

CELEBRATING
75
YEARS OF
COMMUNITY
PARTNERSHIPS



LETTER FROM THE PRESIDENT & CEO

Dear Friends,



They say an ounce of prevention is worth a pound of cure. That certainly is true in health care. We know that healthy eating and lifestyle choices made today, especially among children and families, can prevent many health problems tomorrow.

In 2012, we celebrated 75 years in business by dedicating new resources to an issue we find critically important: Obesity and excessive weight have approached epidemic proportions throughout our society, particularly in low-income communities where people have limited access to nutritious, affordable foods. Through our 75th Anniversary Grants, we invested \$75,000 in each of four nonprofits to advance the long-term health and nutrition of young people and families. This pursuit, as always, is essential to our corporate mission.

In addition, we continued our work to strengthen and empower local children and families to thrive, learn, and lead as healthy and engaged citizens in the face of economic hardship. Our partnerships with nonprofit organizations made measurable and sustainable impact in four primary areas: Healthy Child Development, Education Enrichment, Healthy Environments and Family Nutrition, and Sustainable Healthcare.

Among the highlights from 2012, we:

- Invested \$6.3 million in more than 560 nonprofit organizations positively influencing the lives and neighborhoods of Massachusetts residents.
- Created more than 26,600 hours in opportunities for our associates to volunteer their time, talent, and unwavering enthusiasm to serve the community.
- Launched environmental sustainability initiatives that incorporate new ideas about the connection between our health and the health of our planet.
- Introduced a new approach to our corporate and community work that weaves the practices of diversity and inclusion throughout all business functions.

Our community partners and associates deserve our gratitude and inspire us to be an even better corporate citizen. Together, we look forward to another 75 years of doing good.

Sincerely,

A handwritten signature in black ink that reads "Andrew Dreyfus".

ANDREW DREYFUS
President & CEO



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Project Bread in Partnership
with Lynn Economic Opportunity, Inc.

We are committed to
improving the lives of
children and families.
We are committed to serving
cities, towns, and neighborhoods
across Massachusetts.
We are committed to **community impact**,
successful nonprofits, **civic engagement**,
associates, **environmental sustainability**,
workplaces, and **diversity and inclusion** in
our business practices.



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COMMUNITY INVESTMENTS



“Chefs in Head Start has taught me that the parents are learning along with their children. Most of these parents live at or below the poverty line, but their interest in promoting the health of their families is just as keen as anyone else’s.”

VANESSA LABRANCHE
 Chef Educator,
 Project Bread’s Chefs in Head Start

75th ANNIVERSARY GRANTS

In 2012, four nonprofit organizations received \$75,000 each to promote nutrition education and healthy foods, particularly for children. Their solutions offer innovative approaches to classic ideas, from community gardens and neighborhood markets, to revamped school lunch menus and cooking demonstrations for parents.

Project Bread in Partnership with Lynn Economic Opportunity, Inc.

As any parent or guardian knows, kids can be fussy eaters. Poor nutrition due to poverty, however, threatens children’s health during a period of rapid growth and development. It is critical for children in low-income communities to hear positive, sustained messages about healthy eating from their parents, teachers, and each other.

To spark this communication, the nonprofit Project Bread used a 75th Anniversary Grant to launch its Chefs in Head Start initiative for nearly 400 low-income children and families in the city of Lynn. Head Start is a federal service program for the families of children ages birth to five. In partnership with Lynn Economic Opportunity, Inc., Project Bread is transforming the eating experiences of Head Start children in their homes and schools through nutrition education, local shopping trips, cooking lessons, and access to healthy foods.

The program’s chef:

- Trains kitchen staff on healthy food preparation
- Visits classrooms to introduce new, healthy foods to children
- Collects and develops recipes for parents that are healthy, appealing, and culturally appropriate
- Conducts monthly workshops with parents to introduce low-cost, healthy recipes through cooking demonstrations, tastings, and education

Ultimately, the lessons learned in Lynn will enable Project Bread to create a system that Head Start programs can replicate across Massachusetts.

COMMUNITY INVESTMENTS

Boston Natural Areas Network

A community garden is a symbol of vitality in the city. It unites citizen gardeners in shared purpose, casts color over a gray landscape, and bears fruits and vegetables so important for people's good health. In Boston, 174 community gardens (containing 3,500 garden plots) bear healthy food for 15,000 residents and serve as an important recreational resource for individuals and families.

According to the nonprofit Boston Natural Areas Network (BNAN), the city has not kept up with the large demand for community gardening, particularly among its ever-growing immigrant community. BNAN received a 75th Anniversary Grant to improve the 59 community gardens it owns and start new ones. With support from our company, BNAN aims to:

- Attract new gardeners and their families and promote healthy eating and physical activity
- Create a sustainable system of additional gardens yielding 100,000 pounds of produce to feed 2,000 people each year
- Establish new hubs of healthy living by offering free workshops and programs on cooking, good nutrition, exercise, and sustainable gardening
- Promote strong organizational structures to support and sustain the community garden system

When supported with adequate garden infrastructure, volunteer garden leadership, and garden support groups such as BNAN, community gardens are a proven, sustainable source of healthy food for children at need and their families.

“A garden is a place of discovery for children. This is usually their first experience of planting a seed, nurturing it into a plant they can harvest, and sharing its produce with their friends and families. It is a joy to see even the pickiest eaters tasting these vegetables they grew themselves.

Support from the 75th Anniversary Grant allowed us to protect more than 500 community garden plots and establish a 6,000-square-foot rooftop garden in Lower Roxbury that produced almost 12,000 pounds of fresh, healthy food for Boston residents.”

VALERIE BURNS
President, Boston Natural Areas Network

Boston Natural Areas Network Community Rooftop Garden





Holyoke Kindergarten Initiative Farm Visit

“The 75th Anniversary Grant introduced over 200 Holyoke kindergarteners and their teachers and families to the delicious bounty and variety of Massachusetts-grown farm fare. Kids respond well to learning that is full of excitement, sensory input, and laughter.”

ANNE CODY

Program Manager, Holyoke Food and Fitness Policy Council



Holyoke Kindergarten Initiative “Draw A Farm” Contest

Holyoke Food and Fitness Policy Council

Letters and numbers aren't the only subjects kindergartners are learning in Holyoke this year. Fruits, vegetables, and “sometimes vs. anytime foods” have joined the curriculum—thanks to the Holyoke Kindergarten Initiative, a nutrition education program for vulnerable children.

We awarded a 75th Anniversary Grant to help the Holyoke Food and Fitness Policy Council implement this program to more than 200 children in three schools. The need is great. Holyoke's unemployment rate is four times higher than elsewhere in the state, and more than 43 percent of first-graders are overweight or obese, compared to 30 percent of their peers statewide.¹

The Kindergarten Initiative aims to promote nutrition awareness and healthy eating habits in children—along with their teachers and families—while supporting local agriculture and farm-to-school efforts. Program elements (some delivered in partnership with other parties) include:

- Kindergarten curriculum focused on farming and nutrition
- Field trips to local farms
- Fresh fruit and vegetable snacks provided to children
- Produce packages for children to take home
- Healthy-cooking demonstrations for kindergarteners' families
- School gardens to support and reinforce healthy eating

As a mark of sustainability, curriculum materials will be reused, and teachers already trained on the program will teach and mentor new schools.

¹ Source: Holyoke Health Center



Urban Food Initiative

More than 40 percent of households living below the poverty line lack sufficient food to feed their families.¹ Meanwhile, supermarkets in the U.S. discard 5.4 billion pounds of food each year, much of it fresh and nutritious.²

Those statistics inspired a novel idea from Doug Rauch, founder of Urban Food Initiative (UFI), a 75th Anniversary Grant recipient. The former supermarket executive is partnering with grocery stores to collect their unused but still fresh food and offer it at steep discounts in UFI's community-based market for Boston's underserved neighborhoods. This store is scheduled to open in late 2013 with support from our company.

Elements of UFI's plan include:

- **Sourcing and quality.** UFI will collect out-of-code food—cosmetically flawed but nutritionally first-quality—from local groceries, restaurants, and growers.
- **Pricing.** Food will be sold in UFI's store at up to 60 percent off. UFI's research shows its customers prefer the dignity of discounted shopping over the perceived stigma of "handouts."
- **Healthy food offerings.** The store will offer fruits, vegetables, dairy products, and protein, as well as nutritious, ready-to-eat foods made in-store daily and priced to compete with fast-food offerings.
- **Education.** Onsite demonstration stations will allow customers, particularly families, to sample nutritious foods and take home recipes.

In addition, UFI plans to create approximately 100 permanent jobs and to offer employees training in the food industry along with general life skills.

¹ Source: USDA. Food Security in the U.S., www.ers.usda.gov/briefing/foodsecurity 2011. ² UFI

“At UFI, we address hunger in a way that maintains a sense of dignity for our customers. We are taking one growing problem – the amount of surplus, overstocked food that is tossed everyday – and utilizing that to tackle the major social challenge of hunger and obesity.”

The 75th Anniversary Grant worked wonders for us. It helped fund the work we've done with the community to validate and refine our concept and implementation plan, while giving other foundations confidence to step up and support UFI.”

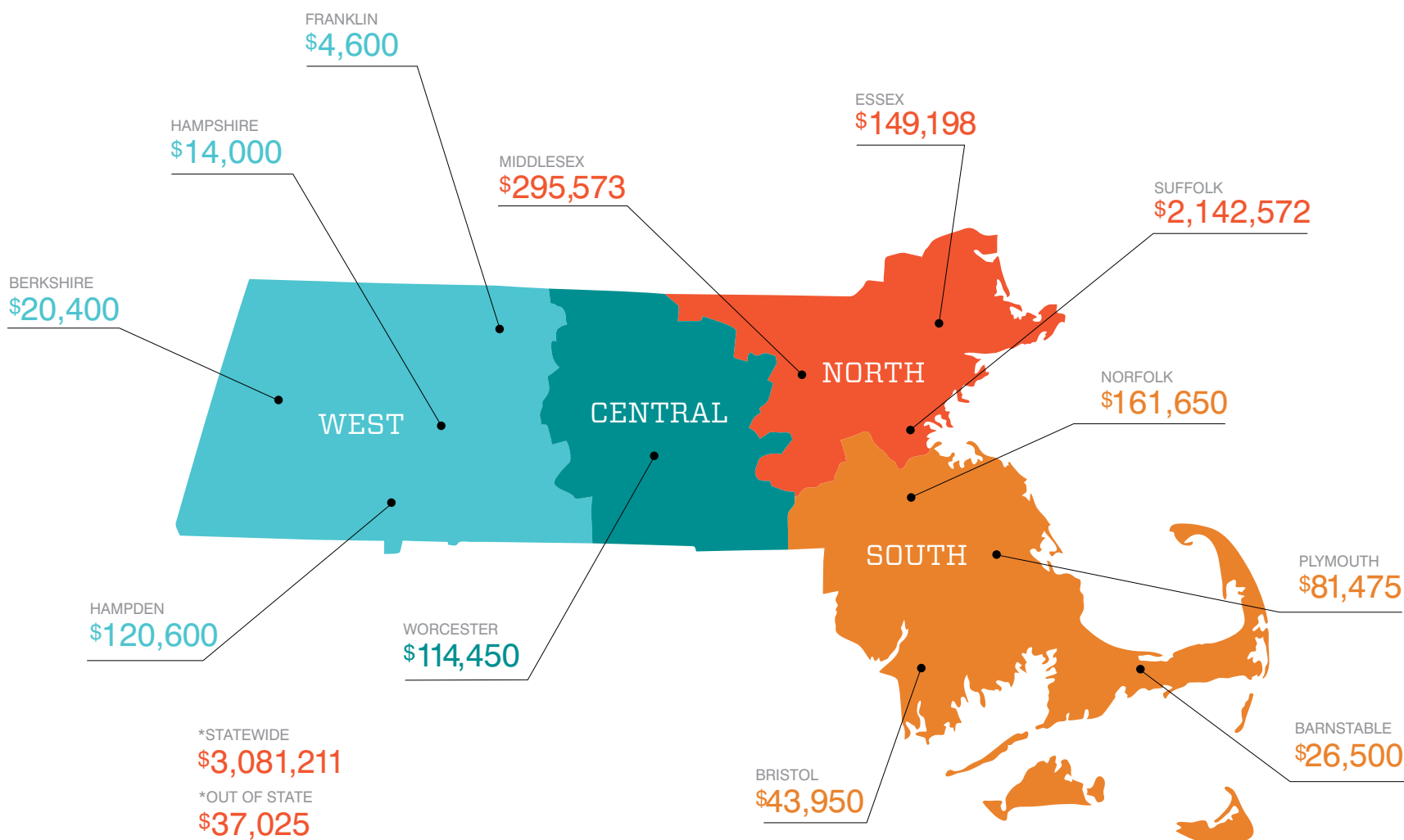
DOUG RAUCH
Founder, Urban Food Initiative



COMMUNITY INVESTMENTS

The strength of our company depends on the strength of the communities where our members and associates live and work. Accordingly, we provide funding to nonprofit organizations that promote the health and wellbeing of children and families facing economic hardship

GIVING ACROSS THE COMMONWEALTH





CONTRIBUTION TO THE BLUE CROSS BLUE SHIELD OF MASSACHUSETTS FOUNDATION

\$5 million

to expand access to health care for vulnerable and low-income people in the Commonwealth

CONTRIBUTION TO THE COMMUNITY

\$6.3 million to more than **560** nonprofit organizations committed to enriching the lives and neighborhoods of Massachusetts¹

ASSOCIATE GENEROSITY

\$437,000

personally given
by associates

+

\$317,000

company match

=

\$754,000

to support United Way charities
and Catalyst Fund grantees²

¹ Excluding Massachusetts health access assessments and corporate contribution to the Blue Cross Blue Shield of Massachusetts Foundation

² Fully funded by associate contributions, the Blue Cross Blue Shield of Massachusetts Foundation's Catalyst Fund awards mini-grants to organizations dedicated to expanding health care access.

Among its accomplishments in 2012, the Foundation:

- **Awarded \$3.47 million in grants** to 83 community-based organizations, health centers, and hospital-based programs to expand coverage and address affordability.
- **Produced 22 publications** that furthered the state's knowledge base on affordability, coverage, and the state's Medicaid program, MassHealth.
- **Co-sponsored 11 health care journalists** from Massachusetts, Washington DC, New Hampshire, Maine, California, and Connecticut in the Health Coverage Fellowship, designed to improve participants' coverage of critical health care issues through a nine-day residential program.
- **Sponsored 18 emerging leaders** in the Massachusetts Institute for Community Health Leadership. This nine-month residential program helps participants become more personally and professionally effective in their organizations, while enhancing those organizations' own impact and influence in the health care system. Individuals must design and complete a practicum project that addresses health care access for the low-income and uninsured

\$3.47 million
IN GRANTS AWARDED TO
83
ORGANIZATIONS IN 2012

COMMUNITY INVESTMENTS

The Blue Cross Blue Shield of Massachusetts Foundation

Established in 2001 as an independent nonprofit organization, the Foundation works to extend coverage and reduce barriers to health care for uninsured, vulnerable, and low-income residents of Massachusetts. Its tools include grants, research, and policy initiatives delivered in partnership with public and private organizations. The Foundation also supports innovative, sustainable initiatives to make health care more affordable, while sponsoring ongoing research on the impact of Massachusetts' landmark 2006 health care reform law.

Expanding Coverage, Addressing Affordability

GRANT PROGRAM NAME	PURPOSE	TOTAL AWARDED
Making Health Care Affordable	Demonstrate substantive cost containment while maintaining or improving access and quality of care	\$1,357,195
Strengthening the Voice for Access	Strengthen strategic, community-based policy activities and promote collaboration among statewide policy and advocacy organizations	\$685,000
Connecting Consumers with Care	Enroll consumers in coverage and maintain their access	\$520,000
Catalyst Fund (supported in access entirety by BCBSMA associates)	Strengthen organizations' capacity to expand access to health care	\$158,931
Cost and Affordability Policy and Research	Support research, policy analysis, and evaluation on health care costs and spending	\$489,280
Special Initiatives	Support organizations undertaking activities that expand access to health care or coverage, increase health-related information and knowledge, or evaluate programs (one-time, nonrenewable).	\$234,000
Other		\$25,000





CIVIC ENGAGEMENT

Whether mentoring students, offering business advice, or applying old-fashioned elbow grease, our associates truly make a difference in the communities we serve. We are proud to offer the time and talent of our associate volunteers, known as the BlueCrew.

In 2012, 3,057 BlueCrew associates performed 26,600 hours of service for 139 projects valued at nearly \$993,000.

Service Day: One Community. One Blue.

Hard work was never so fun as on September 25, 2012 when 3,000 associates energetically took part in our second annual *Service Day: One Community. One Blue*. Powered by BlueCrew, the campaign united our associates and community partners in common purpose and shared vision to make a difference for communities across Massachusetts.

Creative planning made it possible. We staggered the duration and start times of service so that we could keep our doors open for business. In all, we logged more than 16,000 hours with associates volunteering both onsite and in the field. Elements of Service Day included:

- **Building-based service.** Over the month leading up to Service Day, we sponsored drives for gently used clothing at our main work sites. In partnership with Cradles to Crayons, our associates took shifts sorting the collected items, assembling arts and crafts kits, and packaging hats and gloves for donation to more than 16,300 children in need across Massachusetts.
- **Community-based service.** Associates boarded shuttles for 31 service projects across the state: Cape Cod, the North Shore, the South Shore, greater Boston, Worcester, and Springfield.
- **Civic leadership.** We recruited 200 associates at all levels of the company, from member service representatives to vice presidents, to plan activities, recruit teams, and lead the day's service projects.

One Day, 15 Communities, Long-Lasting Impact

Here's just a sampling of the 31 organizations we supported.

Boys and Girls Club of Worcester. We painted rooms, landscaped grounds, planted bulbs, and prepared dinner for 150 clients.

Germantown Neighborhood Center, Quincy. We drew and painted murals throughout the building, installed partitions, planted flowers, and reorganized the food pantry.

Massachusetts Coalition for the Homeless. We painted donated beds for 930 low-income families and children to support the Coalition's A Bed for Every Child Initiative.

Pine Street Inn, Boston. We participated in a "chop-a-thon" of 1,200 pounds of fresh vegetables later served to Boston's homeless residents.

Playworks Metro Boston. We painted 20 murals and energized education for 600 students during recess, while giving an unofficial count of 1,000 high-fives.

Rebuilding Together Springfield. We renovated the home of a low-income senior by painting the house's exterior, cleaning up the yard, and installing energy-efficient doors and windows. The project helped spruce up the community and restore pride to the tornado-ravaged neighborhood.

Veteran Affairs Medical Center, Brockton. We beautified the Brockton campus of the VA Boston Healthcare System by cleaning more than 300 windows and writing more than 250 thank-you cards.

YMCA Cape Cod, Sandwich. We helped revitalize Camp Lyndon by planting 70 fruit trees and restoring one mile of trails.

Skills-Based Volunteer Program

We are proud to share our associates' skills and expertise with our community partners through our Skills-Based Volunteer Program (SBVP). Over a five-month period, participants contribute their talents to leaders at select non-profit organizations that share our commitment to helping low-income children and families to thrive and engage as healthy citizens. In return, associates develop their careers by learning about community challenges and applying their skills in new venues.

The SBVP program emphasizes equal partnership and mutual benefit. Volunteers from our finance, human resources, marketing, and operations teams used their business knowledge and experience to build capacity at partner organizations in mission-critical areas. Simultaneously, the nonprofits' leaders shared their expertise in solving complex social issues, delivering programs, and leading organizations with limited resources.

One shining example was our partnership with the Jeanne Geiger Crisis Center. This organization offers support and services to survivors of domestic violence in northeastern Massachusetts. Like many small nonprofits, the Center does not have a dedicated HR staff member. Two of our associates – Michele Gerroir, assistant general counsel, and Greg DeCenzo of workforce relations and compliance – assisted the Center's director of administration with job descriptions, performance reviews, new-hire orientation, and other HR issues that contribute to staff satisfaction and retention.

Last year, 24 associates served 9 organizations through our Skills-Based Volunteer Program for a pro bono value of \$294,000.

CIVIC ENGAGEMENT

Whether mentoring students, offering business advice, or applying old-fashioned elbow grease, our associates truly make a difference in the communities we serve. We are proud to offer the time and talent of our associate volunteers, known as the BlueCrew.

Mentoring Programs

Call it a win-win for our mentoring programs. Students gain invaluable educational support, while our civic-minded associates showcase their leadership skills. In 2012, 50 associates supported 118 students in greater Boston and on the South Shore, typically during 1.5-hour weekly sessions throughout the academic year.

We strengthened our relationship with these five organizations:

Big Sister Association at Parker Elementary School, Quincy. Lunchtime was girl time when "big sister" volunteers from our Quincy office met up with their "little sisters," at-need girls in grades 2 through 8. Our volunteers nurtured the girls' innate strengths while cultivating confidence and academic success.

Blue Scholars Program with Madison Park Technical Vocational High School, Boston. For the twelfth year, associates in our Boston office mentored and supported high-potential students known as "Blue Scholars." Participants got together weekly for mentoring and monthly for college-prep workshops. Upon completing this multi-year program, students are eligible to apply for a college scholarship from our company.

Junior Ventures at Fenway High School, Boston. Over 15 weeks, high-school juniors worked with associates to generate ideas for a new business or service needed in their community, learned how to translate those ideas into real-world business plans, and finally pitched their proposals to a panel of judges composed of associates and business leaders.

Mass Mentoring Partnership at North Quincy High School, Quincy. Each week, our volunteer mentors offered encouragement and support to students struggling to succeed academically.

South Shore Stars, Weymouth. In 2012, we launched a new mentoring partnership with South Shore Stars, which offers education enrichment and family support services. Associates mentored middle and high school students attending Stars' after-school programs in Weymouth, Holbrook, Randolph, and Quincy.



MASSACHUSETTS

CIVIC ENGAGEMENT

William C. Van Faasen Community Service Sabbatical

What is the #1 reason many young people do not pursue college? It isn't grades or motivation—it's money.¹ uAspire, formerly known as ACCESS, offers free financial advice and advocacy to low-income, first-generation students and their families in Boston, Springfield, and Lawrence.

In 2012, Deanne Wherry of our product strategy team helped this nonprofit enter a new phase of its advocacy through our William C. Van Faasen Community Service Sabbatical. Now in its seventh cycle, this program grants one associate per year a paid, six-month leave of absence for full-time service with a single charitable organization. Deanne used her professional skills to complete these projects:

- **Rebranding:** Deanne helped the management team develop and refine new branding guidelines when uAspire changed its name to better reflect its empowering message to students.
- **Website launch:** A new name naturally means a new website, and, again, Deanne lent a hand. She oversaw the migration of content to a new web platform, incorporated social media channels, and built a strategic roadmap for uAspire's multi-year web presence.
- **Field work:** Deanne went back to school, spending time with uAspire advisors as they met with students. The discussions informed her work on the website update.
- **Partnership-building:** Finally, Deanne helped build a national partnership strategy kit for investors and found ways to engage schools and community partners nationwide to adopt uAspire's training program.

"On Launch Day for both the new brand and website, we unveiled a special engagement," Deanne explains. "We asked staff, students, and partners to answer the question, 'Why uAspire?' Their answers motivate all of us."

¹ Source: uAspire

For every \$1 invested,
uAspire secures \$62 in
financial aid for students
and their families.
Deanne Wherry helped the
nonprofit rebrand itself,
develop a web strategy, and
connect with more schools
and community partners.





Nonprofit Board Training and Matching

Important responsibilities are entrusted to the men and women who serve on the boards of nonprofit organizations. Directors contribute their knowledge and expertise, galvanize external stakeholders, drive fundraising, and otherwise build networks of human associations. It is vital that new board members understand their roles.

In 2012, our company launched an internal program to educate senior leaders about what it means to serve on a nonprofit board. Participants learn about best practices, financial development, and board dynamics. They can also be matched with community partners seeking new board members.

What Makes a Good Nonprofit Board of Directors?

- Shares passion for and commitment to the nonprofit's mission
- Willing to "roll up its sleeves"
- Has strong ties to the community
- Diverse in age, gender, experience, skills, and background
- Willing to support activities and donate/raise money

ENVIRONMENTAL SUSTAINABILITY

A healthy environment is critical to a healthy, vibrant community. As a proponent of good health, we recognize our responsibility to do business in an environmentally sustainable way for the benefit of our members, associates, and local communities.

Our Actions, Our Environment, Our Health

DID YOU KNOW?

RATHER THAN BEING
RECYCLED
ABOUT
75% OF THE EMPTY PLASTIC
BOTTLES END UP IN OUR
**LANDFILLS, LAKES,
STREAMS & OCEANS**
PRODUCING
**1.5 MILLION TONS OF PLASTIC WASTE
EVERY YEAR**

WHAT CAN YOU DO?

- ➔ Begin a habit of bringing a refillable water bottle or mug
- ➔ Recycle all plastic bottles and aluminum cans

**YOUR ACTIONS
MAKE A DIFFERENCE
YOUR HEALTH**

MASSACHUSETTS

green@blue

The Environment/Health Connection

The connection between our health and the environment is clearer than ever, from the increasing effects of climate change on asthma and allergies, to the importance of access to urban green spaces as a means of combating obesity and diabetes. Our company can play an important role ensuring a healthy environment, and we take it seriously. Accordingly, we are engaging associates, members, and communities on the connections among our actions, our environment, and our health.

Through our environmental sustainability program, we seek to improve the health of the communities where we live and work through:

- Measuring and reducing our own environmental footprint
- Actively engaging members and associates in green practices
- Providing innovative tools, services, and collaborations that encourage more sustainable living and environmental health





Progress Toward Sustainability Goals

In 2012, we continued progress on our goals to cut greenhouse gas (GHG) emissions, waste sent to landfill, and paper use. We also incorporated sustainability criteria into all requests for proposals (RFPs) sent to potential vendors and suppliers.

GOAL	Emissions*	Waste to Landfill*	Paper Use
	Reductions in energy use are driving us toward meeting our overall emissions goal	Our new composting program will play a big role in meeting our waste goal	We beat our paper goal early and are creating a more ambitious new target
PERFORMANCE 2010 - 2012	Electricity use -7% Gas use -30%	-1%	-20%
ABSOLUTE REDUCTION TARGETS BY 2015	15%	15%	15%

* Includes Quincy and Hingham offices only



ENVIRONMENTAL SUSTAINABILITY

Workplace Initiatives

A Better Commute

Our associates can use NuRide to connect with a ride-share partner or earn rewards for taking public transportation, walking, biking, telecommuting, carpooling, or vanpooling. Commuters who use alternative transportation can earn up to four free taxi rides per year. Finally, our major buildings offer bike racks, locker rooms, and showers for people who pedal to work.

Greener Buildings

Leadership in Energy & Environmental Design (LEED) is an internationally recognized program of the U.S. Green Building Council. Our company's One Enterprise Drive building in Quincy and 25 Technology Place in Hingham are both LEED-certified, and environmental performance and health and wellness will be key factors in the design of our new office space in Boston.

Deeper Engagement

Real change only comes with sustained commitment from across the company. Our executive office reviews company-wide initiatives and significant investments. Our cross-functional Sustainability Council advises on strategy and raises awareness. And, hundreds of company-wide green@blue Ambassadors drive initiatives locally and have pledged to make our offices greener.



Our Environmental Partnerships

A Better City's Challenge for Sustainability

How low can you go...to reduce consumption and waste? In 2012, A Better City (ABC) challenged us to increase energy efficiency, reduce resource consumption, decrease solid waste, and reduce overall greenhouse gas emissions. We are proud to be a founding participant and join other Boston-based businesses, institutions, and building owners participating in ABC's Challenge for Sustainability.

"e" Inc.

Green space and recreation programs are hard to come by in Boston's Mattapan neighborhood. We gave funding for "e" Inc. to bring its environmental science education and community action program to a group of at-risk, teenagers at the Gallivan Community Center. Three days a week, this "Teen Green Team" learned about natural resources and investigated green areas, while learning the role they can play in creating a science-literate, skilled and responsible path for themselves in their community.

Charles River Watershed and Earthwatch

In the fall, our Corporate Citizenship team joined the Charles River Watershed Association and Earthwatch for a day of water-quality monitoring on the Muddy River in Boston.

DIVERSITY & INCLUSION

The strength of our company depends on the strength of the communities where our members and associates live and work. Accordingly, we provide funding to nonprofit organizations that promote the health and wellbeing of children and families facing economic hardship.

A Re-energized Approach

As an employer, we constantly strive to create an inclusive environment that enables associates to contribute their best. Infused by the fresh thinking of a new Diversity & Inclusion team, a Diversity & Inclusion Council, and input from associates across the company, we evolved our approach in 2012. We created a multi-year strategy with four areas of focus – talent, innovation, market, and community – and are integrating the principles and practices of diversity and inclusion across all corporate business areas, day-to-day operations, and associate levels

Diversity & Inclusion: Areas of Focus

Community	Talent
Innovation	Marketplace



Playworks Corporate Kickball

Community

Last year, we created a special marketplace of community partners (including non-profit organizations and professional associations) through which associates of diverse backgrounds can contribute their expertise while developing skills. Some of the organizations we supported were Work Without Limits, Gay Men's Domestic Violence Project, the YWCA, and The Partnership, Inc.

We also launched a speaker event, Women@Blue: From the Cradle to the C-Suite, which recognizes girl-empowerment groups while promoting associate development. Finally, we hosted a forum on politics and health care reform in partnership with the Association of Latino Professionals in Finance and Accounting (ALPFA).

Talent

We strive to attract, retain, and develop diverse talent at all levels of the company. In 2012, we rolled out a new multimedia employment campaign, It Happens Here, which features diverse associates sharing their perspectives and experiences. The campaign is driving our company's strategy to attract new talent.

Innovation

We leverage the power of diversity and inclusion to innovate ways to solve complex problems and better serve our constituents. Last year, our CEO took the helm of a new diversity council to drive collaboration within the company. To better support our women- and minority-owned business partners, we created a supplier-diversity mentoring program that connects our partners with experts who can help them grow their businesses and innovate competitively.

Marketplace

We must always ensure our workforce reflects and understands the diverse needs of our members, accounts, and communities. In total, 1,500 associates participated in diversity and inclusion education, giving them an awareness of their own cultural identities and views about difference.

In addition, our associates who serve as Multicultural Marketing Ambassadors partnered with community groups and employers on multicultural outreach efforts. Their work drives utilization of our health and wellness resources and tools, promotes membership growth, and enhances job satisfaction for our diverse associates.



“Each one of us has as role in making diversity and inclusion a part of everything we do. Whether we are answering the phones or leading a large group of associates, we can all seek out new perspectives, learn from those with different backgrounds and experiences, and welcome all styles and approaches.”

ANDREW DREYFUS, President & CEO





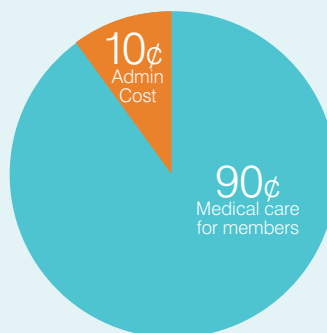
ECONOMIC IMPACT

Massachusetts Economic Impact

Total Impact	More than \$1.6 billion
Full-time Jobs in Massachusetts	6,333 (3,500 direct employees and 2,823 indirect)
Taxes, Assessments, and Fees ¹	\$228 million \$95 million in indirect taxes \$133 million in local state and federal tax assessments

Where Our Premium Dollars Go

Massachusetts health plans are held to the highest standards in the U.S. regarding administrative expenditures. At Blue Cross Blue Shield of Massachusetts, we use approximately 90 cents of every premium dollar we receive to pay for our members' health care. The approximately 10 cents remaining is used for administrative purposes.



OF THE 90¢*:

Hospital services: 45 cents
Physician services: 30 cents
Prescription services: 15 cents

EXAMPLES OF ADMINISTRATIVE COST:

Salaries and benefits
Contributions to reserves
Information Technology investments
Facilities maintenance
Taxes and assessments

*Numbers are approximate, and vary slightly each year

AWARDS & RECOGNITION

In 2012, we were honored to receive recognition from local nonprofit organizations, media groups, and other associations for our corporate citizenship work.

Corporate Partner of the Year

Big Sister Association of Greater Boston

8th Most Charitable Contributor in Massachusetts

Boston Business Journal

Workforce Diversity Initiative Award

Boston Business Journal

Century Award

Boy Scouts of America, Boston Minuteman Council

Corporate Partner of the Year

Corporate Volunteer Council of Greater Boston

Corporate Partner of the Year

Cradles to Crayons

Outstanding Business of the Year for Excellence in Community Service

Greater Boston Business Council, Boston's leading business group for the LGBT community

Massachusetts Excellence in Commuter Options Award

Massachusetts Department of Transportation

Healthcare & Biotech Recycling Award

MassRecycle





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