

DaVita University,
our award-winning leadership, professional
and personal development program,
has provided more than 1 million hours
of training to teammates at all levels.

In 2010, our commitment to development
contributed to **551 of our dialysis
centers having less than 10% turnover,
and 377 of our centers having 0% turnover**
— and our overall turnover rate is below
the national average.

We have invested approximately **one-third
of every dollar of revenue** into teammate
development, compensation and benefits.



:: Cultivating leaders ::

DaVita is committed to helping teammates grow both professionally and personally so that they are better equipped to provide quality and compassionate care for our patients and to be actively engaged in their communities.

We do this because we believe that teammates at any level can choose to be leaders. **More than 40,000 teammates have participated in DaVita's award-winning leadership development and clinical training programs over the years.** The multi-tiered classroom and online course offerings focus on a range of skills necessary to become a leader.

- **DaVita University Academy:** This two-day leadership and cultural immersion program — offered free to new hires — empowers teammates to be leaders in their community, family and team.
- **DSS LeaderShip:** This six-month program provides high-potential, non-manager teammates training in basic leadership skills.
- **DaVita Way of Managing (DWOM):** Manager-level teammates attend this four-day self-discovery program that assists in mastering the skills, knowledge and expectations required to be a leader at DaVita.
- **DaVita Way of Team (DWOT):** This intensive, three-day program helps foster teamwork and joint accountability in divisional and regional clinical teams, as well as our corporate teams.
- **DaVita Way of Leading (DWOL):** This three-day workshop for directors, vice presidents and senior vice presidents is an in-depth study of personal credibility, values and vision that uses the Five Practices of Exemplary Leadership.
- **Executive Coaching:** Executives have access to a prestigious circle of leadership consultants throughout their careers at DaVita.
- **Nationwide Meeting:** DaVita's largest leadership development program is an annual three-day gathering of approximately 2,500 national and regional teammates. Development topics range from current company needs to new leadership practices.
- **Redwoods Leadership Development Program:** This MBA-oriented program has been recognized by top business schools around the country. Through MBA scholarships, internships, classroom training and intensive job-shadowing experiences, more than 380 participants have grown from inside the company.
- **Reality 101:** This nationally recognized, mandatory immersion program exposes executives to the intellectual, physical and emotional demands faced by kidney care clinicians, as well as the rigors of the dialysis experience for patients, to inspire a more empathetic — and therefore more effective — approach to leadership.
- **Facility Administrator Survival Training (FAST):** New facility administrators must attend this 12-week modular on-boarding session. Through weekly mentoring from experienced leaders, participants learn clinical and financial operations, as well as how to lead a team at DaVita.
- **Preceptor Program:** This three-day, intensive “train-the-trainer” workshop prepares exemplary clinical teammates to become preceptors for a new-hire mentoring program.

A photograph of three people smiling and posing for a photo outdoors. On the left is a Black woman with short black hair, wearing a red turtleneck and a white jacket. In the center is a white man with blonde hair, wearing a red polo shirt. On the right is a Black man with dreadlocks and glasses, wearing a red shirt with a patterned scarf and a grey jacket. They are standing in front of a building with palm trees in the background. A dashed white line curves across the image.

\$5.7 million

has been given to teammates and their families through DaVita's extensive teammate support programs.

\$1.1 million

in educational scholarships has been invested in hundreds of Village families through the DaVita Children's Foundation and KT Family Foundation.

:: Building a culture of caring ::

Whether to help a teammate's child through school or to be a safety net in times of crisis, DaVita invests in improving the lives of our community.

Beyond the \$3,000 available to each teammate for general tuition reimbursement per calendar year, our **Nurse Today and Nurse Tomorrow scholarship programs** provide teammates seeking a career in nursing up to \$5,000 per calendar year for tuition, books and other associated fees.

DaVita teammates' children and grandchildren who excel in leadership, community service and academics can earn scholarships of \$1,000 to \$3,000. The **DaVita Children's Foundation**, funded by DaVita, awards students in college or 12th grade. The **KT Family Foundation**, funded by Chairman and CEO Kent Thiry and his wife, Denise O'Leary, awards students in grades six through 11. **Together, these two programs have invested more than \$1 million in hundreds of Village families.**

The **DaVita Village Network** allows teammates to contribute financial aid to other teammates through payroll deductions during a time of personal crisis, such as a natural disaster, accident or illness. DaVita's intention is to match every local dollar contributed from teammates with a dollar taken from company profits, up to \$250,000 each year. To date, **the program has granted \$1.75 million to 723 families in need.**

And to support the brave men and women serving our country, DaVita actively recruits veterans to become part of our Village through a variety of media and networking sources specifically targeted at veterans. Additionally, 2,900 teammates have sent more than 1,215 letters and packages to active-duty teammates and their family members on military duty in Iraq and Afghanistan through our **Adopt-a-Troop program**. In 2010, DaVita also contributed \$5,000 to the Wounded Warrior Project, which helps wounded troops transition back home after overseas duty.



A photograph of two women clapping their hands. The woman on the left is wearing glasses, a brown short-sleeved shirt over a patterned top, and a yellow lanyard. The woman on the right is wearing a red polo shirt with a small logo and a silver watch. They are standing in front of a large Hawaiian flag, which features a white bird emblem on a yellow field. A semi-transparent white box containing text is overlaid on the bottom left of the image.

51% of hires and
promotions in 2010 at the director
level or above were women and/or
in an ethnic minority group.

**4 of 9 members of our
Board of Directors** are women
or in an ethnic minority group.

:: Encouraging a diverse workforce ::

In the “DaVita Village,” we celebrate diversity and make teammates, regardless of background and experience, feel welcomed and respected.

A Culture of Inclusion

In our centers, we care for a diverse population of patients who speak more than 100 different languages. **In addition to encouraging diversity in our workforce**, DaVita sponsors and participates in a number of diversity groups and events, including the following:

- Recruiting from the National Black MBA Association, the American Indian College Fund in Denver and the Consortium for Graduate Study in Management
- Partnerships with the Congressional Black Caucus Foundation, the Women’s Vision Foundation and the Congressional Hispanic Caucus Institute
- Through our National Minority Bank Investment Initiative, investing \$3.2 million in four different community banks, with plans to grow the program
- Sponsorship of nationwide kidney screenings and health seminars focused on the disparate impact of ESRD in African American, Hispanic and American Indian populations

Starting with Ourselves

Caring for each other also means caring for ourselves. Our teammate benefits include domestic partner healthcare benefits, emergency backup child and elder care, and adoption assistance through which DaVita reimburses full-time employees 100 percent of eligible expenses, up to \$5,000, for each adopted child.

Our **Village Vitality and Village Care wellness programs** promote healthy living through free health assessments, gym discounts and weight loss, stress management and tobacco-use cessation programs.



:: Listening to our teammates ::

In the spirit of Continuous Improvement, we have many forums for two-way communication between executives and our 36,500 teammates.

Teammates are invited to join **Voice of the Village calls** every eight to 10 weeks to interact directly with our CEO and other senior leaders. Typically, about 2,000 to 4,000 teammates around the country join the calls to hear about the state of the company and to ask questions about any subject they choose.

Town Hall Meetings, which are held as often as possible when one of our vice presidents visits a local center or business office, let teammates showcase new programs, recognize individual contributions, share department updates and ask questions about DaVita's business practices.

In 2010 we created **the Eureka! forum**, an online message board for teammates to share feedback and innovative ideas related to improving patient care, resource conservation and awareness-raising initiatives. Ideas that lead to real and sustainable change are rewarded with a spot bonus.

During **People Services Forum calls**, teammates discuss topics related to compensation and benefits with senior leadership once every six weeks.

In addition to soliciting general input and feedback in these venues on an ongoing basis, we involve our teammates in making major decisions as we did in 2000, when more than 1,000 teammates selected the company's name and Core Values. Since then, hundreds of teammates have voted on profit-sharing allocation options and other decisions that would affect the entire Village.





To our knowledge, **we are the only Fortune 500 company whose name, logo and Core Values were determined by its employees.**

A man with glasses and dreadlocks, wearing a light blue button-down shirt, is smiling and playing a red electric guitar. He is standing in a room with wood-paneled walls. Behind him are large black speakers and a microphone on a stand. A dashed white line circles the man and the guitar.

{ Caring for

*"I feel so great these days
with the help of DaVita.
I owe my life to them and
the care they provide."*

Donald, DaVita home
hemodialysis patient since 2006

Our Patients }

96% of patients polled would recommend DaVita to a friend or family member who needed dialysis.*

97% of affiliated physicians say that DaVita meets or exceeds their expectations as a clinical partner.*



By achieving consistently superior clinical outcomes, providing award-winning training for our caregivers and treating patients' unique health conditions individually and holistically, we aim to help our patients enjoy longer, healthier, fuller lives.

*2009 patient and physician satisfaction surveys



DaVita's clinical outcomes are the best or among the best in virtually every category — and have improved every year since 2000.

The resulting decrease in mortality rates, hospitalizations and infections has **reduced taxpayer costs by approximately \$509 million**, as 89% of our dialysis patients are served through Medicare and other government programs.

:: Leading clinical outcomes & innovation ::

Through continuous innovation, we are helping our patients feel their best and enabling them to live fuller lives. We also hope that we are raising the bar for quality care.

Thanks to the skill, dedication and inspiration of our physician partners and clinical teams, DaVita leads other large dialysis providers in key performance indicators.


- **Dialysis adequacy (Kt/V) has improved by 60%** in the last 11 years. Adequacy measures how well toxins are removed from the patient's blood.
- **Our ability to manage anemia within target range in our patients has improved year over year and currently leads the industry.** We have the industry's lowest percentage of patients with inadequate anemia management.
- **Our rate of fistulas in use leads the industry.** Fistulas are the preferred form of vascular access because they are less prone to infection and deliver the best dialysis treatment.
- **We lowered our central venous catheter (CVC) rate by 27%** over the last three years, achieving our lowest-ever rate in 2010.
- **Our ability to manage mineral and bone disease (calcium and phosphorus) leads the industry.**
- **As a marker of nutrition, albumin is successfully managed to an adequate level of 3.5 mg/dL in 83.7% of DaVita patients.**
- **DaVita's pneumococcal pneumonia and influenza vaccination rates lead the industry at 90%.**

Sources: National 2009 and Trends Elab Report, 2010 United States Renal Data System Annual Data Report (2008 data), Outcomes Plus, Amgen

"Congratulations, these are very, very impressive results. My compliments to the leaders and teammates that accomplished this."

Barry Straube, former Centers for Medicare and Medicaid Services Chief Medical Officer and Director of the Office of Clinical Standards & Quality, regarding DaVita's vaccination results





In 2010, industry research leader DaVita Clinical Research® had

2,579 active kidney care patients enrolled in clinical trials, with the goal of advancing the science and saving taxpayer dollars.

DaVita has invested substantial resources in elective clinical initiatives to improve care for our patients and all patients with kidney disease, and to generate taxpayer healthcare savings.

Inspired by findings from our clinical research team, **DaVita's clinical initiatives have improved the quality of thousands of patients' lives by reducing their risk of infection and hospitalization.**

- **The DaVita Quality Index (DQI)**, a proprietary benchmarking tool that compares clinical performance among all DaVita facilities, has shown 11 consecutive years of continuous improvement. As DQI scores have improved, mortality and hospitalizations have decreased.
- **Our pioneering CathAway™** program to transition dialysis patients from catheters to fistulas (a much safer and more reliable form of vascular access) achieved the lowest day-90 catheter rates among large dialysis providers in 2010, reducing the risk of hospitalization from infections and blood clots for our patients.

- **Our IMPACT™ care-management program** for the first three months of dialysis, when patients are at highest risk for serious and potentially fatal complications, is improving outcomes and reducing mortality rates during this transition.

DaVita Clinical Research® (DCR®)

DCR is one of the largest kidney research networks in the U.S., and the first and only clinical research program to offer services across the entire drug development lifecycle, from Phase 1 clinical trials to health economics and outcomes studies. DaVita patients benefit from being the first recipients of DCR's clinical advancements.

VillageHealth® patients averaged an 8% catheter rate in 2010 (compared to the national benchmark of 18%), which is associated with a **35% drop in catheter-related hospital admissions.**

DaVita RxSM patients are correlated with **medication adherence rates greater than 80%**, almost double that of patients who fill their prescriptions elsewhere, and are correlated with **40% fewer hospitalizations***.

Patients at Lifeline Vascular Access®-managed centers had a **98% overall procedure success** rate in 2010, and 91% of them rated their overall experience as very good or excellent.

*Data is correlated based on a two-year study: National Retailers sample (198), Independents sample (83) and Rx sample (42). Results statistically significant at the p<.01 level.



Paulita, a 31-year-old patient with end stage renal disease, has been dialyzing with DaVita since 2009. With daily 30-minute peritoneal dialysis treatments she can do at home, she has more time for what really matters — her four-year-old daughter. DaVita is a leading provider of home treatment options.



:: Integrating care to treat the whole patient ::

No two kidney care patients are alike, but they all have one thing in common: a desire to feel healthy and enjoy their family life, careers and favorite activities.

Our integrated approach to kidney care involves **a network of services that enhance access to care, quality of care and quality of life.**

DaVita RxSM

After operating at a loss for its first five years, now approximately 33,000 patients at more than 1,500 centers are getting their critical medications more easily and managing their drug regimens more effectively thanks to DaVita Rx, the first and largest full-service U.S. pharmacy specializing in kidney care. Free delivery to a patient's center or home, flexible payment options, 24-hour access to ESRD pharmacists and assistance with insurance and payment issues make patients' lives easier — and **the resulting reduction in hospitalizations is saving taxpayers thousands of dollars per patient.**

Lifeline Vascular Access[®]

DaVita affiliate Lifeline Vascular Access is the nation's leading provider dedicated ESRD vascular access management. **Its innovative business model has produced better clinical outcomes and increased patient satisfaction at lower costs than hospitals.**

DaVita VillageHealth[®]

In 2010, more than 5,400 CKD and ESRD patients relied on VillageHealth to help manage the many and complex aspects of their healthcare. As the nation's largest integrated kidney disease management organization, DaVita VillageHealth has worked through commercial and government programs to achieve these results over the last five years^{**}:

- **20% lower mortality rate**
- **94% of patients vaccinated for influenza**
- **65% reduction in catheter (CVC) use**
- **25% better prescription adherence**
- **8-16% fewer hospitalizations and 11% lower non-dialysis cost for ESRD care**

Treatment Options

Providing treatment options that offer choice, comfort and convenience help patients continue to lead the lives they knew before beginning dialysis. DaVita has the largest home peritoneal dialysis and home hemodialysis programs in the U.S.

^{**}Statistics are from the California ESRD Demonstration Program.

A photograph of an older woman with short grey hair and glasses, smiling while sitting in a beige chair. She is wearing a dark brown long-sleeved shirt and has a blue blood pressure cuff on her left arm. She is looking at a laptop screen. In the background, there are white blinds and a medical monitor on a stand.

With more than **700 kidney-friendly recipes, 300 educational articles, meal-planning tools and travel tips,**
DaVita.com is one of the world's best resources for
kidney care patients who want to take charge of their health.

:: Educating & empowering patients ::

When patients are informed, they can improve — or even save — their own lives. DaVita provides some of the most comprehensive kidney disease education tools available, so that they can make healthy choices.

DaVita.com

Recently redesigned to be easier to navigate and even more comprehensive, DaVita.com is an award-winning online repository of interactive health and diet tools for CKD patients and their caregivers, regardless of which provider they choose.

DaVita Diet Helper™

Following a kidney-friendly diet can help patients feel healthier and have fewer complications, and can slow the decline of residual kidney function. **More than 27,800 people have registered for DaVita Diet Helper**, an online kidney-related diet-management tool, since its launch in 2007.

Designed for people with Stage 4 or Stage 5 kidney disease, the tool allows patients, healthcare professionals and care partners to plan meals according to the patient's prescription, check nutritional levels for the day and print a food record for the patient's next dietitian visit.

My DaVita

Launched in 2010, this social networking component of DaVita.com lets registered users connect and engage with other dialysis patients for friendship and support, and to share personal stories about kidney health and save recipes and articles.

YourKidneys.com

This user-friendly website helps patients newly diagnosed with CKD find answers to their questions and discover a community of other early-stage CKD patients. The site's Expert Q&A gives visitors direct access to nurses, dietitians, social workers and physicians.

EMPOWER®

Our EMPOWER educational program brings a series of free, instructor-led classes to CKD patients in neighborhoods across the country. Classes encourage CKD patients to make healthy choices about their kidney care, with the goal of slowing the progression to dialysis — an outcome that is precisely counter to DaVita's bottom line, but wholly reflective of our values.

:: Appreciating our patients ::

When patients come to DaVita centers for life-saving medical treatments, they're cared for like family. Making our patients feel at home while dialyzing at our centers is uniquely DaVita.

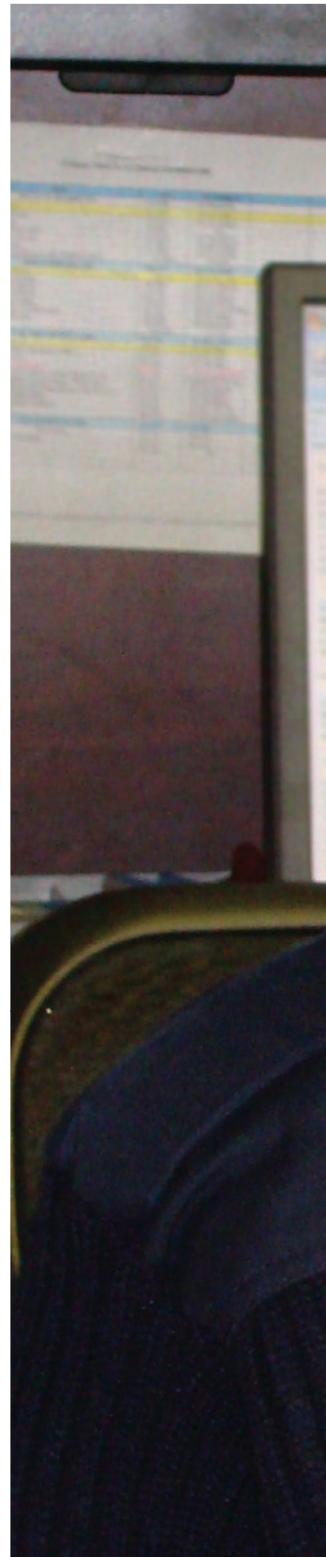
Virtually no chronic patients have more frequent contact with their healthcare providers than those on dialysis. And while it may sound cliché, our patients become like family.

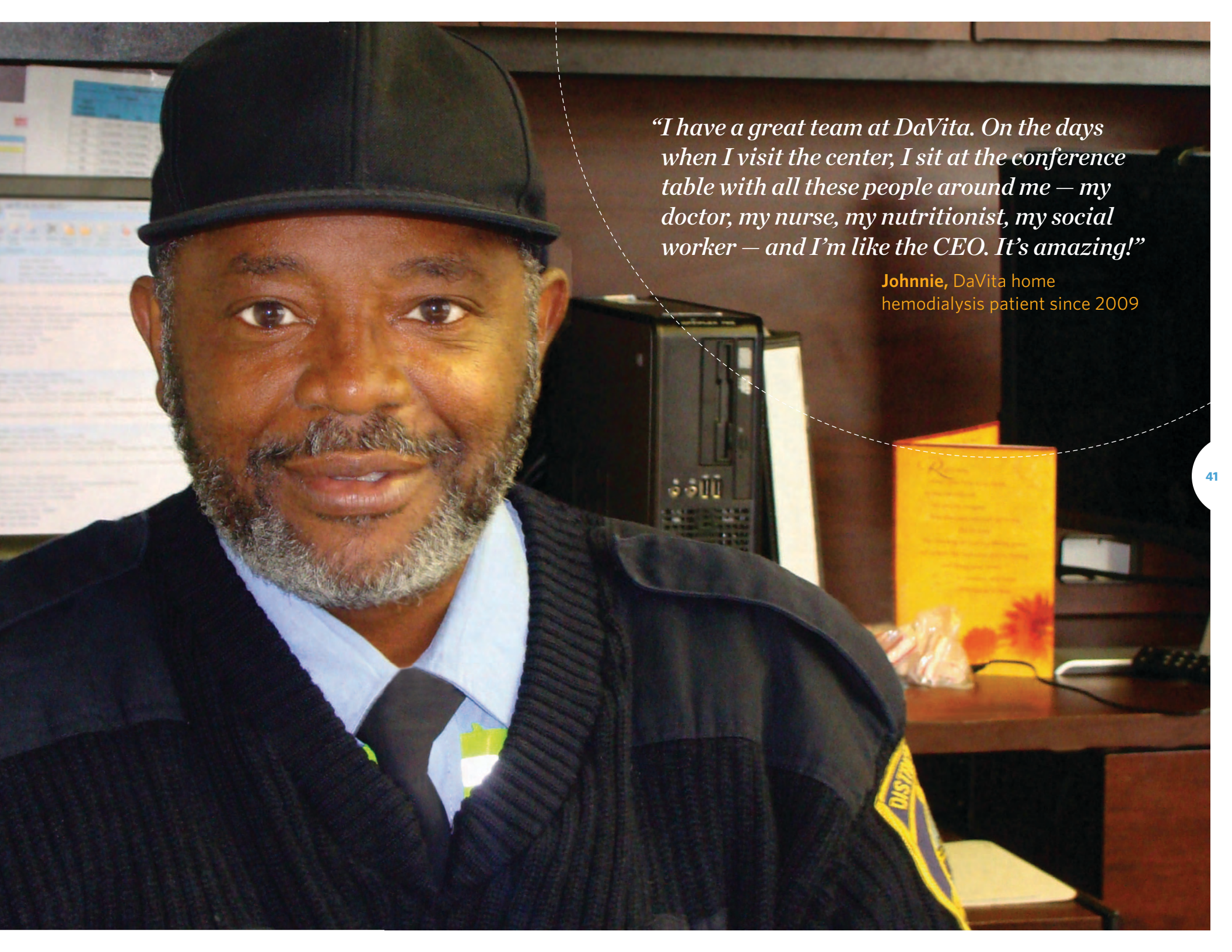
From our highly trained nurses, dietitians and social workers to our insurance specialists, travel planners and Guest Services support specialists, DaVita's teammates aim to form a competent, comforting circle of care around each of the more than 125,000 patients we see.

When entering our dialysis centers, our patients receive a warm welcome from our **volunteers, called DaVita Village Greeters**. Oftentimes, these volunteers are fellow patients or their family members.

As part of the **DaVita Circle of Life** program, physicians and teammates help patients and their families address the many end-of-life issues. Teammates also hold memorial services for lost patients at DaVita's annual meeting and locally throughout the year, and DaVita donates funds to The Kidney TRUST™ in honor of patients who have passed away.

Our annual **Wall of Fame** contest encourages patients and teammates in our 1,389 participating facilities to showcase their pictures and fun facts creatively and prominently on the wall.





“I have a great team at DaVita. On the days when I visit the center, I sit at the conference table with all these people around me — my doctor, my nurse, my nutritionist, my social worker — and I’m like the CEO. It’s amazing!”

Johnnie, DaVita home
hemodialysis patient since 2009

{ What's Next? }

We are proud of what our teammates and partners have accomplished for each other, our communities and our patients in the past year, but there is much more to do to achieve our vision. We have begun work on several new initiatives to build on our momentum.

{ Caring for Our World }

We are expanding our sustainability initiatives in 2011. In May, more than 2,500 teammates at our annual Nationwide Meeting voted on DaVita's top five environmental goals, which we will be finalizing in the coming months.

We are also entering into national agreements with large solid waste disposal vendors serving approximately 400 DaVita facilities. Through these partnerships, we hope to implement more recycling across the Village.

We will replace 8-ounce bottles of hand sanitizer with 12-ounce bottles, reducing the total number of bottles used by 62,000, or 3,900 pounds of plastic.

We are partnering with other vendors to explore new technology that will turn medical waste into reusable plastic. The pilot program started in 2011 at 106 Southern California facilities.

Sharps containers and their contents will be processed through new technology, and the plastic will be cleaned, separated and recycled.

For the first time ever, dialyzers will also run through the new technology in an attempt to mine out the plastic for recycling.

As this report was going to press, we learned that **DaVita was one of only three healthcare facilities to receive the Green Leadership Award**, for implementing innovative programs to reduce our environmental impact.



{ Caring for **Each Other** }

In our efforts to become a best-in-class military employer, DaVita visited the White House in 2011 to join the Military Spouse Employment Partnership.

We are also implementing a new policy that provides deployed teammate veterans up to five years of differential pay. At the time of deployment, the DaVita Village Network sends \$5,000 to the families of active-duty military members, and DaVita provides health benefits for up to 24 months to help ease the transition.

Our military-friendly policies have been recognized among the G.I. Jobs Top 100 Military Friendly Employers, the Military Times EDGE Best for Vets and the CivilianJobs Most Valuable Employers for Military.

{ Caring for **Our Patients** }

As the state of American healthcare reform evolves in the years to come, we will remain relentlessly focused on quality healthcare delivery and cost-saving programs. We and our physician partners continually work to deliver better clinical outcomes, treatment options, educational tools and value-added services to help improve patients' quality of life. In the year ahead, our clinical leaders intend to focus on several new areas, including healthcare-acquired infections, which are a leading cause of costly hospitalizations for patients with kidney disease.

GRI Index. The Global Reporting Initiative (GRI) is a network-based organization that pioneered the world's most widely used sustainability reporting framework. The reporting framework sets out the principles and performance indicators that organizations can use to measure and report their economic, environmental and social performance. Using the list of page numbers below, you can find examples of how DaVita follows the GRI framework's Sustainability Reporting Guidelines.

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We are proud of the recognition we receive for our work, including being named among the Fortune World's Most Admired Companies for the last six years. While the inspiration to do great work isn't for the awards, but in helping our patients enjoy better health and better lives, we are honored to be recognized by such well-respected organizations and publications.



{ About This Report }

About kidney disease:

DaVita.com

YourKidneys.com

To find a dialysis center near you:

DaVita.com/find-a-center

About DaVita's Trilogy of Care:

DaVita.com/communitycare

About career opportunities:

Careers.DaVita.com

About participating in the DaVita Kidney Rock™:

DaVitaKidneyRock.org

About participating in Tour DaVita®:

TourDaVita.org

Sustainable Printing

To help compensate for the printing of this report, approximately 150 trees were planted in areas of greatest need through the American Forests Global ReLeaf Fund. The report is printed with low-VOC, vegetable-based ink on FSC-certified recycled sources in the U.S.

Certain statements made in this report are "forward-looking statements" that include any statement that may predict, forecast, indicate, or imply future performance or achievements. These forward-looking statements are based on currently available information and are subject to a number of significant risks and uncertainties, which could cause our actual performance or achievements to differ materially from that projected in the forward-looking statements. Some of these uncertainties are described in DaVita's periodic filings with the Securities and Exchange Commission, including the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as well as in our subsequently filed Quarterly Reports on Form 10-Q and other filings we make with the SEC from time to time. DaVita does not update forward-looking statements and expressly disclaims any obligation to do so.

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:: Community Care ::

{ The DaVita Vision for **Social Responsibility** }

2010

DaVita.com/CommunityCare

{ **Help Raise Awareness of Chronic Kidney Disease** }

DaVita Kidney Rock :: Aug. 6, 2011 :: Denver, CO :: DaVitaKidneyRock.org