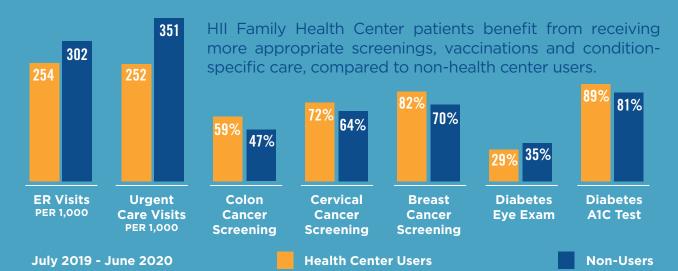
+ 0.52% from 2019

8.53%

#### **NEWPORT NEWS**

SHIPBUILDING REPRESENTED EMPLOYEES' UTILIZATION

- 0.17% from 2019



# **TOP CONDITIONS**SEEN AT THE HEALTH CENTERS IN 2020

- Adult physical exams
- Encounter with potential communicable diseases (COVID-19)
- Back/joint pain
- Diabetes
- Hypertension

# Q QuadMed

SHIPYARD QUICK CARE CLINIC AT INGALLS SHIPBUILDING

962 PATIENT VISITS

#### **TOP CONDITIONS SEEN**

- Acute upper respiratory infections
- Adult physical exam
- External ear pain/ discomfort
- Digestive system and abdominal pain
- Hypertension

QuadMed's Shipyard Quick Care Clinic is located within Ingalls' shipyard to provide shipbuilders easy access to non-occupational medical care.



# THE HII FAMILY HEALTH CENTER IN GAUTIER

CELEBRATING FIVE YEARS OF HEALTHIER LIVING

Since its grand opening in July 2015, the HII Family Health Center in Gautier, Mississippi has achieved impressive results.



### SCAN TO SEE GAUTIER'S HII FAMILY HEALTH CENTER IN ACTION.



9,200



68,000 APPOINTMENTS



PATIENT SATISFACTION RATE



The way the health center is set up is unique in that we're not running patients through appointments. We have the ability to spend time with them and we're patient-focused."

—DR. JEFFERSON HARMAN HII Family Health Center in Gautier, Mississippi

# DELIVERING CONVENIENCE AND AFFORDABILITY

## ONSITE PHARMACY + VISION + DENTAL

Excellent health care depends on accessibility. It's why HII brought multiple health services together, creating one convenient location where employees and their families can easily access affordable medical, pharmaceutical, vision and dental services.

ONSITE CVS PHARMACY	RX FILLED
Total RX Filled   2020	108,437
RX Filled   Newport News, VA Pharmacy	61,091
RX Filled   Gautier, MS Pharmacy	47,346

# USE OF GENERIC 83% IN 2020

# HII FAMILY VISION CENTERS

Eyes are key indicators of overall health, and in many cases, they are the first organs to show signs of diseases like diabetes, high cholesterol, high blood pressure, rheumatoid arthritis and other autoimmune disorders. By providing convenient access to vision care for employees and their families, we can help them catch disease early.

VISION CENTER SERVICES	INGALLS	NNS
Eye Exams	294	3,001
Processed Rx	839	4,783
Safety Glass Rx	322	1,545

### ONSITE DENTAL

Now it's even easier to smile, thanks to our full-service Onsite Dental clinics. Employees enrolled in an HII dental plan or Ingalls union plan can access in-network care for a range of dental care needs.

ONSITE DENTAL	INGALLS	NNS
# of Patients	1,053	3,807
# of Appointments	1,862	4,747
# of New Patients	401	260

#### **Types of Treatment Available**

- Cleanings
- Crowns and bridges
- Digital X-rays
- Exams
- Extractions
- Fillings
- Fluoride treatments
- Invisalign teeth aligners
- Implants
- Lumineers

- Night guards
- Onlays
- Periodontal cleanings
- Retainers
- Sealants
- Sports guards
- Veneers
- Whitening (in-office and athome treatment options)
- And more

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# **BEWELL FOR LIFE**

Not even a pandemic could stop HII employees from reaching their health goals. In 2020, our employees continued to rely on QuadMed's BeWell for Life program — a comprehensive, free wellness offering that brings together a variety of programs and resources to encourage good health. Although in-person wellness offerings went virtual in March, HII and QuadMed worked together to develop and deliver a complete calendar of online webinars and workshops.







### WELLNESS

- Over-the-phone wellness coaching on topics such as weight management, nutrition, exercise, goal setting, time management, stress management, tobacco cessation, healthy habits and more
- Virtual shoulder, neck and back pain workshops with QuadMed physical therapists
- Virtual diabetes prevention classes
- Healthy sleep webinars



### PHYSICAL FITNESS

- Lots of virtual fitness classes, featuring several different exercise types and convenient availability in both the morning and evening
- Virtual 5ks for Ingalls Shipbuilding and Newport News Shipbuilding



### **NUTRITION + WEIGHT LOSS**

- Virtual cooking demonstrations
- Webinar featuring tips for healthy cooking on a budget, which covered family-friendly recipes from a nutritionist as well as grocery budgeting tips from a SmartPath financial coach
- Holiday weight maintenance virtual wellness challenges
- Nutrition Bytes monthly e-newsletter, featuring healthy recipes and tips by registered dietitians



## STRESS MANAGEMENT

- Virtual relaxation lunch breaks
- Virtual holiday stress management workshops



### TOBACCO CESSATION

Virtual tobacco cessation classes

# HII'S VIRTUAL 5Ks

### BRINGING PEOPLE TOGETHER

Even though our popular 5Ks had to be held virtually this year due to limitations on crowd size, we still welcomed hundreds of runners, joggers and walkers. Rather than running together, participants signed up online and then completed the 5K in their own neighborhoods, at their own pace. Afterwards, they uploaded their times into QuadMed's Wellness Online portal.

# **NEWPORT NEWS 5K**

WEEKEND OF JUNE 6



# **INGALLS 5K**

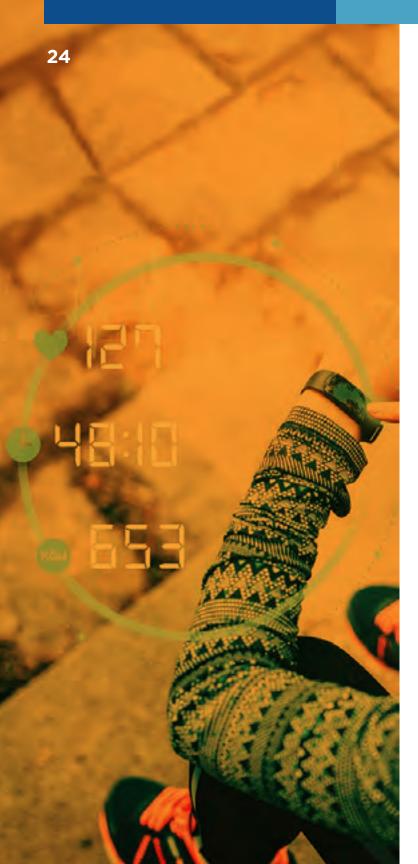
WEEKEND OF SEPTEMBER 19

# 146 UNIQUE PATIENTS 99 PARTICIPATED

BENEFITING SPECIAL OLYMPICS MISSISSIPPI



"At this point during COVID-19, my wife and I were looking for ways to be active with our boys, as well as involve our extended family across many states. This virtual NNS 5K came at a perfect time. Our extended family in Suffolk, Colorado and California jumped at the opportunity to join us. The event was a great excuse for our whole family to do something actively 'together.'"



# **KNOW YOUR NUMBERS**

IS AS EASY AS ONE, TWO, THREE

To HII employees, Know Your Numbers is a program that helps them gain knowledge about their own health and their risk for disease — and potentially catch disease before it starts. It's also a way to save money. Eligible employees can save \$600 on their HII medical insurance if they complete a wellness profile and a health screening before the program deadline.



WELLNESS FREE HEALTH SCREENING



#### MAKING HEALTH NUMBERS COUNT







**BLOOD PRESSURE** 



CHOLESTEROL



**BLOOD SUGAR** (A1C)

#### THE KNOW YOUR NUMBERS HEALTH SCREENING **MEASURES THE FOLLOWING:**

- Height
- Weight
- Body Mass Index (BMI)
- Blood Pressure
- Total Cholesterol
- HDL (Good Cholesterol)
- LDL (Bad Cholesterol)
- Triglycerides
- Blood Sugar (A1C) Test

<sup>\*</sup>The medical premium savings are available to non-represented Ingalls Shipbuilding, Newport News Shipbuilding and HII Corporate employees enrolled in an HII Anthem medical plan.

Total Completed\*

\*Metrics as of Dec. 31, 2020

	Total Completed
KNOW YOUR NUMBERS PARTICPATION BY LOCATION	3,130
Newport News & HII Corporate Non-Represented	2,301
Newport News Represented	32
Ingalls Non-Represented	773
Ingalls Represented	13
Technical Solutions	11



# **WORKFORCE IMPACT**

Know Your Numbers also benefits our entire workforce. HII is now able to look at aggregate data on a large scale, which allows us to determine which benefit plans and programs best meet the needs of our employees. By looking at common controllable risk factors among program participants, we can make positive changes and create health programs for the good of all.



# **CONFIDENTIALITY IS KEY**

All Know Your Numbers information is maintained securely and confidentially by QuadMed and protected by HIPAA, the Health Insurance Portability and Accountability Act. We don't charge medical rates based on an employee's health numbers, and there is no 'goal number' that is necessary to attain to achieve a discount.



BeWell for Life staff offer onsite Know Your Numbers health screenings at Newport News Shipbuilding's foundry.

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# ADDED FLEXIBILITY DURING THE COVID-19 PANDEMIC



#### **MORE TIME**

Due to the disruption caused by COVID-19, HII quickly extended the 2019-2020 Know Your Numbers deadline and provided additional flexibility for employees who still needed to complete the program. The original deadline of March 31, 2020 was moved to April 30, 2020, giving employees an extra month to meet requirements.



#### **IMPROVED SAFETY**

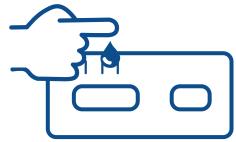
To stop the spread of COVID-19, HII and QuadMed's BeWell for Life team worked together to make onsite Know Your Numbers health screenings safe. We revamped how health screenings were performed at both shipbuilding locations, changing to appointment-only, one-on-one health screenings in a disinfected environment that allowed for social distancing. Employees also have the option to complete the health screening through their own personal care providers.



#### **ADDITIONAL AT-HOME OPTIONS**

As many employees switched to working remotely, HII partnered with QuadMed and Quest Diagnostics to create a new remote option for health screenings, too. If employees had concerns about visiting a provider's office or attending an onsite health screening, they could request a free Know Your Numbers home collection card designed by Quest Diagnostics. This home collection card included everything necessary to take a simple finger stick blood sample and then securely mail it to Quest Diagnostics for processing. Once the blood sample was processed, the results were sent to the employee and to QuadMed for the Know Your Numbers program.





# **TELADOC**

During a year when staying safe meant staying home, Teladoc was more invaluable than ever before. Rather than risking exposure at a doctor's office or an urgent care, our employees and their families could quickly speak to a licensed medical physician by phone or online — anytime, anywhere. Non-emergency patients were able to seek treatment from home, lessening the burdens faced by overworked health care workers as COVID-19 intensified.

### **ENCOURAGING USAGE BY ELIMINATING FEES**

Shortly after COVID-19 began to impact the United States, HII's leadership team decided to suspend the \$10 Teladoc fee for general medical and behavioral health care. By eliminating fees and strengthening communications efforts, HII saw usage numbers increase.

### TELADOC NUMBERS GREW SIGNIFICANTLY IN 2020

In 2020, 3,260 unique employees and dependents used Teladoc for non-emergency medical needs, saving an average of \$472 per claim.



## PATIENT SATISFACTION RATES ARE RISING

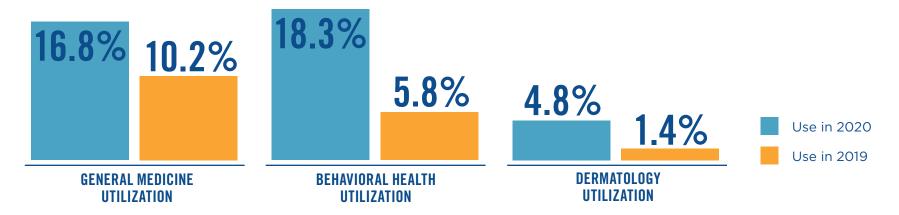
20 20 91%
20 76%

## TELADOC OFFERS HELP IN FIVE MAJOR AREAS OF CARE:

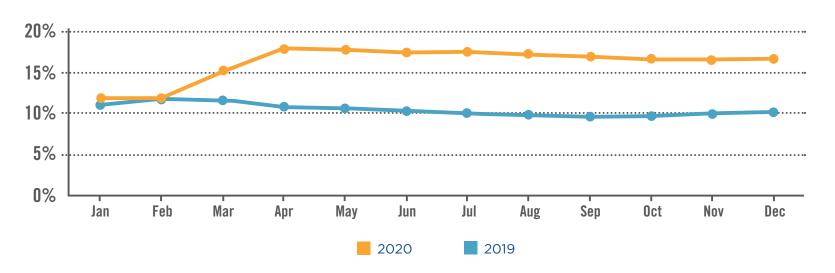
- General medicine
- Behavioral health
- Caregiver assistance
- Tobacco cessation
- Dermatology

# **TELADOC**

# SIGNIFICANT INCREASE IN UTILIZATION RATES

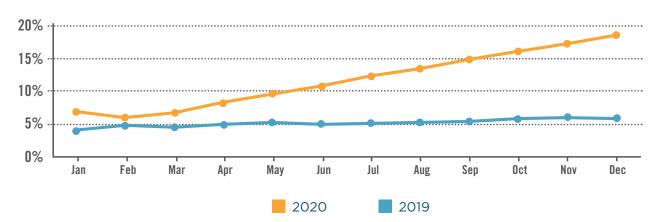


# UTILIZATION CLIMBED IN MARCH 2020, THE SAME MONTH COVID-19 BEGAN HEAVILY IMPACTING THE U.S.: Line chart of 2020 Teladoc general medical monthly utilization rates



# TELADOC BEHAVIORAL HEALTH UTILIZATION CLIMBED AS MENTAL HEALTH NEEDS GREW

Line chart of 2020 Teladoc behavioral health monthly utilization rates



# WHERE A MEMBER WOULD HAVE GONE IF TELADOC WERE NOT AVAILABLE



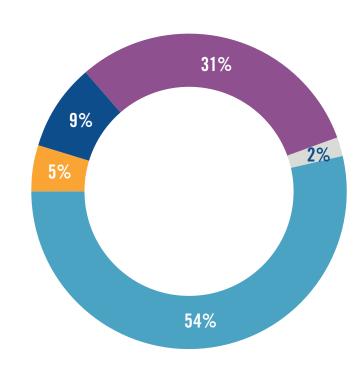
No treatment

Primary Care Provider

Specialist

Urgent Care

\*Chart reflects Dec. 2020 Teladoc HII user survey results.



# TOP DIAGNOSES OF 2020

### GENERAL MEDICAL CARE

- Acute sinusitis
- Acute upper respiratory infection
- Urinary tract infection
- Acute cystitis without hematuria
- Acute maxillary sinusitis

# BEHAVIORAL HEALTH CARE

- Major depressive disorder, recurrent, major
- Generalized anxiety disorder
- Adjustment disorder with mixed anxiety and depressed mood
- Major depressive disorder, recurrent, mild
- Anxiety disorder



At HII, our goal has always been to think beyond the paycheck and the retirement account. We want to help our employees live financially fit lives now and in the years ahead, with the tools and educational support they need to budget, save and plan for a bright future.

This was especially true in 2020, when the pandemic drastically changed the financial landscape. While HII jobs remained strong and secure, many spouses and dependents faced job changes and unemployment. For our hard-working families, HII's financial benefits and resources became more important than ever before.

As a result, HII saw a huge increase in the number of people who turned to our financial benefits. All of our existing programs — such as SmartPath and the Financial Wellbeing portal — were already available online and by phone, which made it easier for us to pivot to a new virtual normal. New programs like Purchasing Power, Kashable and the Alight Protection Program helped widen financial safety nets at a time when our employees needed it most. By providing education and empowerment alongside smart savings and investment benefits, HII employees were better prepared for 2020's financial changes.

# IN 2020, PARTICIPATION IN OUR FINANCIAL BENEFITS SOARED.







# CARING IN ACTION

# FINANCIAL HEALTH

- Retirement accounts with employer match
- UPoint's Financial Wellbeing Portal
- Alight Financial Advisors
- SmartPath
- Kashable
- Purchasing Power
- Alight Protection Program

# INTRODUCING PURCHASING POWER AND KASHABLE

New programs help employees cover surprise expenses and avoid high-interest debt.

## **PURCHASING POWER**

At HII, we want to help employees and their families avoid unnecessary financial risks. It's why we launched Purchasing Power, a new HII-sponsored program that provides eligible employees the opportunity to buy goods through payroll deduction. While it's not a discount program, it is a smart way to avoid costly loans and high-interest credit cards.



### SHOP THE ONLINE STORE

Appliances

Car Tires

Electronics

And More

Furniture



# **PURCHASE THE ITEMS YOU NEED**

- No credit check
- No interest payment
- No late fees



## PAY THE COST OVER TIME

Easy, automatic payroll deduction

# PURCHASING POWER VS. OTHER FINANCIAL OPTIONS

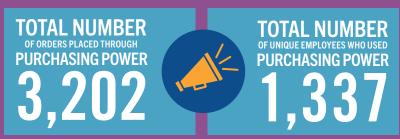
	Purchasing Power	Payday Loans & Rent-to-Own	Credit Card	Cash
Pay Over Time	<b>✓</b>		<b>✓</b>	X
No Credit Check			X	
Easy Payroll Deduction	<b>/</b>	X	X	X
Manageable Payments		X	X	X
No Interest	<b>✓</b>	X	X	
No Late Fees		X	X	

# HERE'S WHAT'S INCLUDED IN THE PURCHASING POWER PRICE



Purchasing Power helped me purchase items
I would not have been able to get."

# **PURCHASING POWER BY THE NUMBERS\***



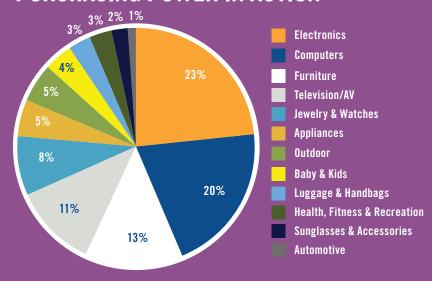
\*From program launch in March 2020 to Dec. 31, 2020

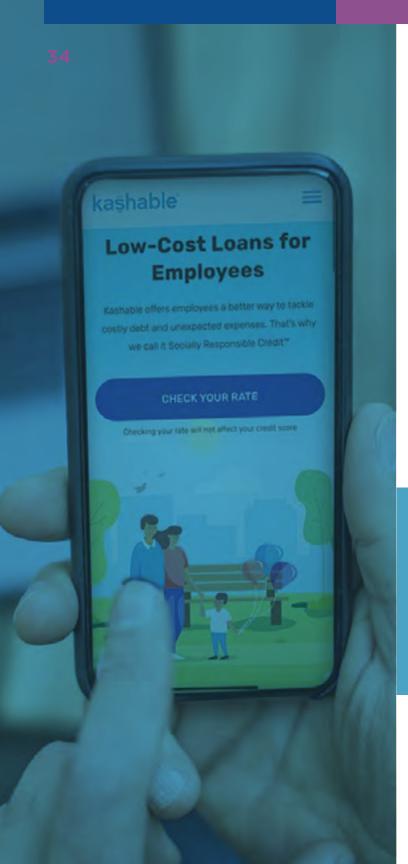
"My kids wanted updated electronic devices, and they were available and affordable to pay each week. I am very happy to find out about this company!"

Quotes taken from Purchasing Power's survey of HII users.

We were able to get a few things that we have really been wanting to get and the payment coming straight out of my paycheck with a payment plan is so much easier to do."

# **PURCHASING POWER IN ACTION**





# **KASHABLE**

Kashable offers low-cost loans to help employees\* with their financial needs. These personal loans can be used for any purpose and are a great resource for employees looking to tackle high-interest debt or cover unexpected expenses.

#### **Kashable in action**

- Online loan application
- Fast decision-making process
- Direct deposit to employee's bank account (within 3 business days of approval)
- Repayment is hassle-free through automated payroll deduction

# KASHABLE IS A SMART ALTERNATIVE TO 401(k) LOANS, CREDIT CARD CASH ADVANCES AND PREDATORY LENDERS.

- Loan amounts up to \$20,000
- Interest rates start as low as 6% APR\*\*
- Six- to 24-month repayment terms\*\*\*

<sup>\*</sup> Employees not in payment status cannot apply for a loan

<sup>\*\*</sup> To qualify for the lowest rate, applicant must have a responsible credit history

<sup>\*\*\*</sup> A loan example: A \$3,000 loan with a finance charge of \$267.02, and amount financed of \$2,925, repayable in 26 bi-weekly installments, and an interest rate of 12.6% would have an APR of 17.84% and bi-weekly installments of \$122.77.

## **EMPLOYEE FEEDBACK**



## BY THE NUMBERS\*-

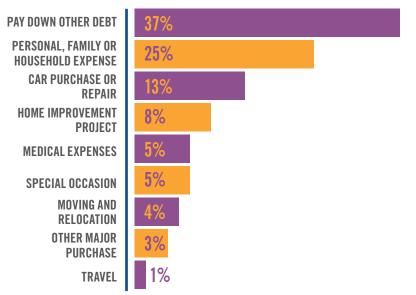
2,722 LOANS PROCESSED

#'s

\$2,645 AVERAGE LOAN AMOUNT \$19,500 HIGHEST LOAN AMOUNT \$250 LOWEST LOAN AMOUNT \$7,199,500 TOTAL AMOUNT LOANED TO HII EMPLOYEES

\*From program launch in March 2020 to Dec. 31, 2020

# REASONS FOR KASHABLE LOAN



# PROGRAM PARTICIPATION BY GENERATION AT HII



50%



**GENERATION X** 

40%



**BABY BOOMERS** 

<10%

Eligibility for Purchasing Power and Kashable: Purchasing Power and Kashable are available to non-represented Ingalls Shipbuilding, Newport News Shipbuilding and HII Corporate employees as well as represented Newport News employees. To qualify, employees must be active, full-time employees with at least 12 consecutive months of employment with HII and have a personal checking account.

Note: Purchasing Power and Kashable were originally launched in early March 2020 for non-represented employees. Due to financial uncertainty associated with the COVID-19 pandemic, Newport News Shipbuilding expanded eligibility to represented Newport News employees.



# ALIGHT PROTECTION PROGRAM

Our employees count on their retirement accounts to fund their futures, and HII's new Alight Protection Program helps keep those assets safe. Developed in partnership with Alight and launched in 2020, this key resource protects our employees' 401(k) accounts from fraud, cyber threats and unauthorized activity.

If theft occurs through no fault of the participant — and if the requirements below are met — the Alight Protection Program will provide reimbursement (up to any amount) for qualified defined contribution and defined benefit retirement plans.

#### The Alight Protection Program takes teamwork.

To meet the program's security requirements, both HII and the employee must implement these safety precautions.

#### **HII Responsibilities**

- Follow Alight's email-less process for password resets and one-time codes.
- Create a complex password and phone PIN model for UPoint and customer care call authentication.
- Enforce a seven-day minimum wait time before payments may be requested to newly entered bank accounts or postal addresses.
- Implement a biometric sign-on for the UPoint Mobile HR app.
- Set up mobile text alerts for key account information changes, activities and security reminders.

#### **Participant Responsibilities**

- Contact information must be up to date in UPoint, and must include a mobile phone number that can accept text messages.
- Opt in to receive Alight's text messages to get real-time alerts regarding HII's retirement plan.
- Take commonsense steps to keep your account and devices safe, including:
  - Regularly reviewing accounts for unusual activity.
  - Using up-to-date security software on any devices you use to access your HII 401(k) account.
  - Using only private devices and a protected wireless connection.
- Choosing a password unique to your UPoint account.
- Protecting your password and login information, and never sharing this information with anyone.
- Following recommended security practices.
- Contact Alight immediately if you receive suspicious communications about your UPoint account activity, if you suspect identity theft or if your UPoint login information has been compromised.
- Help participate in investigation and recovery efforts.











#### ALIGHT PROTECTION PROGRAM BENEFITS

#### **NO ADDITIONAL COST**

to employees enrolled in the Huntington Ingalls Savings Plan (HISP), Financial Security and Savings Program (FSSP) and/or HII pension plan



### FREE ACCESS

#### TO ALIGHT'S FRAUD PROTECTION TEAM.

who can freeze accounts and manage all transactions until the participant's case is closed



## STRENGTHENING OUR EXISTING FINANCIAL HEALTH PROGRAMS

As COVID-19 rocked the financial landscape, HII's financial benefits were there to support employees and their families.





ALIGHT
FINANCIAL ADVISORS AND
FINANCIAL ENGINES



UPOINT
FINANCIAL WELLBEING
PORTAL



401(k) ALIGNMENT

#### **SMARTPATH**

### PERSONAL FINANCIAL COACHING FOCUSES ON FINANCIAL BASICS AND EVERYDAY BUDGETING

Despite COVID-19 disruptions, HII and SmartPath continued to offer education classes and personal financial coaching for all employees. While the year began with monthly inperson classes and webinars at both Newport News Shipbuilding and Ingalls Shipbuilding, we switched to online-only webinars beginning in March.



Total number of monthly webinar and in-person class attendees

TOTAL SINCE 4,604



3,404



#### 181 HII EMPLOYEES ALSO ATTENDED SMARTPATH'S WEEKLY WEBINAR SERIES

available to all SmartPath clients



#### 548 WEBINAR REPLAYS WATCHED

Employees who registered for SmartPath's education webinars in advance also received a recording of the session, a convenient solution for those who could not participate live.

### POPULAR WEBINAR TOPICS

- Retirement readiness
- Saving money during COVD-19
- Investing 101
- T-minus 10 years til retirement

#### **SMARTPATH**

# THE COVID-19 HELP CENTER



ACCESSIBLE VIA HII'S SMARTPATH WEBSITE, THIS NEW HELP CENTER FEATURED WEBINARS, QUIZZES AND ARTICLES FOCUSED SPECIFICALLY ON COVID-19 FINANCIAL TOPICS.



## STRONG DIGITAL RESOURCES WERE KEY IN 2020

- Monthly webinars specifically for HII employees
- Weekly webinars for all SmartPath clients
- Online library of articles, calculators and more
- E-newsletter with financial tips and strategies



### COVID-19 DONATION CAMPAIGN + FINANCIAL RESILIENCY QUIZ

In May 2020, HII and SmartPath created a special project to benefit local United Way agencies. As part of the campaign, employees were encouraged to take SmartPath's online COVID-19 financial resiliency quiz, which provided financial options and coping strategies during the pandemic. As a result of more than 1,200 employees taking the quiz, HII and SmartPath donated \$2,000 each to the United Way of the Virginia Peninsula, the United Way of South Hampton Roads and the United Way for Jackson and George Counties.

#### 1,271 EMPLOYEES

TOOK THE COVID-19 Resiliency Quiz

#### **26 EMPLOYEES**

SIGNED UP FOR FINANCIAL COACHING FOR THE FIRST TIME

During the donation campaign from May 11 to May 31, 2020

## HII AND SMARTPATH DONATED



TO THE UNITED WAY OF THE VIRGINIA PENINSULA, THE UNITED WAY OF SOUTH HAMPTON ROADS AND THE UNITED WAY FOR JACKSON AND GEORGE COUNTIES

#### SMARTPATH COACHING

Our SmartPath one-on-one financial coaching met employees' needs when COVID-19 caused widespread financial uncertainty. HII employees were able to benefit from free financial advice, and because the program isn't affiliated with a financial institution, the advice is truly independent.

IN 2020

333 EMPLOYEES
SIGNED UP FOR SMARTPATH COACHING





**SINCE PROGRAM LAUNCH IN 2018** 

1,216 COACHING



1,724 COACHING CALLS MADE

#### **SMARTPATH E-NEWS**

2,365 HII SUBSCRIBERS IN 2020

2,386 HII SUBSCRIBERS SINCE LAUNCH IN APRIL 2019



Applying the investing and budgeting information taught by SmartPath was a lot easier than I expected. My biggest takeaway is that making smart financial solutions is very doable for the average person, including myself."

— NATALIE COORE BUSINESS PROCESSOR AT TECHNICAL SOLUTIONS

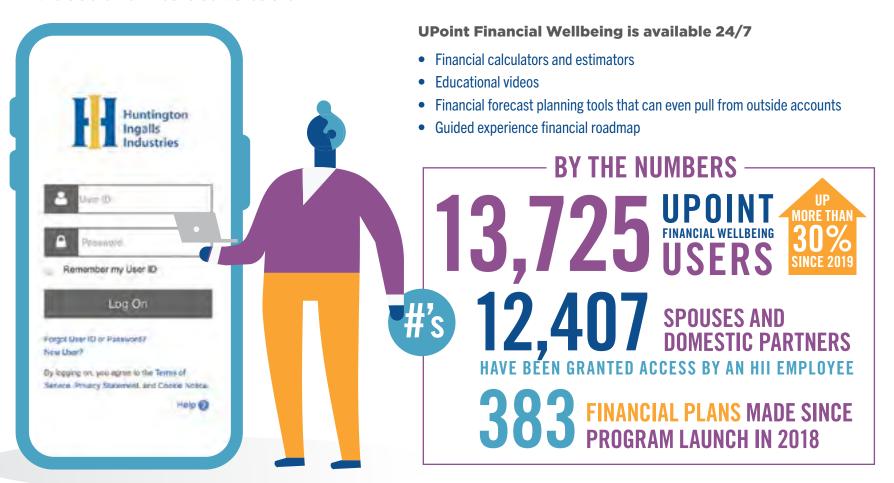
"I knew I had been saving, but I didn't know if was on track. After working with a SmartPath coach, I found out that I am. I'm happy to say that I can comfortably look at retirement any time now."

— JACK "PETE" HARRELL SAFETY ANALYST AT INGALLS SHIPBUILDING



## UPOINT FINANCIAL WELLBEING PORTAL

Our employees continued to use our UPoint Financial Wellbeing portal to create personalized plans and map out their financial futures. This online resource grew in popularity this year, with more of our people counting on easy access to financial articles, videos and interactive tools.



44 FINANCIAL HEALTH

## ALIGHT FINANCIAL ADVISORS + EDELMAN FINANCIAL ENGINES

While some of our employees are comfortable handling their own retirement portfolios, others prefer the peace of mind that comes with professional portfolio management. HII offers both options, with personalized solutions and expert advice from licensed financial advisors at Alight Financial Advisors and Edelman Financial Engines\*.

#### NO-COST ONLINE ADVICE

Helps employees manage their own portfolios



**Tools and resources** 



Personal mid- or long-term savings advice



**Retirement evaluations** 



Zero fees

\*Alight Financial Advisors offers online advice and professional management services for HII's Huntington Ingalls Savings Plan (HISP) and Financial Security and Savings Program (FSSP). Edelman Financial Engines offers online advice and professional management services for the Newport News Shipbuilding represented 401(k) plan.

#### BY THE NUMBERS

#### **ALIGHT FINANCIAL ADVISORS**

498 #'s 2,140

TOTAL NUMBER OF NEW ONLINE ADVICE USERS IN 2020

TOTAL NUMBER OF ONLINE ADVICE USERS AS OF DEC. 31, 2020

#### **EDELMAN FINANCIAL ENGINES**

32 11

TOTAL NUMBER OF NEW ONLINE ADVICE USERS IN 2020

TOTAL NUMBER OF ONLINE ADVICE USERS AS OF DEC. 31, 2020

#### PROFESSIONAL MANAGEMENT SERVICE

Helps employees manage their own portfolios



Portfolio advice and management



Hands-off peace of mind for employees



**Retirement evaluations** 



Approximately 50% less than what employees might pay elsewhere

#### STREAMLINING BENEFITS

In a continued effort to simplify and align our benefits offerings, HII transitioned G2 and Fulcrum employees and welcomed Hydroid employees to the Huntington Ingalls Savings Plan (HISP). Now, all Technical Solutions employees are under one 401(k) plan.

- G2 and Fulcrum employees' balances were transferred to the HISP in October 2020
- Hydroid employees were treated as new hires in Alight's system and were given the option to participate in the HISP
- Alight supported the direct rollovers of 11 Hydroid employees with 401(k) loans, totaling \$127,000

#### BY THE NUMBERS -

#### **ALIGHT FINANCIAL ADVISORS**

1,352 4,401

TOTAL NUMBER OF NEW PROFESSIONAL MANAGEMENT USERS IN 2020

TOTAL NUMBER OF PROFESSIONAL MANAGEMENT USERS AS OF DEC. 31, 2020

\$464,772,060

TOTAL AMOUNT OF ASSETS UNDER MANAGEMENT IN 2020

#### **EDELMAN FINANCIAL ENGINES**

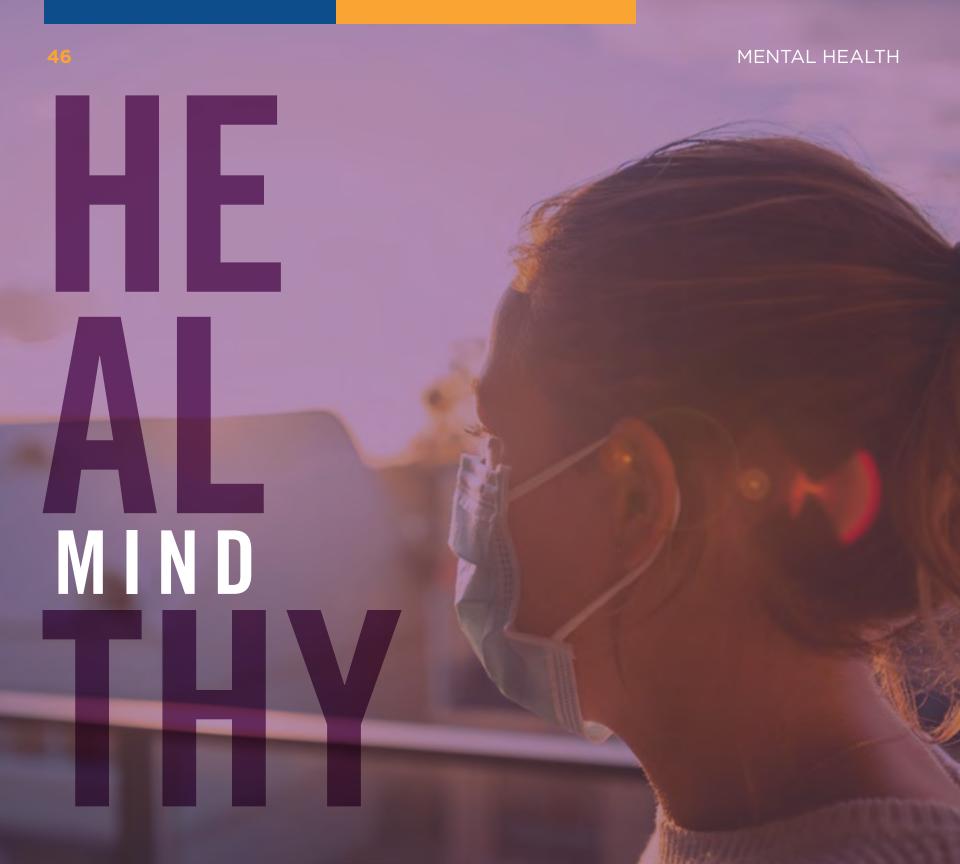
104 321

TOTAL NUMBER OF NEW PROFESSIONAL MANAGEMENT USERS IN 2020

TOTAL NUMBER OF PROFESSIONAL MANAGEMENT USERS AS OF DEC. 31, 2020

\$22,420,000

TOTAL AMOUNT OF ASSETS UNDER MANAGEMENT IN 2020



HII has always made mental health care a priority, and in 2020 our resources were more crucial than ever before. When the COVID-19 pandemic began, everyone had to adjust to a strange new normal — one where social isolation and grief were intensified by the stress of illness and financial uncertainty. As our employees and their families adapted, HII worked to shift and amplify our mental health care messaging.

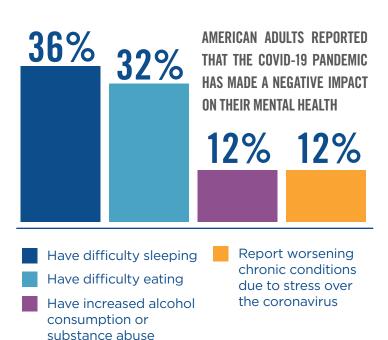
#### **STATISTICS**





IN THE UNITED STATES REPORT SYMPTOMS OF ANXIETY OR DEPRESSION, UP FROM 1 IN 10 PRIOR TO THE PANDEMIC

Source: Kaiser Family Foundation





Source: The American Psychological Association

Source: Kaiser Family Foundation Health Tracking poll, July 2020

48 MENTAL HEALTH

#### MENTAL HEALTH + COVID-19

With widespread disruption, social distancing and uncertainty, COVID-19 certainly took a toll on our collective mental health. At HII, we felt it was important to have a central mental health resource online that our employees could access for help.

#### The solution: A COVID-19 mental health resources hub.

We worked with our various benefits providers to bring resources and mental health services under one online umbrella, which made it easier for HII families to find the support they needed to cope with the pandemic.

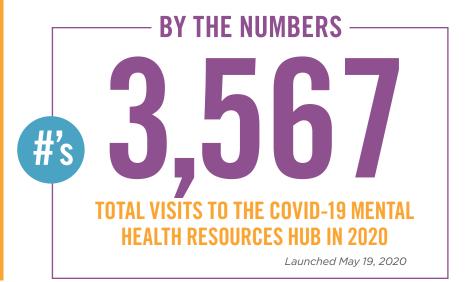


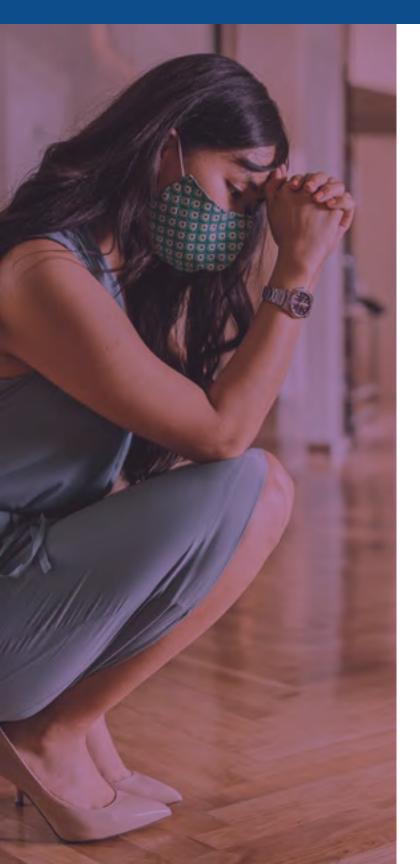
#### **EMPLOYEES AND FAMILIES CAN ACCESS**

- Information and links to HII's mental and physical health benefits
- Referrals to outside resources, including the Centers for Disease Control and Prevention and the U.S. Department of Education
- A calendar of upcoming mental and physical health webinars

#### Plus information on a range of related topics:

- Loneliness
- Working from home
- Stress and anxiety
- Children and COVID-19
- Financial questions and concerns
- Back-to-school help
- Physical and mental wellness





## HERO: HII EMPLOYEES REACH OUT

HII has always had a strong employee assistance program, and in November 2019, we rebranded it as HERO: HII Employees Reach Out. Our goal was to erase the stigma surrounding mental health care while also encouraging our people to seek help when they were struggling with life's challenges.

HERO gives employees and their dependents and household members access to a number of mental health care benefits, including free counseling services, referrals and resources — plus convenient in-person counseling through our onsite HII Family Health Centers.

In light of the COVID-19 pandemic, we knew we needed to redouble our efforts to communicate HERO's services. These reminders included regular communications shared on HII's benefits website, social media channels, employee-wide emails and direct mail.

We also quickly realized that in-person counseling and care could be disrupted by the pandemic. We worked with Anthem, the administrator of HERO, to offer virtual counseling sessions for employees and their household members. HERO also began regularly offering webinars to address some of the major stressors sparked by COVID-19, as well as everyday topics that can impact families.

50 MENTAL HEALTH



- STAYING SOCIAL WHILE SOCIAL DISTANCING
- RESTARTING OUR PERSONAL LIVES DURING COVID-19
- TIPS FOR HEALTHY AGING
- PARENTS' GUIDE TO BULLYING
- LEADING A MULTI-GENERATIONAL WORKFORCE
- THE "SANDWICH" GENERATION: CARING FOR CHILDREN AND PARENTS

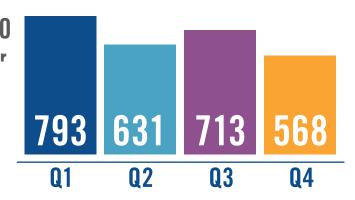
While Anthem saw its overall book of business dip in calls to EAP programs at the beginning of the pandemic, HII's rebranding and consistent promotion of HERO resulted in less of a decline when compared to other Anthem clients.

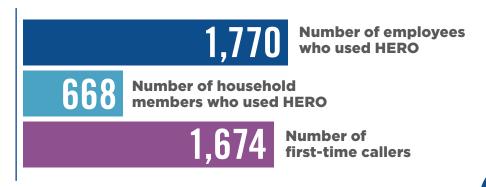
#### TOP REASONS FOR CONTACTING HERO

- Emotional or psychological needs
- Marital or couples' support
- Family and parenting support
- Work-related issues

- Alcohol or drug issues
- Legal assistance
- Dependent care assistance







"My son was going to move from his small elementary school to a new school, but when COVID-19 hit, over just a few days he learned that he would end his last year of elementary school at home, not in the classroom with friends. I could tell he was stressed and overwhelmed, so I called HERO. It's a relief to see his demeanor change as he progresses through counseling. It's good for him and helps him recognize he's not alone in these feelings. I can see how counseling is a process and a building experience."

—JOSH KOZIEL, IT finance manager at Newport News Shipbuilding

#### TELADOC BEHAVIORAL HEALTH

In 2020, more employees and dependents accessed Teladoc Behavioral Health than ever before.

IN RESPONSE TO THE COVID-19 PANDEMIC,
HII SUSPENDED THE \$10
EMPLOYEE-PAID FEE
FOR TELADOC BEHAVIORAL HEALTH SESSIONS\*

\*Beginning in March 2020

THE RESULT:
A SIGNIFICANT
JUMP IN UTILIZATION

5.8%

1.5%

2018

2019

2020

At HII, we want our employees and their families to be able to access mental health help whenever, wherever or however they need it. It's why we launched Teladoc Behavioral Health in 2018; to provide employees and their families convenient, cost-effective access to licensed mental health providers. All consults are done over the phone or via online video conferencing, and care is available seven days a week.

In ordinary times, it's a welcome service for those who want to speak to a mental health professional from the comfort and privacy of their own homes. During the COVID-19 pandemic, it was a smart way to seek help while staying safe.

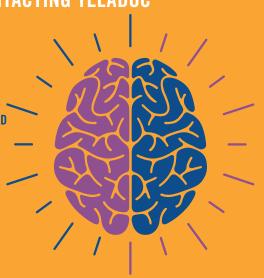


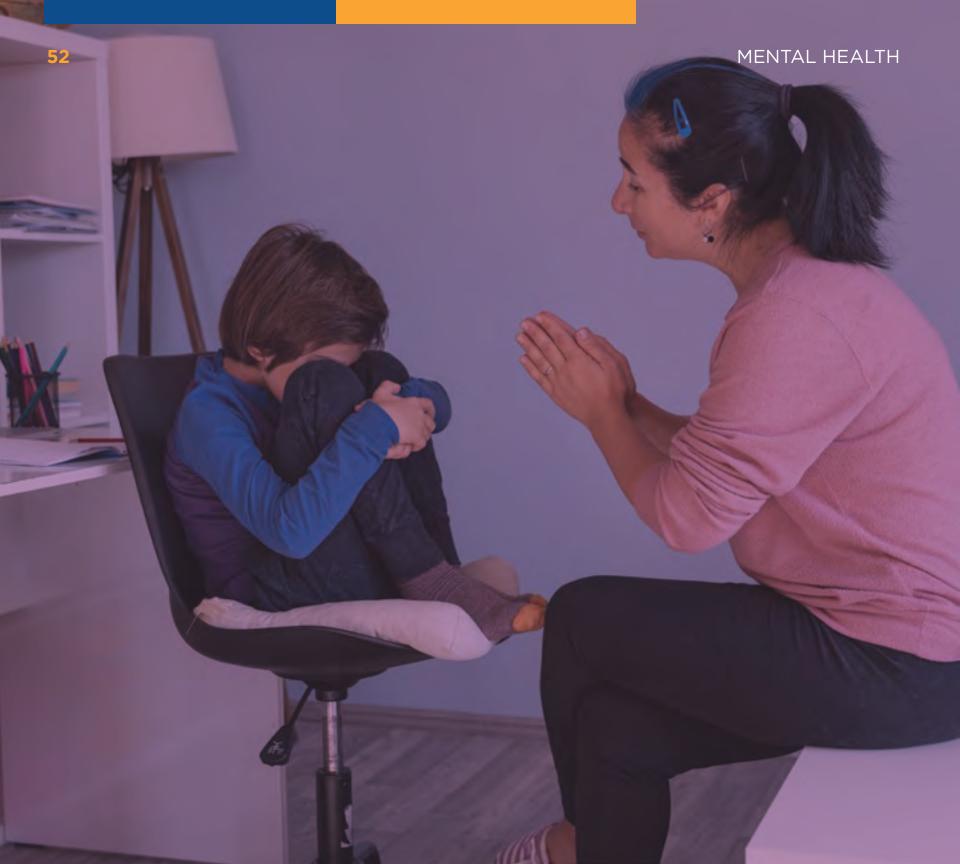
TALK TO A LICENSED THERAPIST, COUNSELOR, PSYCHOLOGIST OR PSYCHIATRIST

APPOINTMENTS ARE AVAILABLE SEVEN DAYS A WEEK, FROM 7 A.M. TO 9 P.M.

TOP REASONS FOR CONTACTING TELADOC BEHAVIORAL HEALTH

- MAJOR DEPRESSIVE DISORDER
   RECURRENT, MAJOR
- GENERALIZED ANXIETY DISORDER
- ADJUSTMENT DISORDER WITH MIXED ANXIETY AND DEPRESSED MOOD
- MAJOR DEPRESSIVE DISORDER
   RECURRENT, MILD
- ANXIETY DISORDER





#### **RETHINK**

In July 2020, we enhanced HII's Anthem PPO and CDHP medical plans by extending benefits and support to employees with children who have autism or other pervasive development disorders, such as Asperger's syndrome and Rett syndrome.

These new benefits work in alignment with Rethink, a vital online resource for parents who are raising children with learning or behavior challenges, or developmental disabilities. Parents can consult with board-certified behavior experts for personalized advice. Peer support is available, as well as Rethink's library of 1,500+ videos and resources designed to teach children new skills, address problem behaviors and more. Plus, the online platform encourages collaboration with teachers, doctors and caregivers.

- FREE ACCESS TO BOARD-CERTIFIED BEHAVIOR EXPERTS
- ONLINE LIBRARY FEATURING 1,500+ VIDEOS, TUTORIALS AND ARTICLES

- PEER SUPPORT THROUGH ONLINE COMMUNITIES AND FORUMS
- HELP WITH CARE COORDINATION

#### BY THE NUMBERS



**9** T EMPLOYEES SIGNED UP FOR RETHINK SINCE LAUNCH,\* REPRESENTING 101 CHILDREN WITH RETHINK PROFILES

CARE TEAM MEMBERS CREATED
RETHINK ACCOUNTS IN ORDER TO
BETTER SUPPORT HII CHILDREN

INDIVIDUALIZED CARE PLANS
CREATED IN 2020

62 TRAINING ACTIVITIES AND MODULES COMPLETED BY HII USERS IN 2020

\*Launched in September 2018

HII LAUNCHED UPDATED ALEX DECISION-SUPPORT TOOL SHIPYARD QUICK CARE ONSITE CLINIC REBRANDED

**G2 AND FULCRUM JOINED HII** 

BENEFITS

LAST SMARTPATH

TO PANDEMIC

IN-PERSON EDUCATION CLASSES AT HII PRIOR

NEWPORT NEWS SHIPBUILDING OFFERED FIRST VIRTUAL 5K RETHINK LAUNCHED NEW MOBILE-FRIENDLY WEBSITE FOR HII





## Huntington Ingalls Industries Benefits & Wellness