

SUSTAINABILITY AT BLUE CROSS BLUE SHIELD OF MA



Spring
2016

Sustainability Goal Overview



MASSACHUSETTS

Blue Cross Blue Shield of Massachusetts is an independent
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LETTER FROM THE CEO



At Blue Cross Blue Shield of Massachusetts (BCBSMA) we know that the health of our associates, members and communities is intimately linked with the health of our environment. We can't have healthy hearts and lungs without clean air. Our natural resources are critical supporters of our economy and our wellbeing. Healthy food systems combine a focus on nutrition and sustainable farming and procurement. Families and children shouldn't be exposed to harmful chemicals in our offices, schools and homes. And climate change is one of the biggest public health issues of our time.

We recognized that as a health care company -- one whose values include a deep commitment to the community and the health of our members -- we had a responsibility to do our part. So five years ago we publicly released an ambitious set of company-wide sustainability goals targeting steep reductions in greenhouse gas emissions, waste and paper use. I'm happy to share that we achieved significant success across all of our targets. Retrofitting our Quincy office garage lighting to LEDs, establishing robust recycling and composting programs in all our buildings, growing our first company garden, and building health and sustainability into the design and construction of our new 101 Huntington headquarters, are just a few examples of projects and programs that are helping the company and the planet to thrive.

Over the next several years, we know there are opportunities to build on our success and continue to reduce our operation's impact on the environment. We also know we must extend our programs and influence beyond our four walls to our members and consumers who want to live healthy and lead environmentally-friendly lifestyles. So we've announced a new set of even more ambitious 2020 sustainability goals. Beyond seeking even deeper reductions in our emissions, waste and paper use, these goals expand into two new important areas: supporting more sustainable *food* and reducing harmful *chemicals*. We also commit to more actively improving the environmental health of our MA members and using our resources and brand to support local programs and policies that create healthier environments for all MA residents.

On behalf of the executive team, thank you for helping us create a company and community that is responsible to our people and the planet.

Andrew Dreyfus

2015 Goal Results

SUMMARY

With 2015 being our target year for our first set of sustainability goals, we are happy to report we successfully met two out of three goal targets (waste and paper) while very narrowly missing the third (emissions). These reductions were achieved through a collaborative effort across the business and would not have been doable without executive support and the active participation of our associates.

While there is always room for improvement and we will push even harder to do more, we are satisfied with our overall performance recognizing our goals were ambitious, health insurance industry leading, and our first effort at sustainability measurement and target setting as a company. Note: These results include data from the five years 2010 - 2014 and the waste numbers do not include our Boston headquarters due to it being a leased space.

<p><u>Goal 1:</u></p> <p>15% reduction in absolute greenhouse gas emissions</p>	<p><u>Result:</u></p> <p>Scopes 1&2: 14% reduction</p> <p>Scopes 1/2/3: 21% reduction</p>	<p>In 2011 we set a goal of a 15% reduction in absolute greenhouse gas (GHG) emissions by 2015. Through various energy efficiency, IT and associate engagement initiatives, we reduced our Scope 1&2 emissions by 14% avoiding over 2,000 tons of CO2 equivalent entering our atmosphere. This is the equivalent of taking 400 cars off the road. We are also tracking our Scope 3 emissions and when included, reduced our overall emissions by 21%.</p>
<p><u>Goal 2:</u></p> <p>15% reduction in waste to landfill</p>	<p><u>Result:</u></p> <p>16% reduction in waste to landfill</p>	<p>In 2011, BCBSMA became one of the few financial services companies to set and publicly share a waste reduction goal specifically targeting waste going to landfill. Over the past five years we beat our goal and reduced waste 16%, resulting in more than 50 tons of waste being kept out of landfills.</p>
<p><u>Goal 3:</u></p> <p>35% reduction in paper use</p>	<p><u>Result:</u></p> <p>36% reduction in paper use</p>	<p>For all large financial services companies, paper use has a big impact on the environment as well as process efficiency. We set a very aggressive paper reduction goal of 25%. After reaching that reduction target early, we adjusted the paper goal to a new target of 35% and through several initiatives and high associate participation, we were able to beat that goal reducing paper by 36%.</p>

2020 Goal Overview*

Our 2020 sustainability goals are more ambitious than our prior goals and branch out into new areas:

- We will continue to focus on significantly reducing the environmental impact of our operations and are adding water, food and chemical focus areas and targets
- We are extending our goals outside of our walls to proactively track, measure and improve the environmental health of MA members and communities
- We will seek to lend our brand influence and advocacy voice on key local, regional and national environmental issues

	Climate & Air	Natural Resources	Food	Chemicals
Our Footprint	<p>30% reduction in absolute GHG emissions</p>	<p>50% reduction in paper use</p> <p>30% reduction in waste to landfill</p> <p>10% reduction in water use</p>	<p>75% of food sourced sustainably through:</p> <ul style="list-style-type: none"> • Certified organics • Antibiotic free meat and poultry • Certified sustainable seafood • Fair trade coffee and goods • Humanely-raised animal products • Local food and goods 	<p>Workplace 100% free of:</p> <ul style="list-style-type: none"> • Flame retardants • Triclosan and triclocarbans • Pesticides • Volatile Organic Compounds • Added formaldehyde
Our Business & Influence	<p>1. Measure and track improvements in the environmental health of our MA members through:</p> <ul style="list-style-type: none"> • Cleaner air and climate change preparedness • Improved access to green spaces and nature • Reduction in exposure to harmful chemicals • Increased access to sustainable healthy food <p>2. Advocate for and support strong environmental health policies and programs through:</p> <ul style="list-style-type: none"> • Public affairs and government relations • Collaborating within the Blue Cross Blue Shield network • Community investment and partnerships • Leveraging BCBSMA data analytics 			

*2010 BASELINE

1. CLIMATE CHANGE & AIR QUALITY

We believe that climate change is one of our biggest public health issues and improving air quality will help reduce asthma rates, and lung, heart and other diseases.

2020 Goal: 30% reduction in absolute greenhouse gas (GHG) emissions



Our 101 Huntington office

Where we've been

A Smarter Data Center

We moved our largest company data center to the cloud improving security and efficiency.

Better Lights

We completely retrofitted our Quincy office and garage to LED lighting.

Healthy Buildings

Both our South Shore offices are LEED certified and Quincy is rated Energy Star rated.

Where we're going

Green Power

We will support renewable energy by considering a combination of onsite projects and increased renewable energy purchasing.

More Efficient Transportation

We are installing EV charging stations across our offices and building out our commuting programs.

Conferencing Tools & Mobile office

We are growing video and conferencing capabilities to avoid travel to and between our offices.



Quincy office rendering

2. NATURAL RESOURCES

We believe that regional ecosystems and community access to green and blue space are critical to our health and our economy.

2020 Goals:

- 30% reduction in waste to landfill
- 50% reduction in paper use
- 10% reduction in water use

Where we've been

Reduce, Reuse, Recycle

Every associate can single stream recycle at their desks and we compost in our kitchens, cafeterias and breakrooms.

Prescriptions for Nature

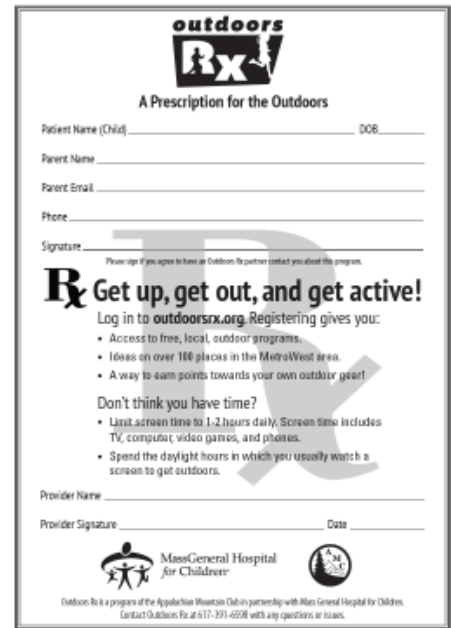
We've partnered with the Appalachian Mountain Club to train doctors to write prescriptions for the outdoors to patients through its OutdoorsRx program.

Bottled Beverage Ban

In 2014 we eliminated the serving of bottled beverages from all our catering, meetings and events.

Bluemind

We convened key regional environmental, health and business stakeholders to learn how exposure to water improves our health and well-being and its potential value for healthcare.




Where we're going

Smart Printing

We're implementing badge release printing technology across all our offices to reduce paper and improve efficiency.

Environmental Inclusion

We will support projects and programs that provide increased access to nature for low income families and children.

Member Experience

We are increasingly offering electronic communications for members and partners replacing paper.

3. FOOD

We believe healthy food systems prioritize and support environmental sustainability, local agriculture and human health.

2020 Goal: 75% of food sourced sustainably through:

- Certified organics
- Antibiotic free meat and poultry
- MSC certified seafood
- Fair trade coffee and goods
- Humanely raised animal products
- Local food and goods

Where we've been

Healthy Eating

We developed a comprehensive set of food program guiding principles that emphasize aggressive goals around quality, nutrition, sustainability and community.

Associates with Green Thumbs

In, 2015 we built our first company garden in our Hingham office producing over 4,000 lbs. of organic food for over 60 associate gardeners.

Back to the Earth

100% of our cafeteria wares are 100% compostable from plate to fork to cup to napkin.

Corporate garden in Hingham



Where we're going



A Bigger Bounty

We are constructing our second company garden in Quincy which will engage another 60 associates in growing their own food.

Less Waste

We will commit ourselves to continuously reduce food waste throughout our cafeterias.

Better Food Choices

We will work with our food program partner to increase purchasing of quality food that is good for people and the planet.

4. CHEMICALS

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

2020 Goal: a workplace 100% free of:

- Flame retardants
- Triclosan/triclocarbans
- Pesticides
- Volatile organic compounds (VOCs)
- Added formaldehyde

Where we've been

Healthy Furniture

Our new Boston headquarters is flame retardant free in all workspaces and we've established a flame retardant free purchasing policy.



Green Cleaning

We only use non-toxic cleaning products throughout all our offices and cafeterias.



Collaborating for Safer Chemicals

We actively work with organizations at the forefront of chemical safety such as the [Silent Spring Institute](#) and [Clean Water Action](#).



Where we're going

New Policies

All future furniture and fixture purchases will be flame retardant free.

Member engagement

We are exploring opportunities to enable members to live, work and play in non-toxic places.

Healthy Lawns

We are transitioning to pesticide free lawn care across our offices.

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