SII | GRI Culture of Health – CEO Briefing

Briefing Overview

This document is intended for CEOs participating at CECP's CEO Investor Forum. It provides guidance on how CEOs and their teams can integrate Culture of Health[1] into their company's plans for sustained value creation.

"*Every company impacts health in four main ways. First, through the healthfulness and safety of the products and services sold. Second, through its attention to employee health and well-being in its work practices and benefits. Third, through impacts and contributions to the broader communities for which it operates worldwide. And, fourth, through the global environmental impacts of its operations*"[2]

A Culture of Health

The Robert Wood Johnson Foundation broadly defines a Culture of Health (CoH) as one in which good health and well-being flourish across geographic, demographic, and social sectors; fostering healthy, equitable communities guides public and private decision making; and everyone has the opportunity to make choices that lead to healthy lifestyles.

In partnership with the Global Reporting Initiative (GRI), the Strategic Investor Initiative (SII) has developed a set of questions to help CEOs address CoH when presenting their long-term plans. We have employed the Population Health Footprint[3] to frame these questions.

Population Health Footprint
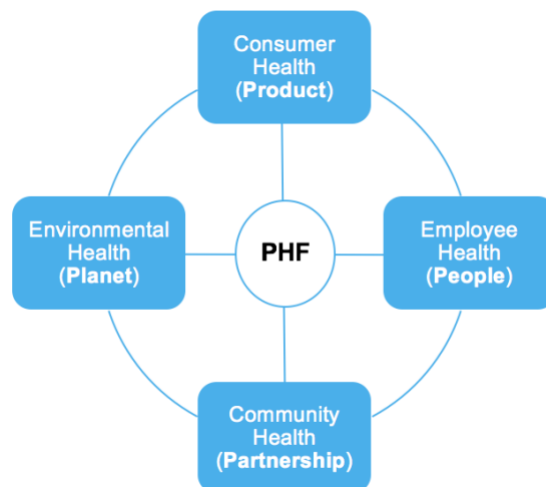
Questions for CEO consideration

To help your CEO effectively communicate the company's commitment to Culture of Health (CoH) in relation to its strategic plan, we offer a set of questions deemed relevant to long-term institutional investors. The questions focus on the linkages between CoH and the company's reputation, risk and value.

Overarching Questions

1. What is your company's vision and role in ensuring that everyone has a fair and just opportunity for health and well-being?
2. How does a CoH help drive business value?
3. How is the Board of Directors engaged in building a CoH?
4. What are the metrics and targets used to assess your progress toward a CoH?

The Four P's of Culture of Health

Product

- How does a CoH help you innovate and generate business returns?
- How do you assess the healthfulness of your products/services?
- How are you collaborating with suppliers to encourage a CoH mind-set throughout the supply chain?

People

- How do you ensure a healthy workforce – what efforts are being made to promote health & wellness to your employees and their families?
- How do you ensure that CoH is embraced by senior executives and managers?
- What are the incentive systems for line-managers to champion a CoH?
- How are you managing inequality, discrimination and diversity, including disability, in your workforce?

Partnership

- How are you investing to advance the health of the communities in which you operate?
- How does the company engage the public sector in matters pertaining to CoH?

Planet

- How are you seeking to reduce the ecological footprint – resource inputs and environmental burdens – your products and services?
- How do you mitigate against the risks associated with your environmental impacts?

Appendix

A. Culture of Health Blueprint (preliminary) – the Global Reporting Initiative (GRI) is working with the Robert Wood Johnson Foundation to identify those health and well-being domains and measures most likely to advance a corporate CoH. These domains are represented graphically below.
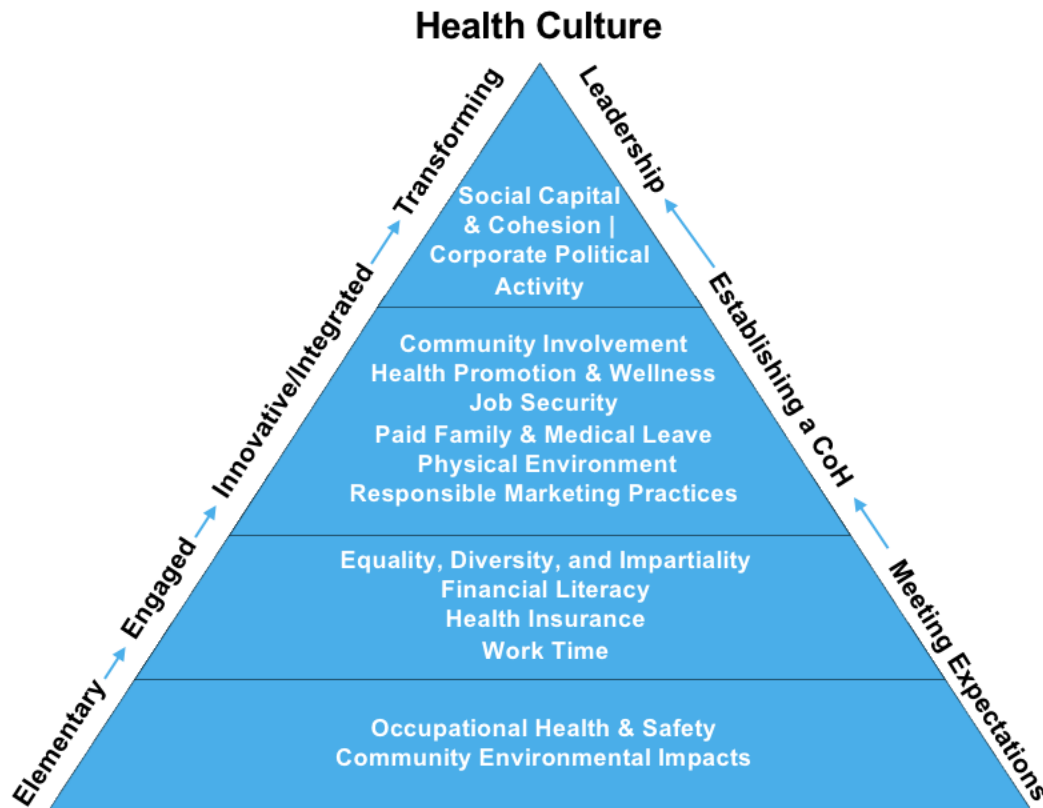
- – *Building a durable CoH is a marathon, not a sprint*
- – *Durability necessitates creation of a CoH consciousness in all aspects of the business*

B. Business objectives associated with PHF components, John Quelch, Emily Boudreau, *Building a Culture of Health, A New Business Imperative:*

	Consumer Health	Employee Health	Community Health	Environmental Health
Address moral imperative	X	X	X	X
Reduce costs	X	X		X
Increase revenues	X	X	X	X
Improve reputation			X	X

C. Sample Population Health Footprint Initiatives – Target

Consumer Health	Employee Health	Community Health	Environmental Health
(**1**) Introduced Made to Matter – handpicked by Target, a collection of products from purpose-driven brands; made natural, organic, and sustainable products more accessible for consumers (**2**) Committed to increasing available organic food and beverages by 25% by end of 2017 (**3**) Introduced Simply Balanced grocery brand, which made it easier for consumers to find and choose organic products.	(**1**) Offered medical, dental, vision and prescription drug coverage, as well as telehealth services and a NurseLine for 24/7 access to nurse consultation (**2**) Offered tobacco cessation program, maternity support program for expecting mothers, well-being education resources, and health insurance incentive program (**3**) Offered employees a 20% discount on fresh and frozen foods	(**1**) Founding member of the Alliance to Make US Healthiest, a coalition to help people become more physically and emotionally healthy (**2**) Offered employees opportunities to volunteer in their communities (**3**) Worked on UNICEF Kid Power program, became the exclusive retailer of the Kid Power Brand, which helped supply nutritional food packets to poor kids around the world	(**1**) Developed the Target Sustainable Product Index defined criteria for what makes a product more sustainable (**2**) Committed to buying fish products from suppliers who sourced responsibly (**3**) Began program for making Target-brand packaging designs more sustainable by the end of 2016

Source: J. Quelch, E. Boudreau, Building a Culture of Health, A New Imperative for Business

D. GS Sustain – The PM's Guide to the ESG Revolution: identifies 6 E&S metrics with the strongest correlations to stock performance (metrics that have shown the strongest and most consistent alpha relationships in backtesting) – Diversity; Resource Intensity; Employee Turnover; Emissions; Target Metrics; 'Business ethics improvement tools'