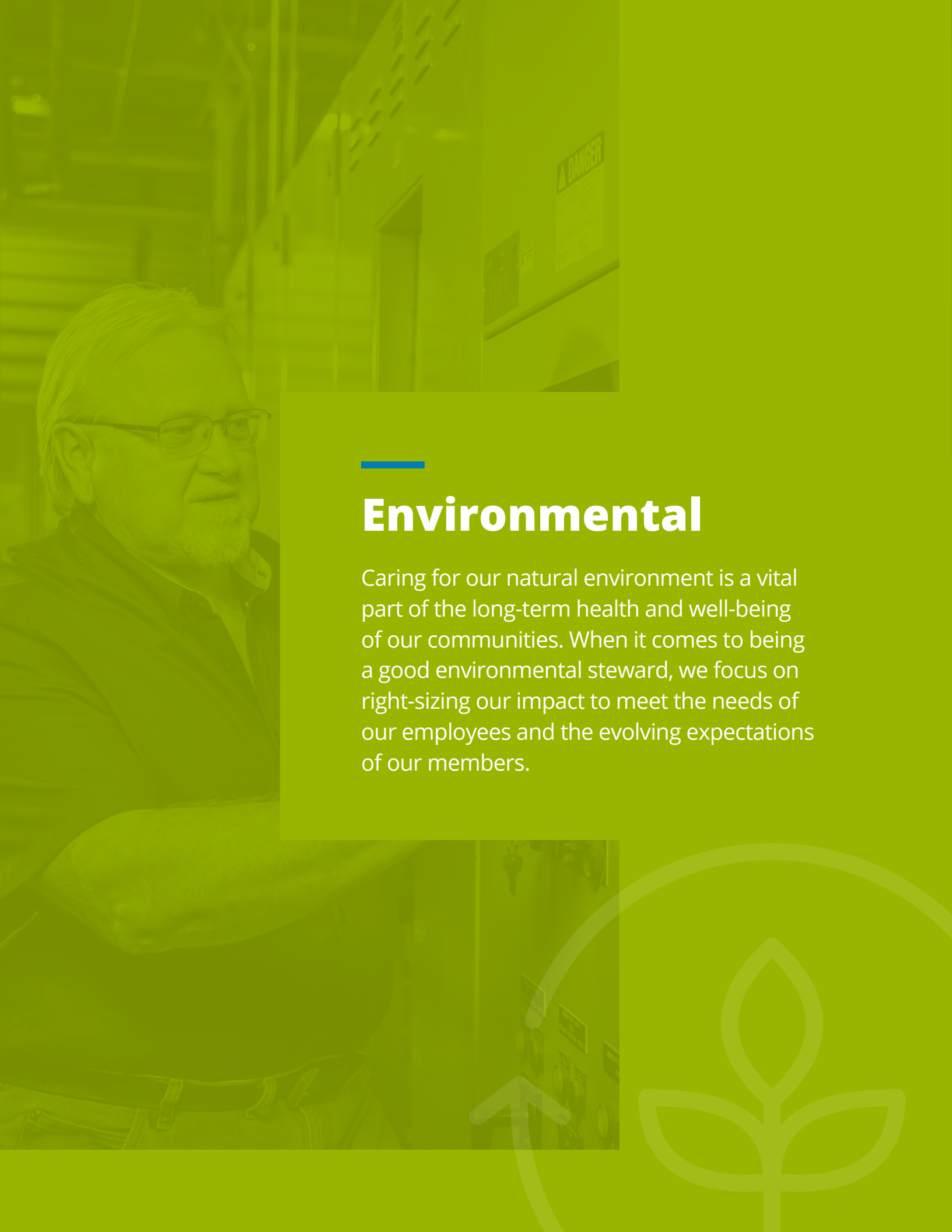




Environmental, Social & Governance

Our vision at Blue Cross Blue Shield of North Dakota (BCBSND) is to bring a new level of health and well-being to the state of North Dakota and beyond. We do this by working to provide more affordable and simplified health care that elevates the well-being of people.

Consistent with our [vision and mission](#), we believe elevating well-being means we continuously strive to operate as a more responsible steward, elevating the environmental, social and governance issues important to us, our members and our communities today.



Environmental

Caring for our natural environment is a vital part of the long-term health and well-being of our communities. When it comes to being a good environmental steward, we focus on right-sizing our impact to meet the needs of our employees and the evolving expectations of our members.



Modernization of our Fargo headquarters

- Technology to reduce electrical consumption such as LED light fixtures, occupancy sensors, loop storage tanks and variable frequency drives (VFDs)
- High-efficiency water cooling towers to reduce power consumption and CO2 emissions
- Ion plasma generators to keep indoor air cleaner longer, reducing load on HVAC systems and reducing energy usage
- HealthyDakota Mutual Holdings, the parent company of BCBSND, is embracing a hybrid workforce and strategically consolidating space to reduce the physical footprint by 60%



Paper and waste reduction

- Move toward a fully digital internal workflow
- Reduce use of external print and mail
- Heat parts of the building with exhaust from the print facility
- Reduce waste with recycling program





Social

Health and well-being are essential building blocks to personal fulfillment, thriving communities and a stronger North Dakota. When it comes to our social commitment, we focus on building opportunities for well-being for the people we employ and serve across the state.



Equity and inclusion

We strive to make sure our employees feel safe, included and welcome. Our employee-driven Inclusion, Diversity, Belonging and Equity (IDBE) Council works to create an environment where all team members are valued and empowered to do and feel their best. The team focuses on:

- Reviewing internal policies and procedures
- Raising awareness around cultural observations, holidays and sharing employee stories
- Offering an outlet for all employees to ask questions, raise concerns and access resources

We also encourage fairness and a diverse and inclusive workforce through our hiring practices and compensation benchmarking processes to promote pay equity across differing populations.



Well-being and flexibility in the workplace

- A holistic approach to a culture of well-being with physical, financial, social, professional, emotional and environmental elements
- Well-Being Lifestyle Spending Account, a \$500 employer-funded, post-tax flexible account that can be used to buy a variety of lifestyle and wellness products and services, like fitness gear, state park fees, golf lessons, self-defense classes, home cleaning services and certification courses
- Breastfeeding-friendly workplace, with dedicated lactation rooms at each office
- Paid parental leave upon birth/adoption
- In-office, work-from-home or hybrid flexibility
- PTO, paid holidays and three paid flexible holidays
- Dedicated employee social media platform to share personal stories, connect and publicly recognize colleagues' work
- Two paid hours annually for preventive screening visits
- Free access to Learn To Live and meQ, online behavioral health resources, and Live Well EAP counseling services
- Up to 16 hours off annually to volunteer

Over 33%

More than one-third of our workforce is fully remote

3,700 hours volunteered in 2022

52% of employees spent time volunteering for 100 nonprofits

\$800,000

invested across five key impact areas on gaps in services and other inequities that adversely impact health



Career development

- An internship program that offers experience in team collaboration, volunteerism and a capstone project
- Tuition assistance for continued education
- Mentoring programs that pair tenured employees with young professionals
- Ongoing development, including budget for classes or conferences
- A succession program to prepare high-performing individuals for future leadership opportunities
- A dedicated, year-long new leader training program



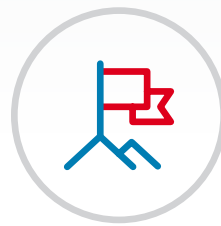
Community investments

- The BCBSND Caring Foundation works to advance community-centered solutions to better health across all generations through statewide well-being grants and community engagement initiatives
- 27 scholarships awarded each year to strengthen the health care workforce and cultivate the next generation of health care leaders
- Over 3,700 hours volunteered by employees and \$200 donated per employee to a nonprofit of their choice
- Participating in a four-year commitment to bring trauma-informed training to Boys and Girls Clubs of America
- Working with local sports teams on community engagement initiatives to increase awareness and access for youth mental health services
- Awarded grant to Beyond Boundaries Therapy to provide therapy services to children and families in rural communities through North Dakota's first Mobile Therapy Unit



Health disparities

- Caring Foundation collaborated with North Dakota State University Center for Social Research on a statewide health assessment, based on the social determinants of health (SDoH) to inform strategy, investments and decision making
- Held a series of roundtables and community discussions to share SDoH study results with a goal to engage local leaders to identify and advance solutions
- Strengthening partnerships and resources to address SDoH disparities and access, including food, childcare, transportation, housing and mental, behavioral and substance use disorder services
- Conducted internal health equity impact assessment to identify opportunities to advance health equity across BCBSND operations and services
- Improving rural health with telehealth options for more access and measures to reduce health costs
- \$50,000 invested in eight communities through rural health partnership grants offered to rural providers and their communities to stimulate new thinking around health care providers championing SDoH components
- Strategies to improve health disparities in North Dakota through our BlueAlliance program, which focuses on improving the quality of care and reducing the cost of growth
- Data-driven outreach to Medicaid Expansion members at risk of losing their coverage due to the end of the public health emergency to transition them to individuals plans
- Partner with Arkos Health to provide health care support for Medicaid Expansion members to assist with needs such as transportation to medical appointments, connecting to community resources, scheduling appointments, and help coordinating health care needs.



Social impact goals

- Positively move the needle on key health drivers through funding support and key metric tracking and analysis
- Strengthen and expand networks and partnerships that enable cross-sector collaboration that amplify impact and leverage expertise to create lasting change and inspire others
- Reach a new level of health and well-being among North Dakotans



Governance

Hundreds of thousands of people depend on us to provide affordable health insurance. As a not-for-profit mutual insurance company, our members expect us to manage our business with their best interests in mind.



Delivering member value

As a nonprofit, member-owned organization, we strive to bring value to our members through ongoing efforts to challenge the cost of health care.

- Robust audits to ensure accurate, timely and effective claims processing
- Advanced payment integrity program helps members collectively save millions
- A targeted cost per member per month to ensure responsible stewardship of member premiums
- Responsible investment model that prioritizes innovation, services and support for our members
- Establishing administrative agreements between HealthyDakota Mutual Holdings companies for shared services, such as security and technology, to ensure optimization
- Provide assistance to clients throughout mental health parity compliance exams



Board independence and diversity

- Independent board of directors made up of nine to 15 members
- A mix of consumer-driven member directors and health providers
- Directors elected through an annual voting process involving BCBSND voting members
- Commitment to establishing board diversity
- Board governance strategic priorities in 2023 are fiduciary roles and responsibilities, as well as crisis management and handling



High ethical and compliance standards

In a highly regulated and complicated industry, we have mechanisms in place to achieve high standards in operations:

- Audit team reporting directly to the board of directors
- Enhanced vendor management process to mitigate the risk of outsourcing products and services to outside third parties and ensure our vendors meet our security requirements
- Dedication to information security, data protection and privacy at all levels, including multiple education touchpoints for all employees throughout the year, information subcommittee of the board of directors and data privacy audits of home offices
- Established environmental, social and governance council
- Provider Special Investigations Unit to ensure accurate claims, while monitoring for fraud, waste and abuse

