Our diversity journey began in 2007 when we formally established a Diversity Office. Since then, we’ve made significant strides to create an inclusive and diverse workplace where employees feel they can be themselves, a place where different perspectives are heard and encouraged; a place with thriving employee networks and programs that support employees’ work life. We pride ourselves on the culture we’ve built and the behaviors, practices, policies and programs that support it.

In 2019, we stayed focused on developing a diverse workforce with the insights to address the needs of our customers and the communities where we live, work and do business. Our culture of inclusion continued to inspire employees to do their best work. We delivered innovative, tailored products to meet the unique needs of different marketplace segments. And we provided strong support to the communities our company serves.

Working together, all of us here at Blue Cross and Blue Shield of North Carolina (Blue Cross NC) are building a better health care system. Diversity, equity and inclusion are at the heart of the work we do serving North Carolinians across our great state. Every day, our employees bring their ‘fearless’ to address the root causes of health disparities and inequities that exist in the health care system, in addition to the drivers of health that lead to varying health outcomes.

Diversity work is top-of-mind for our employees, who know that it ultimately impacts the customers and communities in which we serve. We strive to not only ‘be the change’ but to also be a leader, innovator and inspiration in the diversity space. Together, we continue to progress toward positive change.

Over the next few pages of our Diversity Annual Report, our hope is that you have a glance into our diversity journey and accomplishments. We still have much work to do, but I’m proud of the culture we’ve built and the behaviors, practices and programs we’ve adopted.

Best,
Fara Palumbo
Chief People Officer
Foundational Stage
The entire workforce understands the business case for diversity.

Enlightened Stage
The entire workforce has a fundamental understanding of diversity, equity and inclusion key terms, definitions and concepts.

Integrated Stage
Diversity, equity and inclusion are embedded in organizational culture, are part of our daily work and add value to our business outcomes.

Optimized Stage
Diversity, equity and inclusion are continuously improved and leveraged for optimal organizational performance.

Embedding Diversity, Equity and Inclusion in the Fabric of Our Culture
We serve millions of people. That alone requires that Diversity, Equity & Inclusion be at the heart of all we do. Our focus on a diverse workforce, leadership and customer service teams will continue as always, and we’re adding new goals, strategies and actions that make inclusion an even higher priority.

We resolve to make Diversity, Equity & Inclusion a part of every workplace, workforce and marketplace initiative.

We’re committed to operate in a fully inclusive and collaborative environment that uses innovation to transform the health care system.

We value engaged employees in an inclusive environment who are ready to transform health care.

Our promise is to:
- Maintain an inclusive workplace that values differences.
- Empower a highly skilled workforce with the insights to address the diverse needs of our customers and communities.
- Partner with all internal stakeholders to get better business outcomes.
- Cultivate healthy relationships with diverse businesses and community partners that support our mission.

When we develop the insight and skill to grow our business in a dynamic marketplace, we’re not only better able to serve the unique needs of our diverse customers and communities, we’re also better able to create a richer, more vibrant culture within our company.

From Integrated to Optimized
Organizational assessments and benchmark data show that we are in the “integrated” phase of our journey. Our diversity initiatives will be guided by three high priority focus areas to support our evolution and respond to organizational needs:

Sustainability
- Assess current practices and modify as needed
- Drive engagement through innovative programming
- Enable learning and growth

Accountability
- Use data to identify opportunities and develop strategies to address them
- Share individual responsibility for inclusion and diversity outcomes

Inclusivity
- Promote healthy inclusive behaviors and habits
- Build systems of equity
- Provide consistent experiences for our employees and customers
A Vibrant Workplace
Our Workforce
Cultivating a Strong, Diverse Workforce

Diversity, equity and inclusion are concepts we value at Blue Cross NC. They are also at the core of our talent and culture strategy. We know that our company is only as strong as our employees. We strive to engage a highly skilled and talented workforce that is reflective of the diverse populations we serve.

Attracting the Best Talent

Our process for sourcing, recruiting and selecting candidates is designed to remove barriers for underrepresented populations and give everyone equal opportunity to join and advance their career in the organization:

- To raise awareness of unconscious bias in the recruiting process, we provide training tools to help our Talent Acquisition team, hiring managers and members of interview teams.
- We require interview teams for talent searches to be diverse, including gender, ethnicity/race, generation and other qualifiers.
- In 2019 we launched Diversity Recruitment Action Teams to implement recruitment strategies that increase representation of targeted demographics in our talent pools.

Through data analysis, we identified four targeted recruitment areas for talent:

- Historically Black Colleges & Universities (HBCUs)
- Veterans
- Women in tech
- People with different abilities

Action team recruitment objectives:

- Building partnerships with organizations and institutions representing these talent populations
- Supporting recruitment events to connect with talent
- Participating in workshops to help job seekers build their resumes and prepare for job interviews
- Hosting best practice meetings for some of our partner organizations on-site
- Strengthening our employment brand externally among these talent demographics

Company Stats

| 4,813 Workforce (as of 12/31/19) | 15 New hires identify as veterans |
| 18 New hires disclosed having a disability |
| 7% Asian |
| 39% Black or African American |
| 3% Hispanic or Latino |
| 2% Two or more races |
| 49% White |
| 51% Racial/Ethnic Diversity |
| 72% Female |
| 28% Male |
| 58% Women in Leadership |
| 37% Women in Tech |
| 737 Leadership |

New hires identify as veterans
New hires disclosed having a disability
Asian
Black or African American
Hispanic or Latino
Two or more races
White
Racial/Ethnic Diversity
Female
Male
Women in Leadership
Women in Tech
Leadership

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Diversity Education
Enabling Growth and Change
Every human has bias. At Blue Cross NC, we believe in challenging ourselves to confront our biases, reflecting on our discoveries and having open discussions to facilitate our own personal growth. We support these practices with education and training as well as fun challenges to get us thinking and talking – about what we’re doing well and what we can do better. One of our goals is to develop strong leaders who are adept at diversity. Another extends that cultural training to health care providers serving our members, so that we can contribute to making the health care system a more inclusive space that is sensitive to harmful behaviors.

The 2019 Inclusion Challenge
Informed by research done by Harvard Business Review, we created a campaign to promote four inclusive behaviors at Blue Cross NC. Over a 6-week period, employees participated in various activities that promoted these inclusive behaviors. The activities in the challenge encouraged self-reflection and discovery, accountability and commitment to support inclusion.

The four behaviors:
- Visible commitment to diversity and inclusion
- Awareness of bias
- Curiosity about others
- Effective collaboration

Employee engagement:
- 1,033 employees registered
- Over 7,000 activities completed
- 43 percent of our Leadership Team participated
- Membership in Employee Networks grew by 12 percent

Training
We are all in different places in our individual diversity awareness journey. At Blue Cross NC, we use a variety of tools and resources to accommodate these differences in developing our workforce:
- Incorporate inclusion and diversity topics in our annual required training
- Customize workshops for intact teams across the enterprise
- Suggest on-demand content through our learning platforms
- Embed diversity in our Fearless Leadership curriculum so our leaders can develop inclusive leadership behaviors that align with our culture and values

We are also grooming the next generation of Blue Cross NC leaders through our Employee Network Leadership Development Program, which brings together a diverse group of participants to create a pipeline of future leaders. It develops a set of core skills trainees can leverage to lead their networks and apply to their primary job roles.

Cultural Competence
Human interaction is at the heart of the health care experience. We offer cultural competency training to employees who work directly with members as well as the physicians who serve our members. The objectives of the training are for participants to:
- Define diversity, inclusion and cultural competence
- Enable patient care across diverse social, cultural and linguistic needs
- Recognize the standards that can guide us in adopting an integrated multicultural approach
- Identify and record communication preference information of patients and families to enable appropriate interventions and services whenever applicable
- Identify resources that help us deliver culturally competent care

In 2019, 570 of our employees completed this web-based training.
Our Employee Networks

Professional and Personal Development

Blue Cross NC employees are the customers and communities we serve, and their ideas and contributions represent the diversity of the population. We encourage our employees to explore and share these ideas through our Employee Networks, company-approved groups organized around shared interests or perspectives. These networks enhance our culture and offer opportunities to learn about others whose backgrounds may be different from their own as well as providing networking and professional development. Increasingly, our employee networks are also advancing Blue Cross NC business goals by raising and solving business issues and improving our ability to attract and retain talent. Since some of the networks work with local community leaders and organizations, they also enhance our brand image.

AABEN
AABEN promotes an inclusive environment in which the African American/Black perspective creates a positive influence on the company.

CareNet
CareNet provides support for all employees, especially those who care for children or seniors and those impacted by a disability, chronic illness or disease.

FlexNet
FlexNet works to break down silos for flexible work employees and helps them overcome challenges in networking and career growth.

GlobalNet
GlobalNet facilitates collaboration between employees of differing cultures and points of view – to create a culture of inclusion that helps drive company success.

NextNet
NextNet supports employees interested in “what’s next” in their personal and professional lives – whether it’s a position with increased responsibility or active retirement.

LGBTQ+A
LGBTQ+A aspires to promote an inclusive, safe and supportive environment for LGBTQ employees and their allies.

VetNet
VetNet is for Blue Cross NC employees who have served in the military or who have an affiliation with those who have served.

WEN
The Women’s Employee Network (WEN) focuses on the professional development and advancement of women.

YoPro
Young Professionals Employee Network (YoPro) helps young professionals access the tools and skills needed for leadership and career success and encourages community service.

TechNOW
Tech NOW advocates, educates and mentors women in technology at Blue Cross NC so they may realize their unimaginable potential and achieve their career goals.
Student Day
YoPro partnered with Human Resources to host more than 50 undergraduates from North Carolina colleges and universities who were introduced to Blue Cross NC, our culture and our career opportunities. They met with employees in different business areas, learned about the transition from college to the working world and networked with leaders. Some of these students applied for our summer internships and Rotational Development Program, demonstrating the ability of our networks to provide meaningful business solutions.

Cultural diversity and awareness celebrations
GlobalNet had a busy year advocating for the many culturally diverse perspectives represented in our workforce. Many celebrations and events were held, such as Chinese New Year, Hispanic Heritage Month, Ramadan, Blue Diwali and others that explored unique cuisines, practices and beliefs. Over 500 employees engaged in the celebrations!

Campus blood drives
VetNet partnered with the Red Cross to host five blood drives in 2019. Over 180 donations provided almost 200 units of blood used at multiple military installations and VA hospitals in North Carolina, which ranks third in terms of state military populations.

Employment Network Events
Making a Difference Together
Here are a few of the programs put on by our employee networks in 2019. We’re proud that our employees care enough to help expand our recruitment outreach, showcase the many cultures represented here at Blue Cross NC so we can all celebrate together, and even make a difference in the health and wellbeing of veterans in our state.

Employee Networks By the Numbers

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<th>Event Attendance</th>
<th>Content Views</th>
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<td>4,618</td>
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Addressing the Needs of Our Latinx Community
Spanish Language Website

Viewing a website in someone’s native language allows them to feel more empowered when making informed health care decisions, which is something we want for all our members. In 2019, we launched a Spanish-language website (es.bluecrossnc.com). Now we can give the same exceptional experience to more members of our community.

Bilingual Customer Service Team

In addition to the website, we have had a Spanish-speaking customer service team since 2002, addressing the needs of the Latinx community in an accessible way. Our statistics show that this team has really made an impact on our member communications:

- **Customer Service Advocates:** 19
- **Calls answered since 2002:** 444,646
- **Calls answered in 2019 (estimated):** 19,147

Blue Cross NC Charlotte Center

The Charlotte Center connects us to the Latinx community in the area. In 2019, we participated in cultural events with several thousand in attendance, such as the Day of the Dead in Downtown Charlotte and the Latin American Summer Fiesta with the Latin American Chamber of Commerce. We also hosted meetings and events on various topics in the center, with the Latin American Coalition of Charlotte and the Latin American Chamber of Commerce, among others. We had 321 event and meeting attendees at the center last year.

Our Native Spanish-Speaking Population

Providing an Exceptional Experience

Spanish is the second most-spoken language (after English) in North Carolina. And the Hispanic population is projected to account for 37 percent of the total population growth during the next decade. Inclusion of this community is vital to our efforts to support the health and well-being of the people of NC.

Why is Outreach Important?

Why is Outreach to the Latinx Community Important?

Blue Cross NC has been thrilled to reach out to and be a part of the Latinx community, such an important contributor to our state. The Latinx population brings a huge burst of cultural diversity, is an integral part of the economy and continues to thrive and grow in so many ways, including in the small business space. Outreach is also important because we can educate and assist this community on how to take advantage of the benefits and opportunities of health care and how to seek assistance when needed. We look forward to finding more ways to engage with, learn from and assist the Latinx community.
Doing Well by Doing Good
Drivers of Health

There are many barriers that can prevent our communities from getting and staying healthy. We identify and fund initiatives that specifically address non-medical individual and community drivers of health like access to care, early childhood development, education, food insecurity and safe housing.

Here are just a few of the initiatives we helped fund in 2019 to specifically address community drivers of health:

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<th>Driver of health</th>
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<td>Early Childhood</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$13,853,059</strong></td>
</tr>
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Action Through Philanthropy

Our Community & Diversity Engagement oversees our Diversity Sponsorship Program, an initiative that focuses on financial support for areas in the community that align with specific needs, target markets and overall company objectives. In 2019, Blue Cross NC invested more than $3.9 million in organizations and initiatives that support diverse populations across our state. Diversity funding helps to cultivate external relationships that promote our business and our brand.

Here are a few of the community partners we provided financial support to:

- **African-American organizations:** Over $2 million to HBCUs as well as other local mission-driven nonprofits supporting the African-American community
- **Hispanic/Latinx organizations:** More than $250,000 towards Hispanic outreach programs, such as El Centro Hispano and El Futuro
- **Senior (Over 65) organizations:** Over $425,000 towards organizations such as Meals on Wheels, North Carolina Senior Games and the Durham Center for Senior Life
- **Women’s organizations:** More than $400,000 towards organizations like Girl Scouts, Dress for Success and Girls on the Run
- **Disability advocacy organizations:** Over $162,000 towards serving those with both cognitive and physical disabilities including Pathways for a Future, Special Olympics NC and the Tammy Lynn Center
Investing in Higher Education

Among our many areas of interest, we remain committed to higher education for the next generation of leaders, particularly in racial and ethnic communities. One such effort is helping to prepare future black health care leaders by supporting nursing programs at HBCUs in North Carolina. These partnerships help remove financial barriers for students in need and contribute to equitable education. They also diversify talent pipelines in health care-related fields.

Since 2018, we have invested more than $6 million at:

- Elizabeth City State University
- Fayetteville State University
- Livingstone College
- North Carolina A&T State University
- North Carolina Central University
- Saint Augustine’s University
- Shaw University
- Winston-Salem State University
- Johnson C. Smith University

A Dynamic Marketplace

Our mission is to improve the health and wellbeing of our customers and communities. One of the ways we do this is by addressing specific community needs through our marketplace offerings.

Healthy Blue

In 2019 we introduced Healthy Blue, our Medicaid managed care plan in North Carolina. Healthy Blue allows us to make sure the most vulnerable members of our communities get the quality health care they need. We understand the many challenges faced by this population, and we look forward to serving our members in this market segment once Medicaid Transformation work in North Carolina resumes.
Although we’ve been at this work for more than a decade and have made great progress, the work must never stop. To move our diversity, equity and inclusion path forward, we must continue to ask ourselves what more we should be doing to support our employees, our customers and our communities, and build a more equitable North Carolina for all citizens.

The road ahead provides an opportunity for us to think differently, look at our policies and programs, bring new voices and ideas to the table and continue innovating together in the diversity, equity and inclusion space. Here are a few of our focus areas for 2020:

- Enable diversity, equity and inclusion learning and growth
- Engage and develop diverse talent
- Build systems of equity for our employees, customers and communities
- Provide consistent experiences for our employees and customers

We can’t wait to share with you our progress in the 2020 Diversity Annual Report!