2015 ANNUAL REPORT

ALL ABOUT YOUR *Choices*

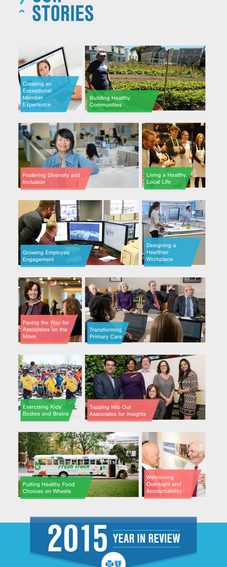
FROM LETTER

ANDREW DREYFUS

Over the past year, Blue Cross has taken a fresh look at what our longstanding promise to always put our members first means in this age of online consumerism – starting from the member's perspective.

READ THE FULL LETTER

YOUR STORIES



2015 YEAR IN REVIEW

3.6K ASSOCIATES EMPLOYED

2,035,983 MASSACHUSETTS MEMBERS

808K OUT-OF-STATE MEMBERS

29.5K EMPLOYER ACCOUNTS

2.76M ANSWERED CALLS

46M PROCESSED CLAIMS

$13.7B PAID TOWARD MEMBER CARE

$300M PAID IN TAXES & ASSESSMENTS

CORPORATE CITIZENSHIP

COMMUNITY INVESTMENTS

$6.0M CONTRIBUTED TO **497** NONPROFITS

CIVIC ENGAGEMENT

$1.4M+ VALUE OF SERVICE

89, OF ASSOCIATES VOLUNTEERED

230+ COMMUNITY PROJECTS

350 ASSOCIATE PHOTO CONTEST ENTRIES

SUSTAINABILITY

14% GREENHOUSE GAS REDUCTIONS

16% LESS WASTE TO LANDFILL

36% LESS PAPER USE

Five year trends, 2010 - 2015

FOUNDATION

$3.8M IN GRANTS TO **77** COMMUNITY ORGANIZATIONS

DIVERSITY & INCLUSION

900 associates participated in an Employee Resource Group

▲ up **43%** from 2014

888 of our associates are people of color — a quarter of our workforce

38% of new hires in 2015

2,500+ of our associates are women, comprising 71% of all associates in the U.S.*

60% of our manager and leadership roles are held by women

934 of our associates are Millennials

AWARDS & RECOGNITION

Our commercial PPO and HMO products are among the highest-rated in the U.S.†

American Heart Association's #1 Friendly Workplace Gold Achievement

Route to Grow Early Childhood Education Champion Award

Raising A Reader Massachusetts Leadership in Literacy Award

Royale Making a Difference Award for Exemplary Community Partnership

Boston Globe Top Places to Work in Massachusetts

Human Rights Campaign Top Places to Work for LGBT Employees

Boston Business Journal Hospitalist Employers in Massachusetts

* National Committee for Quality Assurance (NCQA) Medicare Health Insurance Plan Ratings 2015-2016. Blue Cross Blue Shield of Massachusetts HMO is rated 4.5 out of 5 stars, and all its plans in the state have its lowest rate of 4 stars. Blue Cross Blue Shield of Massachusetts HMO is one of only 2 plans in Massachusetts to receive a 4.5 rating, and is the highest-rated Medicare Advantage plan in Massachusetts.

† National Committee for Quality Assurance (NCQA) Public Health Insurance Plan Ratings 2012-2013

U.S. based commercial PPO products offered by Blue Cross Blue Shield of Massachusetts, including the entire portfolio of commercial PPO products, received an overall rating of 4 out of 5 stars, and all its plans in the state have its lowest rate of 4 stars. Blue Cross Blue Shield of Massachusetts HMO is rated 3.5 out of 5 stars, and all its plans in the state have its lowest rate of 3 stars. U.S. News is not affiliated with NCQA, or the ratings given by Wellpoint.

FINANCES

PER DOLLAR SPENT

96¢ MEDICAL CARE FOR OUR MEMBERS

- **45¢** HOSPITAL SERVICES
- **30¢** PHYSICIAN SERVICES
- **15¢** PRESCRIPTION DRUGS

10¢ ADMINISTRATIVE COSTS

Pay and Benefits · IT Investments · Facilities Maintenance · Taxes and Assessments · Contributions To Reserves

2015 Combined Balance Sheets and Income Statements and Audited Financial Reports will be available for download in April 2016.

YOUR LEADERSHIP

SENIOR LEADERSHIP | BOARD OF DIRECTORS

Bruce Bailey
Chief Operating Officer

Carol Cronin
Chief Product Officer

Eric Dickson, M.D.
Senior Vice President, Transformational and Clinical Innovation

Robert Gaines
Senior Vice President, Corporate Communications and Chief Marketing Officer, State Street Corporation

Andrew Dreyfus
President and Chief Executive Officer

Jeffrey Gelfuso
Senior Vice President, Operations

Kathleen Mazzarella
President and Chief Operating Officer, Liberty Mutual Group

Karen O'Connor
President, Blue Cross Blue Shield of Massachusetts HMO

Patricia D. Quigley
Executive Vice President, Chief Financial Officer

President and CEO, Jeffrey Gelfuso Consulting, LLC

President and CEO, Jeffrey Gelfuso

THANK YOU!

MASSACHUSETTS

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Blue Cross Blue Shield of Massachusetts, Inc. 101 Huntington Avenue, Suite 1300, Boston, MA 02199-7611 | 1.800.858.BCBS (2269)

MASSACHUSETTS

A Simpler, More Personal Health Care Experience

Dear Friends:

Over the past year, Blue Cross has taken a fresh look at what our longstanding promise to *always put our members first* means in this age of active consumerism – starting from the member's perspective. Building on our legacy of exceptional customer service, we are developing a more personal, collaborative relationship with our members, based on their needs, preferences, and expectations.

Too often, individuals and families have to deal with complex health systems and rules largely designed to meet the needs of professionals and organizations. Change is underway, and I expect Blue Cross to be at the forefront of the movement to redesign health insurance and the delivery of care around the people who use it.

From the most basic improvements – always communicating in simple, clear language – to new mobile and web-based applications, we are making it easier for our members to navigate the health care system, anticipating their needs and putting relevant information and guidance at their fingertips.

Personalizing and simplifying the health care experience will also pay dividends for our employer customers. They want their employees to be involved in decisions about their care, in partnership with their clinicians, so we offer products and services that link savings to the use of lower-cost, high-quality hospitals, participation in health and wellness programs, and increased adherence to recommended treatments.

> "The shift toward consumer engagement and patient-centered care follows two other waves of reform led by the Massachusetts health care community – the expansion of coverage in 2006 and the growing adoption of quality-based payment for physicians and hospital"

Blue Cross pioneered payment reform seven years ago to reward improvements in quality, outcomes, and the effective use of resources for the care of our HMO members, and in 2015 we expanded the model to include our PPO members. Freed from the constraints of payment based on individual visits, tests and procedures, participating physicians and hospitals are investing more in prevention, coordination of care, and innovative clinical programs that improve the health of their patients.

Much of our work in the coming year will focus on developing even better ways to connect our members with information and support that is timely, personalized, and convenient. As the stories in this report illustrate, we believe that deeper engagement with our members – on their terms – will make it far easier for them to choose quality care, understand and manage their costs, and improve their health and well-being.

With thanks and best wishes,

Andrew_Dryfus

Andrew Dreyfus
President and CEO
Blue Cross Blue Shield of Massachusetts

Creating an Exceptional Member Experience

Putting our members first? That's our promise – past, present and future. But health care is changing, and so have our members' needs and preferences. That is why we are developing new ways to make an even more meaningful connection with our members.

In 2015, we introduced a secure text messaging system to connect members with timely information about health, wellness, and the use of their benefits; a new generation of online tools for choosing a doctor and calculating out-of-pocket costs; and online Telehealth visits with doctors and behavioral health therapists.

Engaging Employees with Telehealth

For Ocean Spray Cranberries, Inc., the timing of our new Telehealth benefit could not have been better. The company, which has been a Blue Cross customer since 1994, is committed to getting its 2,000 employees more engaged in making value-based decisions about their health care, and Telehealth fits perfectly with their strategy.

According to Susan French, senior manager of benefits and wellness, the company views Telehealth as a logical next step in a campaign started two years ago to educate Ocean Spray's employees on alternatives to emergency room use. "We are aiming to reduce unnecessary emergency room visits by having our employees to go to their doctor's office for urgent care," she says. "We think Telehealth will be an even more convenient option in many cases."

> "Blue Cross has been a great partner, and we are always looking to take advantage of their programs."
>
> – Susan French, senior manager of benefits and wellness at Ocean Spray Cranberries, Inc.

Blue Cross members who use Telehealth have confidential, online access to a nationwide network of physicians and licensed clinicians, which was a big plus for Ocean Spray. While most of their employees work in Massachusetts or Wisconsin, the company operates in multiple states, including in rural areas where access to urgent care may be limited. Ocean Spray will waive the copay for the first year of Telehealth visits as an incentive to get employees to try it.

Ocean Spray has also adopted a Blue Cross program that offers their employees out-of-pocket savings when they choose to get care for certain procedures at high-value hospitals in the national Blue Centers of Distinction network.

Building Healthy Communities

At Blue Cross, we are deeply committed to helping our members lead healthier lives, and through corporate citizenship, we extend that commitment to the communities where they live and work, all across Massachusetts.

Over the past several years, we have collaborated with community partners and national experts to take an in-depth look at how we can prioritize our corporate citizenship work to have the greatest possible impact.

Jeff Bellows, our vice president of corporate citizenship, explains that the result of this work is a refreshed vision we call Healthy Living, with three interrelated components:

Jeff points out that our overall strategic approach to corporate citizenship will continue to hinge on three methods for driving change: investing in nonprofit community organizations and collaborative efforts that support Healthy Living; engaging Blue Cross associates in community activities and causes they care about; and conducting our business in an environmentally sustainable way.

> As always, we are very grateful to our nonprofit partners and our Blue Cross associates for embracing, strengthening, and helping us to realize our vision for a healthier Massachusetts.
>
> – Jeff Bellows, vice president of corporate citizenship

Fostering Diversity and Inclusion

No matter where you turn at Blue Cross, associates are brimming with ideas to promote diversity and inclusion.

In business meetings and hallway conversations, they are constantly suggesting inclusive ways to better serve our members, tackle health care challenges, and make our company a great place to work.

> We are relentlessly focused on accountability, innovation, communication, and measurable results.
>
> – Su Joun, Blue Cross vice president of talent, engagement, inclusion, and diversity

Growing Employee Engagement

During the quarter century since Communication Technology Services LLC (CTS) was founded, the use of the internet and mobile phones has grown at rates beyond anyone's wildest imagination.

By offering the engineering, construction, and project management expertise needed for today's networked environment, CTS has expanded far beyond its Marlborough, Massachusetts headquarters to 500 employees in 30 states.

As CTS has grown, so too has the company's need to manage employee health benefits in multiple states, and Blue Cross has been there every step of the way. "Quality, service, and cost are our top priorities for employee benefits, and Blue Cross delivers on every count," says Gina Polewaczyk, director of human resources. She cites a number of ways Blue Cross delivers value for CTS:

1. The Blue Cross network of doctors and hospitals: "Other carriers can't match their network in the 30 states where we have employees," she says. Twenty percent of our employees are in small, rural communities, and seeing a specialist is never a problem because of the excellence of their nationwide network."

2. The Hospital Choice Cost Sharing benefit option: "We decided to include this feature because it puts Blue Cross members in the driver's seat for procedures like CT scans, PET scans, blood work, and outpatient surgery. Our employees can choose lower-cost, high-quality hospitals and pay less, or higher-cost facilities and pay more, which means they can manage their out-of-pocket expenses as smart consumers."

3. Value-based benefit enhancements: This approach focuses on improving the health of members who have chronic conditions by making it easier and less expensive for them to get needed medications.

4. Disability and dental coverage: "It's great that Blue Cross can bundle medical, dental, and long- and short-term disability coverage," Gina says. "Their dental PPO works for all of our employees, and we never have issues with claims."

In 2016, CTS employees will also be able to participate in an expanded company wellness program developed in collaboration with Blue Cross.

> "Their team helped us tailor a healthy living program that is national in scope. It is exactly what we have come to expect after eight years working with Blue Cross – a true partnership based on the best interests of CTS and our employees."
>
> – Gina Polewaczyk, director of human resources

Nationwide, CTS has installed more than 5,000 Distributed Antenna System wireless networks for corporations, sporting venues, airports, hospitals, hotels, and government buildings. In 2015, their major projects included New York's Lincoln Holland Tunnel and Petco Park, home of the San Diego Padres.

Designing a Healthier Workplace

Our employer customers often look to us for new ideas on how to help their employees lead healthier lives.

In 2015, we had a rare opportunity to incorporate numerous healthy features into the design of our own employees' workspace as we moved into new Boston offices at 101 Huntington Avenue.

1. Our wellness center offers scheduled classes (yoga, meditation, etc.) and wellness consultants to provide personalized plans for employees.
2. All of our employees have automated adjustable desks, and every office floor has a treadmill desk for employees to use.
3. The floors of our offices are connected by open, internal stairways and improved stairwells.
4. We offer an extensive, healthy menu of nutritious, local, and sustainable food options in our cafeteria.
5. A living wall of pothos plants brings nature directly into the office, cleaning the air and providing a point of relaxation.
6. The office has 100% LED lighting, and 97% of our seated spaces have access to daylight.
7. The new location gives our employees easy access to bus, subway, and commuter rail public transportation.
8. We've enhanced our green@blue program, including composting in our cafeteria and on each floor.
9. Carpeting is made from 100% recycled material, furniture is free of flame-retardant chemicals, and 100% of cafeteria wares are compostable.
10. Our Empowering Abilities Employee Resource Group collaborated with the developer on workspace design, improvements to parking access, and evacuation planning.

Paving the Way for Associates on the Move

Break down silos. Remove barriers. Clear the path for associates ready to run.

That's the thinking behind our strategy to build an effective, world-class organization where everyone contributes to our success.

To this end, Blue Cross senior vice presidents take part in quarterly talent meetings to learn about the company's high-potential associates and discuss how to match their skills and aspirations with the company's needs. Encouraging career mobility within Blue Cross is a three-part process:

1. Identify diverse, high-potential performers at the director level and above;
2. Evaluate the company's overall leadership needs and succession plans; and
3. Look for opportunities to promote or transfer high performers whose talents might better serve other business areas.

Aren't the executives reluctant to give up their rising stars? Not at all, as Sue Sgroi, our chief human resources officer, explains: "We're in a very competitive job market, and leaders understand that creating opportunities for key talent to develop and thrive is what makes Blue Cross so attractive to both current and prospective employees."

> "We value our internal talent first and foremost so we encourage associates to consider opportunities for movement in all directions—not just up but also from one part of the organization to another."
>
> – Sue Sgroi, chief human resources officer

We have sponsored two other highly successful talent development programs, one aimed at encouraging associates to take command of their careers, and the other to help up-and-coming professionals from outside the company learn more about us:

Career Enhancement Program (CEP). About 50 associates participated in coaching sessions, mentoring talks, and career labs through this popular three-month program. Nearly half of the program's 146 graduates since 2013 have changed jobs within Blue Cross, either by a promotion or lateral move.

Blue Cross budget analyst Charmyra Fleming says the CEP helped her solidify her dream career in finance. "I learned about revamping my resume, networking, job shadowing, interviewing, and conveying my personal career story. The CEP gave me the confidence to believe in my abilities, do the hard work, and go for what I want."

Speed-Networking Event: We connected Blue Cross executives with a diverse group of talented individuals from outside the company in a fun, round-robin-style networking event. The goal was to spark connections and keep Blue Cross top-of-mind as the participants continue their careers.

Vice president of commercial product management, Sheila Buckley, attended the event as a hiring leader. "This was a great opportunity for me to meet people who might not normally come through the door when I have a specific job opening," she said. "It was a very efficient way for Blue Cross to showcase what we have to offer and for these high-caliber professionals to get to know us. It also encouraged us to think more creatively about the right talent for the jobs we're filling and to take a longer-term view of where different candidates might fit into the company's future."

Exercising Kids' Bodies and Brains

Lesson #1 for Kids: Get Moving

What does it take for you to get firing on all cylinders in the morning? How about jumping jacks, freeze tag, and other blood-pumping activities? Thanks to BOKS (Build Our Kids' Success), that is the way a growing number of school children in Massachusetts start the day.

"Morning is critical. It's when you jumpstart a child's brain and optimize them for a day of learning," explains Kathleen Tullie, founder and executive director of BOKS. "Kids should be running around and playing before they're asked to sit down for six or seven hours," she adds. "In fact, we ALL should."

BOKS is a free, before-school physical activity and nutrition program designed to get children moving in the morning and get their brains ready for a day of learning. In 2015, Blue Cross helped launch the program in eight elementary schools throughout Holyoke and Springfield. Our grants funded stipends for two trainers per school as well as program equipment. In addition, Blue Cross vice president of corporate citizenship Jeff Bellows is a member of the BOKS advisory board.

Studies show physical activity supports children's physical, social, and emotional development, while kids who do not establish exercise habits at a young age can suffer health consequences well into adulthood.

Kathleen started BOKS in 2009 after being inspired by Dr. John Ratey's book *Spark*, which explores the connection between exercise and the brain. Today BOKS is in more than 1,500 schools in 48 states and six countries. Evaluations by the National Institute on Out Of School Time (NIOST) (2011-2014) and Wayne L. Westcott, Ph.D. (2015) found that BOKS positively affects the intensity and duration of physical activity, body composition (body fat percentage), nutrition knowledge, test scores, executive functioning of the brain, and school attendance.

> "Our students love starting the day with fun exercise. Their teachers and parents agree: BOKS is great for our school!"
>
> – Margaret D. Thompson, Principal of Kensington International School, Springfield, Mass.

Tapping Into Our Associates for Insights

Employee Resource Groups (ERGs) provide insights that help Blue Cross better serve our members and accounts.

As a woman of color and the child of an aging parent, Martine Beaumont is well aware of the added health risks linked to racial and ethnic disparities, and she is determined to contribute to the solution. Nationally, a growing body of evidence finds stark racial and ethnic differences in the prevalence of chronic illness, access to and use of preventive care, and the health impact of social and environmental conditions.

Martine is the director of cost and trend management at Blue Cross, and a member of our Black Professional Network (BPN) ERG. In 2015, she and Tom Hawkins, M.D., one of our company's medical directors, participated in the 2015 Disparities Leadership Program at Massachusetts General Hospital, and they have used the experience as a springboard for gaining a better understanding of how Blue Cross could help address health disparities within our membership.

Joined by Jane Williams, M.D., also a Blue Cross medical director, Martine and Tom reached out to the BPN, and also our Hispanic/Latino and Asian ERGs, to gain personal perspectives on racial disparities in the use of primary care. Participants in the disparity discussions offered valuable insights on the barriers faced by members of their families or communities, as well as possible solutions. Among the themes discussed:

- Health care is not seen as a priority for people who have other challenges that affect everyday living.
- Cultural and language barriers can keep people from seeking out the primary care they need.
- In some cultures, people tend to visit the doctor only when they are sick.
- It is important to "listen and learn" if you want to convince people to change unhealthy lifestyles or habits; different cultures require different approaches.
- In many communities, church leaders would be natural allies in an effort to encourage primary care.

"This kind of feedback directly informs the health improvement solutions we can offer to our employer accounts and members," Martine says. "On a personal level, the discussions have inspired members of the ERGs to get more engaged in understanding health disparities in our own communities."

Blue Cross ERGs bring together associates with shared characteristics, affinities, or life experiences. Their allies, too, are welcome to join any group.

We currently have eight ERGs: Women's Inclusion Network, the Black Professional Network, Blue Pride (the LGBTQA network), Asian, Hispanic/Latino, Empowering Abilities (for people with disabilities and other capabilities), Young Professionals Network, and, new in 2015, our group for military veterans.

Putting Healthy Food Choices on Wheels

Next Stop: Fresh Food

Every Saturday afternoon, Josh Trautwein parks his Fresh Truck in an affordable housing community in Boston's Charlestown neighborhood. Residents board this retrofitted school bus turned food market to explore fresh fruits and vegetables they often can't get anywhere else. Some visitors come for the ingredients; others, just for conversation.

> If someone comes onto the bus but doesn't buy anything, that's okay because it's a touch point. Everybody has a different starting point for thinking about having a healthy lifestyle.
>
> – Josh Trautwein, Fresh Truck's cofounder and executive director

Fresh Truck promotes healthy eating in Boston's low-income neighborhoods by selling high-quality, affordable produce at scheduled locations and times around the city. In 2015, Blue Cross helped Fresh Truck deploy a second vehicle for cooking demonstrations, nutrition consultations, and workshops.

Yvonne Tang, Blue Cross director of corporate citizenship, says Fresh Truck's "founders are impressive because they're bringing an innovative approach to community health." Here are two ways:

1. **Increased access:** Fresh Truck combines geographic data with grassroots outreach to reach more people. For example, Josh first identifies a target neighborhood based on its proximity to a supermarket. He then consults with community leaders and residents to pinpoint the best route stops and times. "Food is very intimate. We need to understand the more nuanced decisions that affect people's food shopping decisions," he explains.

2. **Diversified funding:** Fresh Truck operates under a hybrid nonprofit/for-profit business model. Truck routes cover not only low-income neighborhoods but also Boston's downtown innovation district and a university campus. This gives Fresh Truck the revenue it needs to thrive and better support resource-light communities.

> Food from Fresh Truck is delicious. I cook it with my mom. Eating healthy food makes people stronger so they can run around and play with their friends.
>
> – Connor, age 4

"We become part of the community because we're there every week," Josh raves. "In one day we will literally go from a housing development for formerly homeless seniors, to a hub for white-collar professionals, to a low-income community where a three-year-old gets to try a sweet potato for the first time. It's awesome."

Welcoming Oversight and Accountability

Call it the elephant in the room: Even if people understand the value of a diverse and inclusive workplace, sometimes they would rather avoid talking about it. Not so at Blue Cross.

Each month, our 15-member Diversity & Inclusion Council, which includes two participants from outside the company, meets to review our progress in advancing diversity and inclusion, discuss issues that may be holding us back, and tap into associates' perspectives through our Employee Resource Groups. The council is led by CEO Andrew Dreyfus, who has been D&I's most visible champion both inside and outside the company.

For an external perspective, the council draws on the expertise of Paul W. Lee, an attorney with Goodwin Procter LLP in Boston and chairman of the board of the Asian American Justice Center in Washington, D.C., and Zoila Torres Feldman, a health management consultant and long-time champion of medically underserved individuals and families.

Paul has been an advocate for workplace inclusion since beginning his legal career in the 1970s. Based on his own early experiences, he says leaders must be sensitized to any implicit biases that could affect how they view the career potential and aspirations of employees. For example, a manager who believes, even subconsciously, that Asians are hard-working but lacking in outgoing personality traits may deny an Asian employee a leadership opportunity.

Paul has participated on several other diversity councils throughout his career, and he concludes that the Blue Cross D&I Council is something special. "I've been pleasantly surprised with how open everyone is and how willing they are to talk through some important, challenging, and sensitive issues," he says.

Jay McQuaide, senior vice president for corporate communications and citizenship at Blue Cross and a D&I Council member, believes the meetings are productive because the participants share a common goal: to build a better Blue Cross for members and associates. "When you start with that as your North Star and you come into those meetings with an open mind," Jay explains, "what we've discovered is that tough conversations don't have to be uncomfortable."

2015 YEAR IN REVIEW

COMMUNITY INVESTMENTS

CONTRIBUTED $6M TO 497 NONPROFIT ORGANIZATIONS

ASSOCIATE GIVING

OUR ASSOCIATES PERSONALLY GAVE

$355K

TO

UNITED WAY OF MASSACHUSETTS BAY AND MERRIMACK VALLEY

AND

$127K

TO OUR

CATALYST FUND

Which provides small grants to organizations that expand health care access

TEAM BLUE

800+

ASSOCIATES

of all fitness levels laced up their shoes to help nonprofits promote wellness in their communities

1.2M CALORIES BURNED

24M

STEPS TALLIED

For a total of

12,000 Miles

the equivalent of 4 round trips from Boston to Los Angeles

CIVIC ENGAGEMENT

The BlueCrew provides our associates with opportunities to serve:

350+ ASSOCIATE PROJECT LEADERS

89% OF ASSOCIATES VOLUNTEERED

$1.4M+ VALUE OF SERVICE[1]

230+ COMMUNITY PROJECTS

BLUECREW VOLUNTEER PROJECTS

3.2K

Associates lent their hearts and hands to help nonprofits pursue their missions and serve their communities

$ 728K

VALUE OF SERVICE

Based on state standard of $28 per hour

SKILLS-BASED SERVICE PROGRAMS

37

Associates used their business knowledge to strengthen nonprofits' operations, finances, human resources, and information systems

$ 656K

VALUE OF SERVICE

Based on industry standard of $175 per hour

NONPROFIT BOARD LEADERSHIP

50%

of senior leaders counseled 48 nonprofits by serving on boards of directors

63

LEADERS COMPLETED

our Nonprofit Board Education Program

2015 SUSTAINABILITY GOALS

Since 2010, we have worked aggressively to reduce the environmental impact of our operations:

GOAL 1

15%

REDUCTION OF ABSOLUTE GREENHOUSE GAS EMISSIONS BY 2015

RESULT

14%

GREENHOUSE GAS REDUCTION

IN SCOPES 1 & 2

SCOPE 1

Emissions produced from the energy consumed on Blue Cross property (e.g. heating buildings by burning natural gas)

SCOPE 2

Emissions associated with the electricity Blue Cross purchases for its offices

SCOPE 3

Emissions attributed to the consumption of electricity, social form sources not owned or controlled by Blue Cross, its commuters, e-workers, and purchased goods and services)

21% REDUCTION IN SCOPES 1, 2, & 3

GOAL 2

35%

REDUCTION OF PAPER USE BY 2015

RESULT

36% PAPER USE REDUCTION

GOAL 3

15%

REDUCTION OF WASTE TO LANDFILL BY 2015

RESULT

16% WASTE REDUCTION

101 Huntington

Our new Boston headquarters prioritized health and sustainability

100% OF OUR OFFICE FURNITURE IS FLAME RETARDANT FREE

100% OF OUR CAFETERIA WARES ARE COMPOSTABLE

100% OF OUR CARPETING IS MADE FROM 100% RECYCLED MATERIAL

2020 SUSTAINABILITY GOALS

We have developed an ambitious set of 2020 sustainability goals focused on the following areas:

CLIMATE & AIR

Climate change is one of our biggest public health issues and poor air quality continues to impact asthma rates and lung and heart disease.

FOOD

Healthy eating and food systems prioritize and support environmental sustainability, local agriculture and human health.

NATURAL RESOURCES

Thriving regional ecosystems and community access to green and blue space are critical to our health and our economy.

CHEMICALS

Products and materials found in our offices, schools and homes should be free of pollutants and toxic chemicals.

Stay up-to-date on our progress by visiting www.bluecrossma.com/corporate-citizenship

Proud to Be Inclusive...

...In Our Company

Our Blue Pride employee resource group worked with human resources to apply for the Human Rights Campaign's 2015 Corporate Equality Index.

This rigorous set of criteria measures an organization's commitment to LGBTQA inclusion. In November we received our score: 100%.

...and In Massachusetts

We were honored as a 2015 Rosoff Award Finalist for being a champion of diversity and inclusion in the business community.

We have formally pledged to pursue within our company the goals of these organizations:

National Alliance on Mental Illness (NAMI) CEOs Against Stigma: Reduce the negative impact of mental illness stigma in the workplace

100% Talent: The Boston Women's Compact (City of Boston): Close any wage gap between women and men

Governor's Corporate Challenge (Commonwealth of Massachusetts and Bentley University Center for Women and Business): Increase the percentage of women among the top 10% of the organization's senior positions

YOUR LEADERSHIP

SENIOR LEADERSHIP

BOARD OF DIRECTORS

Bruce Bullen
Chief Operating Officer

Deborah Devaux
Senior Vice President, Consumer and Provider Solutions

Andrew Dreyfus
President and Chief Executive Officer

John A. Fallon
Chief Physician Executive

Patrick Gilligan
Executive Vice President, Sales, Marketing & Product

Stephanie Lovell
Executive Vice President, Medicare and Chief Legal Officer

Jay McQuaide
Senior Vice President, Corporate Communications and Citizenship

Susan L. Sgroi
Senior Vice President, Organizational Effectiveness and Chief Human Resources Officer

Allen P. Maltz
Executive Vice President, Chief Financial Officer

Jason Robart
President and CEO, Zaffre Investments, Chief Strategy Officer

AS OF DECEMBER 31, 2015

YOUR LEADERSHIP

SENIOR LEADERSHIP

BOARD OF DIRECTORS

George R. Alcott, III
Vice President, Massachusetts AFL-CIO

Brian M. Barefoot
President Emeritus, Babson College

Francis X. Callahan, Jr.
President, Massachusetts Building Trades Council

Andrew Dreyfus
President & CEO, Blue Cross Blue Shield of Massachusetts, Inc.

Helen G. Drinan VICE CHAIR
President, Simmons College

Richard C. Garrison
President, Bink Inc.

Philip W. Johnston
President, Philip W. Johnston Associates

Ralph C. Martin, II
Senior Vice President & General Counsel, Northeastern University

Robert F. Meenan, MD
Dean, Boston University School of Public Health

Paula A. Price
Senior Lecturer, Harvard Business School

Dorothy E. Puhy
Executive Vice President & COO, Dana-Farber Cancer Institute

Donald K. Stern
Managing Director, Affiliated Monitors

Timothy M. Sweeney
President, Liberty Mutual Personal Insurance

Benaree P. Wiley
Principal, The Wiley Group

Phyllis R. Yale CHAIR
Senior Advisor, Bain & Company, Inc.

AS OF DECEMBER 31, 2015