Diversity and inclusion... We’re stronger together.

2012 Diversity & Inclusion Report

MassMutual Financial Group®

We’ll help you get there:
We’re in this together.
A letter from Roger Crandall, Chairman, President and CEO, and Lorie Valle-Yañez, Vice President and Chief Diversity Officer

Since our founding in 1851, MassMutual has been committed to helping people secure their futures and protect the ones they love. As we have grown over the past 162 years, so have the demographic shifts that are critical to our business. One out of two infants born today is a member of a racial or ethnic minority. In less than 30 years, our country is expected to have a non-white majority. As the face of America changes, it only makes sense that the face of MassMutual reflects that change as well – which is why diversity and inclusion is a key part of our business strategy today.

At MassMutual, we see beyond the traditional definition of diversity. To us, diversity includes the broadest possible range of cultures, backgrounds, experiences and perspectives. Our goal is to welcome and include diversity and inclusion in all its forms – we believe it’s the right thing to do. As a mutual company operating for the benefit of our policyowners and customers, we must be prepared to meet the needs of all the people who seek the peace of mind and financial security we can help provide.

It is clear that we are making progress. Over the last five years, we have tripled our whole life sales to multicultural consumers. Nearly half of the members of our Board of Directors are either women or people of color. We have earned notable industry recognition, such as being a NAFE Top 50 Company for Executive Women and one of DiversityInc.’s 25 Noteworthy Companies.

Our employees also recognize our efforts are making a difference, and many of them are active participants in helping move the company forward. We have seven Employee Resource Groups, which are company-sponsored, employee-driven affinity groups that help the company reach our strategic diversity goals in the workplace, community and marketplace. In 2012, nearly 1,000 employees were members of one of these groups and fully engaged in our efforts.

You can read more about our progress and accomplishments on the following pages. While we are proud of our achievements, we must continue to move forward in order to best meet the needs of the next generation of policyowners and customers. We look forward to continuing on this journey and to fostering a culture of diversity and inclusion at our company.

Sincerely,

Roger Crandall,  
Chairman, President and CEO

Lorie Valle-Yañez  
Vice President and Chief Diversity Officer

We’re stronger together
About MassMutual

On May 15, 1851, MassMutual started with a single room and a single purpose – to help people protect their families and their futures.

Today, more than 160 years later, that single, long-term perspective remains core to all we do. We are a company defined by our mutuality, operating for the benefit of our policyowners, and proud of our long history. Over time, we have provided financial and retirement security to millions of people, paid dividends to our participating policyowners continuously since the 1860s and earned financial strength ratings that are among the highest of any company in any industry.2

As the face of America changes, the face of MassMutual reflects that change.

U.S. Census Bureau figures show that non-whites accounted for 92% of U.S. net population growth in the past decade, and more than 50% of infants born today are members of a racial or ethnic minority. This change in our nation’s demographics has profound implications for our business, which is why diversity and inclusion is a key part of our business strategy today.

Today, MassMutual ranks in the FORTUNE® 5003 as well as a FORTUNE® “most admired” company in the life and health insurance category.4

Our network of trained financial professionals includes thousands of representatives located across the United States. Our business strategy is built on the foundation of our mutual structure and includes a diverse portfolio of protection and retirement products, strategic operations and business principals, a strong distribution network of skilled financial professionals, a diversified investment strategy and disciplined enterprise risk management.

1 Dividends are not guaranteed.
2 Financial strength ratings are as of August, 2013: A.M. Best A++; Fitch AA+; Moody’s Aa2; Standard & Poor’s AA+. Ratings are for MassMutual (Springfield, MA 01111) and its subsidiaries, C.M. Life Insurance Co. and MML Bay State Life Insurance Co. (Enfield, CT 06082). Ratings are subject to change.
MassMutual diversity and inclusion statement

MassMutual is a life insurance company founded in 1851, and we have always believed the best – and right – way to reach and serve an increasingly diverse market is to actively strive to reflect the market in our customers, workforce, career agency system, suppliers and community partnerships.

As a mutual company, we operate for the benefit of our members and policyowners. We remain true to our founding principle to help individuals, families and businesses secure their financial futures and protect the ones they love. Our customers will always be changing and evolving. We strive to reflect that in every aspect of our company, which we believe gives us a competitive advantage and will allow us to produce winning results and market-leading value for our policyowners.

By building a diverse and inclusive culture, where people feel valued for who they are, how they think, and what they bring to the table, we become a stronger and more innovative company.

Guiding principles

The following is a set of principles to inform our actions and practices related to diversity and inclusion. As with everything we do, achieving desired business results is our primary goal. It is not possible to anticipate every scenario; however, leaders and managers serve as champions of diversity and inclusion, and they will consider these guidelines when making the best decisions for the business.

We demonstrate our commitment to diversity and inclusion in what we do, including:

- Serving diverse customers and helping them meet their financial objectives
- Taking proactive steps to build a diverse and inclusive team that enables people to unlock their potential
- Maximizing the potential of our workforce and national sales force
- Ensuring that our workforce and national sales force understand the business case for diversity and the value that a diverse team brings to the business, our customers and our policyowners
- Actively seeking diverse suppliers for inclusion in bidding opportunities
- Engaging with the diverse communities we serve through partnerships with non-profit organizations

MassMutual received noteworthy marketplace recognition for being a leader in diversity and inclusion in 2012.

One of DiversityInc’s 25 Noteworthy Companies
2012 marked the 12th year MassMutual was on Working Mother’s list of 100 Best Companies
A Top 50 Company for Female Executives
MassMutual is a 2012 Top 50 Employer in Equal Opportunity magazine
MassMutual received the Legal Departments of the Year Award from the Connecticut Law Tribune 2012 – Diversity/Quality of Life
MassMutual’s diversity and inclusion strategy

Diversity is the strategic catalyst that will help MassMutual grow and thrive in the future

Expand business opportunities and improve competitive position

- Better serve our customers
- Tap into diverse, underserved and niche markets
- Increase employee and agency engagement
- Promote innovation and creativity
- Improve ability to attract and retain talent

Leadership driven

- Executive Team
  - Diversity Council
  - Employee Resource Groups
- Managers
- Employees
- Accountability
- Ownership
- Metrics
- Integration
- Collaboration
- Communication

Structure

- Marketplace
  - Brand/Reputation
    - Customers
    - Community
    - Segment Marketing
    - Strategic Relationships
    - Suppliers
  - National Sales Network
    - “Match to Market”
    - Recruitment
    - Retention
    - Leadership Development
- Sales Force
- Workforce
  - Home Office
  - Recruitment
  - Retention
  - Development/Advancement
- Workplace
  - Environment
  - Inclusion
  - Engagement
  - Employee Resource Groups
  - Work/Life
Marketplace

Diversity and inclusion are significant factors in driving market share growth ahead of our competitors.

The marketplace component of our diversity strategy focuses on our relationships with customers, suppliers and the community.

We made substantial gains in 2012 – from hiring a dedicated supplier diversity leader to expanding our relationships with national and local affinity and ethnic organizations such as ALPFA; Black, Hispanic and Asian MBA associations; and professional ethnic organizations such as the Korean Medical Association and Hispanic chambers of commerce. In addition, MassMutual has an affiliation with Out & Equal, a leader of Lesbian, Gay, Bisexual and Transgender (LGBT) equality in the workplace at both the national and local levels as well as the National Gay and Lesbian Chamber of Commerce.

Additionally in 2012, MassMutual further strengthened long-standing relationships with a number of affinity bar associations and organizations that advance diversity including the National Bar, Massachusetts Black Lawyers Association, Asian American Lawyers Association, Minority Corporate Counsel, Lawyers Collaborative for Diversity and Women’s Bar Association.

As our marketplace becomes more diverse, we remain committed to supporting and mirroring that diversity within our company, and 2013 is bringing exciting new initiatives to help us do so.
Q: Why are diversity and inclusion so critical to MassMutual Greater Houston?

Houston’s rich multicultural base provides our financial services professionals with unique and focused markets including, but not limited to, African-American, Hispanic-American, Chinese-American, Korean-American and Vietnamese-American markets. As such, we have a profound understanding of the singular needs that culture brings to both personal and business financial decisions. The makeup of our firm reflects the diversity of our clients.

Q: How have you successfully addressed these diverse audiences?

We’ve developed an executive team of marketing specialists in the Hispanic-American, African-American and Southeast-Asian markets. The team develops marketing strategies for individuals and families, business professionals or small business owners in those target audiences.

Q: Who comprises your diversity and inclusion team?

Mariana Ruiz Posada, Sales Manager and Director of the Hispanic Initiative, works with our 10 Hispanic-American financial professionals to engage with and influence the local Hispanic community. Jonathan Lord, newly appointed Managing Associate and leader of the African-American Marketing Initiative, manages seven of our African-American financial services professionals within this initiative. George Eapen and Lalit Jallan, Sales Managers and Directors of Southeast-Asian Marketing, focus on growth within that initiative. We have more than 15 financial services professionals currently working in the Southeast-Asian market.

Q: How are you specifically strengthening outreach to women?

We’ve elevated a Director of Women’s Markets, Naomi Duke, to help educate women financial professionals and grow the number of female financial professionals within our firm. We currently have more than 20 women financial professionals in our Women’s Marketing Initiative. The women’s initiative not only focuses on working within the small business owner market, but also helps identify potential women financial professionals for the agency.
Multicultural marketing: Strengthening our voice in diverse markets

We continue to gain traction as a thought leader in multicultural market-development efforts.

Key 2012 strategies included:

- Executing integrated marketing communications campaigns in each of our cultural segments with key media partners such as Black Enterprise, HispanicBusiness.com and various Asian mediums.
- Participating in discussions and publishing articles on relevant topics about diversity and multicultural markets.
- Launching an industry-leading minority small business study that provides insights into the financial concerns and attitudes of business owners.
- Providing training and support to local agencies and financial professionals on how to effectively work in a vast array of diverse market segments.
- Expanding our reach in Asian markets by launching an Asian-Indian initiative and hiring a business lead to oversee activities.
- Recruiting financial professionals and sales leaders from cultural markets to help us better serve the needs of growing ethnicities around America with an eye on matching the market.
- Developing relationships with affinity organizations to enable us to reach into local markets.

Each of these initiatives has helped MassMutual accelerate our growth of protection product sales in multi-cultural markets – now 20% of all sales.

Supplier diversity: A critical component of corporate diversity

Fostering supplier diversity was a focused effort in 2012. The definition of “diverse supplier” has been institutionalized, and with this focus, MassMutual doubled its spend with diverse-owned businesses in 2012.

Newly appointed Supplier Diversity Leader Kate Karasmeighan says, “We are committed to integrating supplier diversity into the business at all levels – particularly in sales and marketing. We’re also educating all employees on the value diverse suppliers bring to the company and the broader community.”

“We are committed to integrating supplier diversity into the business at all levels – particularly in sales and marketing.”

–Kate Karasmeighan
Supplier Diversity Leader
Sales force

We are committed to diversifying our financial services field force to match the markets we serve.

MassMutual has developed a specific support unit to help our agencies recruit, develop and retain a diverse population of financial professionals who can build long-lasting customer relationships and deliver products in a way that shows we understand our customers’ needs.

Since we began focusing on this area in 2007, we have doubled the number of multicultural financial professionals. That increase has shown a direct correlation to our customers, with multicultural clients representing 20% of all new insurance and annuity sales in 2012. Additionally, 17% of the managers for our financial professionals are multicultural, representing a 42% increase in 2012 over 2011.

In 2012, around half of our field agencies expanded their presence in Hispanic, Chinese, Korean, Asian-Indian, Vietnamese and/or African-American markets.

MassMutual experienced positive momentum in both gender and generational gains within our retirement business in 2012. The number of 25-year-old participants in our RetireSmart program grew from 714 in 2007 to 13,469 in 2012. In 2012, women’s savings rates gained 30% in the under 35 market and 17% in the 55+ market, compared to their male counterparts during the same timeframe.

These efforts and others across the country are leading to more strategic, sustainable and effective outcomes.
Spotlight on Bob Fakhimi, General Agent, MassMutual San Francisco

Q: You must have been excited to be recognized as a “Diversity Champion” at a recent MassMutual conference.

Yes, I was excited to have been recognized, because we have been working very diligently here in the Northern California community to match the diversity of our markets with a very diverse group of top financial professionals. It has taken a decade to build a market-leading experienced and diverse team.

Q: Which markets did your agency focus on in 2012, and how did it help your agency grow and become even more successful?

We primarily focused on the Chinese and Asian-Indian markets. With all of the success of the high-tech industry in the Bay Area, we have many successful executives, business owners and engineers who are from these particular cultural backgrounds. Additionally, a large group of our financial professionals are women who have a strong understanding of their clients’ financial goals.

Q: What’s next for you in 2013 and beyond?

In 2013, we are continuing to broaden our reach in the Chinese and Asian-Indian markets. Additionally, we are now starting to gain momentum in the LGBT market and have several experienced advisors who will focus on servicing this market segment.
We are actively working toward workforce diversity at all levels of the organization.

This work is starting in the Boardroom, where nearly 50% of our Board of Directors is comprised of women and people of color, making it one of the most diverse Boards in the industry and among FORTUNE® 500 companies.

While our Executive Leadership Team sets the direction of our diversity strategy, our employees are the foundation that brings the strategy to life. Through strategic relationships, recruitment, retention, development and advancement initiatives, we are creating a community that enables us to excel.

In 2012, we rolled out a comprehensive Diversity Recruitment Strategy, engaging Asian, Hispanic/Latino, African-American, women and LGBT strategic partners and decision makers to support recruitment and employment branding. We continue to expand this strategy in 2013 in order to achieve greater diversity.
Spotlight on the Women’s Leadership Network
Q&A with Jae Junkunc, Chair

Q: What is the Women’s Leadership Network (WLN)?
The WLN is a dynamic network that serves as an advocate for women leaders and an advisory resource for senior management to optimize female talent across the company. Its membership includes women executives at the assistant vice president level and above. The WLN was formed in early 2012 by women leaders with the goal of developing and promoting women within MassMutual.

Q: Why were women at the assistant vice president level and above targeted for membership?
This group was targeted based on trends in the business world with respect to developing women leaders.
- Research shows that many women choose to drop out of the race to the top of the corporate ladder at the early stages of executive positions.
- There was a desire to increase the engagement of women at this level and above.
- While the company’s statistics for women in leadership roles are either competitive or better than benchmark (depending on level), MassMutual always seeks to improve diversity and inclusion, and aims to continuously increase the presence of women in leadership roles.

Q: How do emerging leaders benefit from the WLN?
The strategy and goals of the WLN are to foster the development of women executives at MassMutual. Success means that all women in the organization benefit from the WLN. In order to be sustainable, we need to go beyond promoting the women who are already leading the company to create a pipeline of future women leaders.

Q: What are the highest priority initiatives, and how will they help MassMutual further our diversity and inclusion goals?
Both the members and the company have high expectations for the WLN, and we’ve come out of the gate running. Select WLN initiatives include:
- Increasing the presence of women leaders on business initiatives that will provide the work experience needed to lead large business units in the future.
- Providing a network for members to improve engagement, retention, mentorship and sponsorship of women leaders.
- Offering business acumen and leadership skills development programs.
- Engaging everyone in the discussion of gender diversity – including men and emerging women leaders – to ensure that everyone at our company benefits from a successful WLN.
Workplace

We celebrated a banner year for diversity and inclusion in the workplace.

Two key components of our workplace diversity and inclusion strategy are our Employee Resource Groups and our Women’s Leadership Network.

**Employee Resource Groups (ERGs) and the Women’s Leadership Network (WLN)**

We rely on our Employee Resource Groups (ERGs) to help unite our employees in a diverse and inclusive workplace where everyone’s perspective matters. Our ERGs made great gains in 2012 (see pages 14-15), including the addition of our EASE ERG for people with disabilities, caregivers and allies. They continue to help effect lasting change in recruitment, retention and development, community outreach, awareness and education, and brand recognition and marketing.

MassMutual also has an exemplary record in the recruitment, development and retention of talented women across our company. In 2012, we debuted the Women’s Leadership Network (WLN). The WLN targeted female leaders at the Assistant Vice President (AVP) level and above and, through its work, intends to benefit all MassMutual women in their pursuit of successful careers.

**Mentoring programs**

Our mentoring programs have continued to have a positive impact. These programs offer targeted mentoring for high-potential talent, as well as broader, open mentoring for all employees. A high percentage of the mentees involved are women and people of color.

**Workplace highlights**

- **1,000** Employees who are members of at least one of our ERGs
- **7** ERGs, with 20% of employee population involved
- **6** MassMutual senior leadership women recognized by prestigious organizations
- **100** Servicemen and servicewomen honored at our annual Veteran’s Day breakfast
- **173** Employees in the Women’s Leadership Network

**Talent development**

We also focused on developing key talent from the ERGs through a community-based leadership development program called Leadership Pioneer Valley. We concentrated on enhancing the pipeline of women in our leadership ranks by piloting three women’s leadership development programs (Simmons Strategic Leadership for Women, Smith Women’s Leadership Program, and Women Unlimited, Inc.). To enhance our pipeline of people of color, we continued to work with The Partnership, Inc. to develop our midcareer leaders of color.

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1 MassMutual Home Office
**Education**

We continue to roll out our successful diversity education programs, including Leading with Diversity (required for all leaders and managers), Performing Successfully in a Diverse Workplace (optional training for individual contributors) and a partnership with Medici Innovation training. In addition, we piloted a new GenderSpeak program, which was very well-received.

**External recognition**

We continue to gain external recognition from leading diversity and inclusion organizations such as DiversityInc, Working Mother Media, National Association for Female Executives, Equal Opportunity magazine, Connecticut Law Tribune and the Human Rights Campaign. We remain focused on bringing our diversity and inclusion strategy to life each day in order to become recognized as a diversity and inclusion leader in both the workplace and the marketplace.

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**National senior leader recognition**

*Banker & Tradesman*

Jae Junkunc, Vice President, Enterprise Risk Management, named a Woman of FIRE.

*Black Enterprise Magazine*

Eleanor Williams, Assistant Vice President and Counsel, named to the magazine’s Top 40 Under 40.

*Diversity Journal*

Betsy Ward, Chief Enterprise Risk Officer, named a 2012 Woman Worth Watching.

*National Association of Female Executives*

Elaine Sarsynski, Executive Vice President, Retirement Services, and Chairman of MM International, named a Woman of Excellence in International Achievement.

*Uptown Professional and Tri-State Diversity Council*

Lorie Valle-Yañez, Vice President and Chief Diversity Officer, named an Uptown Professional Top 100 and a Tri-State Diversity Council Woman of Power and Influence.

*Working Mother*

Ellen Rawson, Vice President and Senior Counsel, named one of the Working Mothers of the Year.
Workplace – Employee Resource Groups at work

With the support and engagement of their Executive Sponsors, Employee Resource Groups (ERGs) support the employee population, provide unique cultural perspectives and insights, and serve as a valuable resource to help MassMutual achieve our diversity and business objectives.

In 2012, collectively the ERGs made the following contributions to MassMutual’s business:

- Developed opportunities for MassMutual’s exposure in the marketplace through participation in highly visible local community events
- Demonstrated MassMutual’s commitment to serving all communities
- Positively impacted employee engagement for those who participated in an ERG

The most significant 2012 business contribution of each Employee Resource Group is highlighted on the following pages.

Pride – lesbian, gay, bisexual, transgender and allies ERG

The Pride ERG continued to produce programs that brought the company’s diversity and inclusion strategy to life. The 2012 Ally Week activities started many critical conversations about diversity, and the “IM. RU?” buttons distributed, which asked, “I am an ally, are you?” quickly became ubiquitous. They were worn, and specifically requested, by everyone from individual contributors, to the local community... and ultimately to a new potential customer in a local grocery store!

Young Professionals

Young Professionals – the young or young at heart ERG

The Young Professionals ERG put together a cross-functional team of thought leaders from the ERG to help senior leaders build the concept and design the culture for the Boston Development Center, which has helped the company break into a new talent market. The result was a successful recruiting campaign for the information technology area.
The Passages ERG fostered enhanced awareness and engagement on the part of hundreds of employees through its sponsorship of multiple interactive speaking engagements with thought leaders. Through these popular and well-attended events, employees gained a clearer line of insight into our existing and potential new customers and their unique perspectives.

EASE sponsored the construction of a new accessible playground near MassMutual’s Enfield, Connecticut location for children and caregivers with disabilities. The playground, which will be enjoyed by generations to come, opened in 2012 and features MassMutual’s sponsorship recognition.

The Asian ERG was the primary sponsor for Hartford’s Riverfront Dragon Boat Race, giving extensive brand recognition in the community to more than 8,000 participants in the Hartford, Connecticut area. Members volunteered their knowledge, cultural skills and language expertise to various business areas, thus assisting with the growth of the business in a diverse marketplace.

The ALMMA ERG initiated strategic affiliation with the ALPFA Hartford Chapter to provide professional development opportunities to members. ALMMA also helped brand MassMutual as the company of choice for Latinos during networking, recruiting and speaking-engagement opportunities.

The Memphis Multicultural ERG sponsored food drives and donated $25,000 to the Memphis Mid-South Food Bank, which gave the bank more than $100,000 buying power. As a result, MassMutual was featured twice on the local CBS affiliate, enhancing the brand in the community and contributing to feeding countless Memphis-area families.
The year ahead

MassMutual leadership recognizes that diversity and inclusion are the strategic catalysts that will help us grow and thrive in the future.

In the year ahead, diversity and inclusion initiatives will continue to align with company priorities. We remain committed to serving all of our customers, as well as developing programs that will foster the engagement and inclusion of our employees.

Chief Marketing Officer and Passages ERG executive sponsor John W. Chandler, Jr. and MassMutual employee LyLy Salisbury at the diversity year-end celebration.
MassMutual. We’ll help you get there.