At HCSC we support an environment where all employees feel valued, empowered and recognized for their unique talents, perspectives and differences. To do this, our Center for Diversity and Inclusion (CDI) embeds a commitment to diversity throughout all areas of the company, from how we hire, manage and interact with employees, to how we serve our customers and provide for our communities.

We strive to maintain an inclusive work environment where all employees experience
equity. This means employees know that when they come to work each day, they will be treated fairly and with the respect they deserve. We see our organization as one united by our differences and empowered by the various strengths we each bring to the table.

“The beauty of a diverse and inclusive workplace is that we give each other the space to be who we are.” – Manika Turnbull

“We come to work each day confident that our organization supports our unique ideas, perspectives and characteristics,” says Manika Turnbull, vice president and chief diversity officer. “I am proud to support an organization that values its employees. Starting with the chief executive officer, on down to each and every employee, we are dedicated to helping our organization maintain an inclusive environment by showing respect and acceptance for one another.”

The CDI is also committed to equipping employees with diversity-related knowledge, resources and programs on diversity and inclusion. Our vision of “uniting talent from all lines of difference to benefit all lines of business” recognizes that employees’ diverse contributions create better solutions and greater business outcomes for our members and our company.

“We know we can better serve our customers when we appreciate them both as individuals and as a community, said Paula Steiner, HCSC president and CEO. “We extend this appreciation to our colleagues at work as well.”

Hear from Paula Steiner about why HCSC focuses on diversity and inclusion and what it means for the company.
Learn more about Our Commitment to Diversity through our 2017 Diversity and Inclusion Annual Profile.
We bring our commitment to diversity and inclusion to all levels of business operations. It’s why our company created a supplier diversity team, which maximizes opportunities for minority, women and other diverse-owned companies to do business with us.

When a need arises, the team seeks out qualified and competitive suppliers with diverse ownership. We don’t just hire these businesses for the immediate need, but also foster long-standing relationships for future opportunities. We look for suppliers that share our values and conduct business in the same ethical manner. All our diverse suppliers are certified and registered.

National agencies whose certification HCSC accepts include:
Our supplier diversity team is proud to be entering the second year of participation in the Chicago United Five Forward 20/20 program. Chicago United is an organization whose mission is “to achieve parity in economic opportunity for people of color.” Participating companies commit to doing business with five minority-owned businesses in the Chicago area for five years. Our current Five Forward 20/20 suppliers are Anchor Staffing, Kairos Worldwide, Montenegro, Inc., Vivia USA and Wedgeworth Communications.

Learn more about our commitment to supplier diversity.
Motiva®, our company’s employee wellness program, engaged employees last year with monthly educational campaigns centered around the five pillars of well-being. Each month, Motiva encouraged them to practice self-care, eat mindfully, be present, save money and live a purposeful life.

The Motiva® team collaborates with divisions across the company on opportunities for employees to participate in their own health and well-being by:

- Coordinating screenings and shots to help prevent illness
- Sharing weekly news, healthy recipes, tips and webinars with more than 14,000 employees
- Providing employees with healthy cafeteria and vending food
• Planning events and walks to get people moving
• Encouraging volunteerism to enhance community and well-being

Motiva® reminds us that the most important thing we can do is take good care of our health so we can, in turn, take care of our families, perform our jobs well and feel good at the end of the day.

Core to our program is a network of employee health and well-being champions who spread positive messages and brought them to life with wellness celebrations, meditation sessions, walks, community service projects and more.

“Our Motiva® team collaborates with divisions across the company on opportunities and ideas to engage our employees in their own health and well-being.”

Some highlights from 2017 include:

• **San Angelo, Texas:** Employees transformed an old training area into a creative, high-energy break space where team members can de-stress through exercise and activities.

• **Quincy, Illinois:** Champions organized a “Pounds with a Purpose” challenge. They awarded “Purpose Points” for challenges focused on physical, financial and community well-being. As a result, teams contributed more than 4,000 nonperishable food items to a local community food bank.

• **Marshall, Texas:** “Tracks to Fill Backpacks” combined physical activity with a fundraiser. Teams were challenged to walk 20 miles each week, and the team with the least number of miles each week donated $10 worth of school supplies to two elementary schools. Employees accumulated 4,500 walking miles during the challenge.

• **Danville, Illinois:** “Leap into Walking” encouraged employees to reduce stress by pairing walking challenges with mindfulness-based stress management activities. They
emphasized kindness, social support and lifelong learning.

- **Albuquerque, New Mexico**: Champions organized a “Salad in a Jar” activity with more than half the staff participating.

- **Tulsa, Oklahoma**: Employees partnered with a local farm to have fresh produce delivered to the office weekly.

- **Helena, Montana**: A bike-share program provided bikes for employees to get lunch, run errands and ride after work.

As a result of our well-being efforts, we received the Gold Level Award from the National Business Group on Health as a “Best Employer for Healthy Lifestyles.”

Watch how our employees at Blue Cross and Blue Shield of New Mexico learned to make healthy salad in a jar.
COOKING FOR HEALTH
An innovative First Choice Community Healthcare program…

SHARING THE WELLNESS M…
Providing reliable sources for health and benefits information

LET YOUR GARDEN GROW
The Community Pantry’s gardening efforts are helping pr…
Hilda Kendall, chief operating officer at The Community Pantry in Gallup, New Mexico, remembers a time when many people in Gallup had a garden growing in their backyards. “You don’t see too much of that anymore,” she said.

The late Jim Harlin, who helped found The Community Pantry — a nonprofit organization that provides food and nutrition programs for people in northwestern New Mexico — wanted to change that.

“It was his dream to teach people how to grow their food as they had in the past years,” Kendall said.

Because many of The Community Pantry’s clients live in apartments or low-income housing without space for gardening, Harlin wanted to create a space for gardens where people
could grow their own healthy food and share it with their families.

Harlin’s dream became a reality with The Community Pantry’s Hope Garden, which offers onsite gardening areas that community members can use to cultivate and harvest produce. The Community Pantry also utilizes the Hope Garden to grow fruits and vegetables, providing clients with affordable access to fresh, organic produce, such as apples, carrots, tomatoes and leafy greens.
A primary goal of The Community Pantry’s gardening efforts is to encourage healthy eating for people in Gallup and throughout McKinley County. Of all counties in New Mexico, McKinley County has the highest rate of food insecurity, according to Feeding America’s 2017 Map the Meal Gap report.

To support The Community Pantry’s nutritional programming, Blue Cross and Blue Shield of New Mexico (BCBSNM) awarded a $40,000 grant in 2017 to its Growing a Greener World project, which helps educate clients on gardening and healthy eating.

“The Growing a Greener World project is [intended] to get people back to the basics of growing their own produce and teaching the next generation to do so, which helps combat the existing epidemic of diabetes in this area,” said Alice Perez, executive director of The Community Pantry.

The Community Pantry provides community members with education in growing, harvesting and preparing food. Perez explained that having the gardens encourages participants to be creative and experiment with nontraditional foods for the area. And some community gardeners have been so successful that they’ve been able to give their excess produce away or sell it at the farmer’s market.

In addition to helping them expand their community outreach efforts, the BCBSNM grant has also allowed The Community Pantry to buy new seeds and introduce a new growing technique using hay bales, which requires less maintenance and results in a higher yield of vegetables.

Through a variety of programs, The Community Pantry helps 3,000 families every month and distributes more than two million pounds of food annually.
Many community members shared how The Community Pantry has impacted their lives. Bambee Sarracino said that she depends on it for fresh produce. Without The Community Pantry, Felissa Kelly said that her children wouldn’t be eating as healthy. Sam Epaloose Jr. brings his 89-year-old mother to The Community Pantry to pick up food. “It helps her a lot,” Epaloose said.

“We are called The Community Pantry for a reason,” said Perez. “We are here for the entire community.”

Source: Map the Meal Gap, Feeding America, 2017

Watch our video to learn more.
MAKING WELLNESS EASIER
Engaging employees to take good care of their health

HELPING IN ALL SEASONS OF LIFE
Offering a service you might not expect from an insurance company

COOKING FOR HEALTH
An innovative First Choice Community Healthcare program...
Business Resource Groups

How does a large organization help employees feel connected, respected and valued? At HCSC, we developed Business Resource Groups (BRGs) for employees to engage with others who share common perspectives and goals.

These voluntary, employee-driven groups are formed around a common set of goals that relate to a certain dimension of diversity, such as race, gender or culture. The groups contribute to our business by creating an inclusive culture, enhancing community outreach efforts and strengthening employee recruitment and retention.

For example, Senior Vice President and Controller Jim Kadela says serving as executive sponsor of the Asian American Business Resource Group has given him insight into the
nuances across Asian cultures. “I have a better understanding of the unique perspectives each nationality brings to the table,” Jim says. And that insight, he says, helps him engage the members of his team as individuals.

Diversity and inclusion is an integral part of our workplace, and diverse teams drive innovative ideas and better serve our customers.

Our nine Business Resources Groups, with 41 chapters throughout the company, are:

- African Americans in Motion
- Asian American Business Resource Group
- Engaging Millennial Energy to Recognize Growth Enterprisewide (EMERGE)
- In-Abled
- Latinos for Advancement
- Pride Alliance
- Native Americans in Progress
- Supporters of Military Veterans
- Women Improving the Strength of the Enterprise (WISE)
Employee Networks

Our Employee Networks enhance the engagement of our workforce through social gatherings, events and activities organized around an affinity, talent or common interest.

“At a time when much in society attempts to divide us, employee networks provide a channel for us to stand with one another,” says Khurram Taufiq, a senior actuarial associate who serves as co-chairperson of The Diversity Forum in Richardson, Texas.

The Diversity Forum fosters an inclusive and culturally competent workplace in which employees share mutual understanding and respect for one another. The network “provides a platform for us to learn about one another,” Khurram says. “Whether through a simple forum discussion or a speaker during a cultural festival, we are also exposed to new information.”

These are a few 2017 highlights of our three Employee Networks:

- The Diversity Forum hosted a Lunar New Year festival that allowed employees the opportunity to understand the history behind the cultural festivities and participate in traditions celebrated by many East Asian countries.

- Europa, which works to increase employees’ knowledge of various European cultures, co-hosted a monthly Gastronomy Club with The Diversity Forum. Participants sampled different cuisines to better understand the connection between food and culture.

- Voices of Diversity, which spreads the message of diversity and inclusion through musical performances, honored our military veterans with performances on Memorial Day, Veterans Day and at the veteran job fair at HCSC’s Chicago headquarters.
Learn more about Our Commitment to Diversity
HCSC has received recognition for the past five years from DiversityMBA, a national leadership organization focused on integrating diversity and inclusion with talent management. DiversityMBA awards companies with compelling stories, strategies, successes and best practices. We are proud to have advanced to No. 2 from No. 6 on its 2017 rankings of the Best Companies for Women and Diverse Managers to Work, also known as the 50 Out Front.

HCSC was also honored to have two employees recognized as DiversityMBA Top 100 under 50 recipients. The awardees were Dr. Esteban Lopez, Blue Cross and Blue Shield of Texas chief medical officer and southwest Texas market president, and Margaret Trietsch, senior director of content strategy and delivery.
Our 2017 Awards and Recognition include:

**National**

**DiversityMBA**

- 50 Out Front: No. 2 Best Companies for Women & Diverse Managers to Work
- 50 Out Front: Best Companies to Work for Women and Diverse Managers Ranking in five categories:
  - Workplace Inclusion and Retention
  - Accountability
  - Board Diversity
  - Representation
  - Succession Planning

**G.I. Jobs**

- Military Friendly Employers Designation and Bronze Status

**Human Rights Campaign Foundation**

- Awarded 100 percent on the Corporate Equality Index – Best Places to Work

**National Business Inclusion Consortium “Best of”**

- The 2017 Best Corporation for Inclusion

**National Gay & Lesbian Chamber of Commerce (NGLCC)**

- Best of the Best Corporation for Inclusion

**US Business Leadership Network (USBLN)**

- Awarded 100 percent on the Disability Equality Index

**Regional**

- HCSC named DiversityMBA No. 1 Regional Company
- Blue Cross and Blue Shield of Oklahoma recognized as Tulsa Regional Chamber of Commerce Mosaic Top Inclusive Workplace Culture

- Blue Cross and Blue Shield of Illinois recognized as the Phoenix Center’s Springfield Community Partners PRIDE Award recipient (the Phoenix Center is an LGBTQ community center in Springfield)
BEST PLACES TO WORK for LGBTQ Equality
2018
100% CORPORATE EQUALITY INDEX™
CONNECTING KIDS WITH STEM

BCBSNM supports programs for science, technology, engineer…

EMPLOYEE GROUPS

Employee groups play an important role in achieving business o…

OUR DIFFERENCES...

Empowering our workforce with diversity and inclusion
For the past 15 years, HCSC has recognized employees who exemplify the spirit, principles and actions of diversity and inclusion in their workplace and community by presenting the Raymond F. McCaskey Diversity and Inclusion Award. This award was inspired by former HCSC President and CEO Raymond F. McCaskey. With a growing number of HCSC employees going above and beyond to exemplify these qualities, we have adapted our award to recognize employees at two levels, leadership and individual contributor.
Raymond F. McCaskey
Leadership Award

The 2017 winner of the leadership award was Mercedes Millberry Fowler. Mercedes is a unit manager in the community relations department of our Tulsa, Oklahoma, office. She has always been interested in social justice and equality and appreciates that HCSC has a strong philosophy of diversity and inclusion.

“I am fortunate that HCSC supports me as I continue to learn more about how we can engage all our employees to bring their authentic selves to work,” Mercedes says. “The company can benefit from embracing the diversity of perspectives and experiences that our employees possess.”

Mercedes has been with HCSC for eight years, first in the public relations department, working on outreach efforts related to the Affordable Care Act. She is now in community affairs, where she interacts with nonprofits in Oklahoma that work to address social determinants of health.

Mercedes is a member of four of our nine Business Resource Groups, employee-driven groups organized around a particular characteristic of diversity. “Diversity and inclusion are critical to the future survival of all companies as demographics and cultural norms change and grow,” she says.

Mercedes chairs the business services committee of the Tulsa Regional Chamber Mosaic Group, the chamber’s diversity council. Blue Cross and Blue Shield of Oklahoma (BCBSOK) has been recognized a Mosaic Inclusive Workplace recipient for the past four years.
Ben Thierry, a business analyst for the information technology group at our Chicago headquarters, was the recipient of the individual contributor award. Ben is a member of HCSC’s Pride Alliance, our Business Resource Group for employees who are lesbian, gay, bisexual, transgender, queer/questioning (LGBTQ) and LGBTQ allies.

“I believe living authentically is key to the advancement, visibility and protections of people who identify as LGBTQ,” Ben says. Ben is a project co-lead/founder of an initiative to create the Authentically Blue OasisSM, an inclusive space for HCSC employees. He’s also the project lead on the company’s LGBTQ web presence project. One of his goals, he says, is to “promote a world in which all LGBTQ youth are free to be who they are.”
Learn about our past Raymond F. McCaskey Award Winners in our previous Social Responsibility Reports.
“It is fun to learn through hands-on experiments,” said 9-year-old Audrey Phelps, a student who participated in Discovery Festival.

The 2017 Discovery Festival, which was hosted in Albuquerque by Big Brothers Big Sisters of Central New Mexico, featured exhibitors from local organizations that engaged young New Mexicans in the exciting and diverse opportunities in science, technology, engineering and mathematics (STEM). By encouraging students to investigate, experiment and innovate, Discovery Festival made STEM come alive for the more than 1,500 young people who attended the event.

At the Blue Cross and Blue Shield of New Mexico (BCBSNM) booth, students used their engineering skills to build structures with the big, blue blocks of an Imagination
Boys & Girls Clubs of Central New Mexico provided the use of the Imagination Playground, which BCBSNM had previously donated to the organization.

Employees from our pharmacy team also participated in Discovery Festival to showcase STEM careers at BCBSNM. Students asked the team about their professions, educational backgrounds and the STEM disciplines they use in their jobs. The employees represented the field of science for pharmacy and the fields of engineering and mathematics for Lean Six Sigma, which is a method for quality improvement.

“If students become passionate about one of the fields, they are more likely to commit to a higher level of education.”
“The intent is to get the experts who work in these fields in front of the students to promote conversations as well as fun hands-on interactions to drive passion,” said Stefanie Harrison, pharmacy quality consultant and member of the Health Care Service Corporation STEM Advisory Group. “If students become passionate about one of the fields, they are more likely to commit to a higher level of education.”

According to a report from the U.S. Bureau of Labor Statistics, employment in STEM-related jobs is expected to grow by more than 9 million jobs through 2022. Harrison explained that there’s a nationwide gap between such high-demand jobs and the number of skilled workers who can fill those positions.

“One of the best ways to meet our strategic goal of an improved talent engine is to have a presence in our communities to educate, support and invest in the next generation of STEM innovators,” Harrison said. “Our involvement will help close the gap in the job crisis, boost the economy and nurture the minds of our young members.”

Regina Jolley, a teacher at Hayes Middle School in Albuquerque, spoke about the importance of the event for students. “I think Discovery Festival is essential for all grade levels because it gives the students opportunities to explore and have hands-on activities that will engage their minds for future job possibilities,” she said.

Learn more about STEM.