



A New CSR Frontier: Business and Population Health

Mobilizing CSR to Strengthen Corporate Engagement on Health and Wellness across the Value Chain

November 2013



About This Report

The purpose of this report is to explore the role of business in population health in the United States, with a particular focus on the role of corporate social responsibility (CSR) in strengthening corporate engagements that aim to improve the health and wellness of employees, communities, suppliers, customers, and the general public.¹ The findings in this report are based on interviews with company and stakeholder representatives, a survey of 28 BSR member companies, and a literature review of more than 30 company CSR reports.

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¹ "Health and wellness" is used throughout this report as an umbrella term to describe all aspects of corporate engagement on population health, from healthcare and safety to wellness and prevention.

² Photos throughout this report have been sourced from Getty Images.

Contents

- 4 Executive Summary**
- 8 Purpose and Methodology**
 - Evaluation Framework and Methodology
- 9 Section I: Introduction**
 - Shifting Values
 - Population Health: The Next Frontier of CSR
- 13 Section II: Stakeholder Views and Values of Health and Wellness**
 - Employees
 - Government
 - Community Organizations
 - Consumers
 - Investors
- 19 Section III: Current State of Corporate Engagement**
 - Key Business Drivers of Health and Wellness
 - Informal Factors That Influence Company Action
 - Company Impacts across the Value Chain
 - Company Impacts across Key Populations
 - Mapping Key Gaps and Opportunities
- 40 Section IV: Mobilizing CSR to Enable Better Outcomes**
 - Mobilizing CSR for Population Health
 - Advancing Population Health through Collaboration
- 46 Appendixes**
 - Appendix I: Notes on Research Methodology
 - Appendix II: Corporate Impacts on Health and Wellness Issues
 - Appendix III: Collaborative Solutions for Key Challenges
 - Appendix IV: Key Information Sources and References
 - Appendix V: Company CSR Reports and Websites Reviewed

Executive Summary

The United States is spending more on healthcare than any other industrialized nation, yet Americans are living shorter lives and experiencing more injuries and illnesses than people in other high-income countries. This is affecting not only their individual well-being, but also America's competitiveness.³

These challenges are having a profound impact on business. On one hand, companies in the United States are spending more on healthcare than ever before.⁴ On the other hand, some companies are viewing these challenges as an opportunity to drive innovation, from creating state-of-the-art workplace wellness programs for their employees to making major advances in health and healthcare by bringing new products, services, and technologies to market.

Companies have yet to realize, however, their full potential to strengthen population health beyond the core base of their employees, and to some extent their customers. Relatively few companies have extended health initiatives across their entire value chains to include suppliers, local communities, and the general public.⁵



Recent activities and reforms in the U.S. healthcare system, including the implementation of the Affordable Care Act, have sparked new discussions about the role of business in helping Americans achieve better health. To date, most companies have focused on investments that seek to meet *healthcare and safety* expectations, from providing basic healthcare services to employees to reducing or mitigating the negative health impacts from company operations or product

³ Woolf, Steven H., et al., "U.S. Health in International Perspective: Shorter Lives, Poorer Health," National Research Council and Institute of Medicine, 2013, http://sites.nationalacademies.org/xpedito/groups/dbassesite/documents/webpage/dbasse_080620.pdf. Johnson, Toni, "Healthcare Costs and U.S. Competitiveness," Council on Foreign Relations, March 2012, www.cfr.org/competitiveness/healthcare-costs-us-competitiveness/p13325.

⁴ Employee Benefit Research Institute, *EBRI Databook on Employee Benefits*. "Chapter 2: Finances of the Employee Benefit System," December 2011.

⁵ A value chain is a set of primary and support activities that a company performs to deliver a product or service to market. Source: Porter, Michael E., *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1998. For this report, we use the term "suppliers" to also include any other type of business partner, such as distributors and franchisers, that enters into contractual relationships with companies.

use. Companies have rationalized investments in healthcare and safety by demonstrating lower healthcare costs, mitigated regulatory and operational risks, enhanced brand reputation, and increased productivity.

Our research shows, however, that the nation's largest companies face increasing pressure to improve health outcomes by promoting *wellness and prevention—not only for their employees, but for the broader population that is impacted by corporate actions*. Stakeholders from employees, government, community organizations, consumers, and investors recognize that private sector action—whether it involves siting a new facility, developing a new consumer product, investing in local communities, or advocating a position on a public issue—reflects a sphere of influence that extends well beyond a company's core employee base.

Acknowledging this, some companies are starting to assert stronger roles in improving population health through a wellness and prevention lens, with efforts addressing not only their employees, but also their customers, suppliers, local communities, and the general public. For example, retailer Walmart has committed to providing greater access to affordable and nutritious food in areas composed of predominantly lower-income neighborhoods and communities.⁶ Technology company Qualcomm is partnering with WebMD to develop integrated digital health resources and tools that will enable customers to access and manage wireless health data from a wide array of fitness, wellness, and medical devices.⁷ Food and beverage company PepsiCo has integrated a health, wellness, and safety agenda into its Sustainability Farming Initiative to improve the livelihoods of farmers who produce raw materials for the company.⁸ And healthcare provider Kaiser Permanente is partnering with media company Home Box Office to raise awareness about the obesity epidemic in the United States.⁹

Yet many companies struggle to bring an integrated approach to the health and wellness agenda. According to one senior executive, "There are still too many silos within companies where you have one corner focused on employee health benefits, another on safety, and another on broader community health issues. There is also a lack of good methodologies and data evaluating and demonstrating the impacts of health and wellness programs, making it more difficult to build the economic case, gain senior leadership buy-in, and build strategies for companies to address population health more systemically."¹⁰

In short, our research identifies three key trends:

- » **Society expects companies to play an increasing role in strengthening population health.** Key stakeholders expect companies to extend their focus beyond healthcare and safety to promote wellness

⁶ Walmart, "Walmart to Open up to 300 Stores Serving USDA Food Deserts by 2016; More than 40,000 Associates Will Work in These Stores," July 2011, <http://news.walmart.com/news-archive/2011/07/20/walmart-to-open-up-to-300-stores-serving-usda-food-deserts-by-2016-more-than-40000-associates-will-work-in-these-stores>.

⁷ Qualcomm, "Qualcomm Life and WebMD Collaborate to Bring Integrated Digital Health Resources and Tools to Consumers," March 2013, www.qualcomm.com/media/releases/2013/03/04/qualcomm-life-and-webmd-collaborate-bring-integrated-digital-health.

⁸ PepsiCo, Sustainable Farming, www.pepsico.com/Purpose/Environmental-Sustainability/Agriculture.

⁹ Kaiser Permanente, "Kaiser Permanente Joins HBO and Leading Health Organizations to Present *The Weight of the Nation*," May 2012, <http://share.kaiserpermanente.org/article/kaiser-permanente-joins-hbo-and-leading-health-organizations-to-present-the-weight-of-the-nation>.

¹⁰ Quotation is from a company interview conducted specifically for this research project, but it has been left unattributed to maintain confidentiality.

and prevention, as well as address the nonmedical, social, and environmental determinants of health. This expectation will only grow in the years ahead.

- » **Companies are responding to these growing expectations, but they have focused primarily on employees, and, in some industries, on customers.** Companies in all industries have the opportunity to create both business and societal value by looking at how to advance the health and wellness of groups that have received less emphasis in the past, such as suppliers, local communities, and the general public.
- » **Health and wellness is still siloed at most companies and is often solely the responsibility of the human resources department.** If companies are to rise to the expectations of stakeholders, it will be important to bring cross-functional expertise and leadership to the fore. To drive progress beyond the employee base—to engage with customers, suppliers, local communities, and the general public—companies will need to bring forward capabilities from procurement, marketing, research and development (R&D), corporate affairs, communications, and philanthropy, among others.

To address these challenges, our research asserts that companies have an underutilized tool in the function of corporate social responsibility (CSR). As a functional unit dedicated to advancing programs and tools for business to drive social and commercial value, CSR has been an important catalyst for corporate engagement on multifaceted, complex challenges that also contribute to population health, such as climate change and labor rights.

CSR stakeholders also have come forward to create an ecosystem of management tools, reporting frameworks, and collaborative efforts for companies to employ in developing effective programs and communicating on their progress. Internationally recognized standards like the Greenhouse Gas Protocol and the Carbon Disclosure Project have been developed to help companies measure and report their greenhouse emissions. Multistakeholder, cross-sector collaborations like the Global Social Compliance Programme have also been created to bring companies together to improve supply chain labor practices. As with these and other systemic, cross-cutting challenges, CSR stands to play a major role in facilitating the private sector's approach to and setting performance standards for health and wellness given CSR's ability to view issues and solutions as interconnected and part of a larger system.

There is no one-size-fits-all approach. Each company will need to decide the appropriate scope and level of ambition for its investments in population health. But as our research shows, there are several leading examples that suggest opportunities for other companies to follow suit. And as the private sector faces increasing stakeholder expectations to improve population health, the function of CSR will again provide critical internal and external support for companies to address these rising expectations and drive system-wide impacts. To meet these new expectations, we recommend four critical success factors:

- » **Reframe health and wellness as a broader stakeholder and value chain issue, and ensure that the company's CSR agenda reflects that shift.** New priorities and business opportunities may arise as a company develops a more holistic understanding of how health and wellness is linked to other important social and environmental challenges, as well as business challenges.

- » **View company stakeholders as key partners in addressing the larger, systemic challenge of population health.** Engage with internal and external stakeholders to identify and pilot new opportunities and potential partnerships to strengthen corporate engagement on health and wellness across the value chain.
- » **Use measurable key performance indicators (KPIs), and be transparent in the company's reporting about them.** Identify KPIs and goals that aim to measure and describe the company's health and wellness efforts and impacts (including KPIs for groups that have received less emphasis in the past, such as suppliers, local communities, and the general public) in a full, transparent way.
- » **Establish a cross-functional health network that leverages resources across the company to improve health outcomes.** This internal health network (e.g., committee) can provide the structure and mechanism to identify and address the company's key health and wellness gaps and opportunities across the value chain, as well as to promote and integrate a wellness and prevention agenda into the broader CSR or corporate agenda.

Because population health will require a systemic approach, we also underscore the need for more collaboration across companies and industries. The purpose of these collaborations is to understand and further the private sector's role in and contribution to population health. They also aim to determine specific capabilities, assets, innovations, and resources that companies can collectively bring to the broader table of relevant actors who are working every day to improve health outcomes in the United States.

CALL TO ACTION

Reflecting on BSR's 20 years of experience working with the private sector to address complex CSR issues, such as climate change, labor rights, and economic inequality, our research points to a new frontier in the CSR landscape—the challenge and opportunity for business to play a key role in strengthening population health.

This frontier presents a call to action, and a call for collaboration—recognizing that the challenge is too large and too complex for any one company to tackle alone. As with other multifaceted, systemic issues, there is an opportunity for companies to hasten progress and drive stronger impacts if they share best practices and develop precompetitive tools for industry to work together in improving health outcomes.

Toward this end, BSR is now forming the Business Coalition for Population Health. To learn more, please contact BSR at businessandpopulationhealth@bsr.org.

With your partnership, we can build a healthier, more productive, and more competitive America.



As part of our research’s key objective to raise dialogue about the role of CSR in population health, **key questions and opportunities** for CSR are suggested throughout this report for companies to consider in strengthening their efforts to improve health and wellness across the value chain.

Purpose and Methodology

The purpose of our research is to understand current company practices in health and wellness in the United States, and to identify gaps and opportunities for further study and engagement, particularly in terms of how CSR can play a greater role in this space. Our research’s key objectives are to:

1. Understand key stakeholder expectations, business drivers, and informal factors that influence corporate engagement on health and wellness.
2. Assess the current state of corporate engagement on health and wellness across the value chain and key populations affected by company actions.
3. Raise dialogue about business’s role in health and wellness, and identify critical success factors that could improve CSR’s role in this space.
4. Determine opportunities where collaborative efforts may be useful.

Evaluation Framework and Methodology

The evaluation framework we developed for this report was based on two initial assumptions:¹¹

1. Health and wellness has not been presented as a broader stakeholder or value chain (or systemic) challenge and opportunity, and, therefore, is not a high priority on most corporate CSR agendas; and
2. The ways companies might use CSR’s various roles and activities to strengthen health and wellness across the value chain are unclear or have not been fully explored.

We used several techniques to gather and assess relevant data, including conducting an extensive literature review, a series of company and expert stakeholder interviews, an opinion survey, and a qualitative analysis of public information of company practices and stakeholder perspectives.

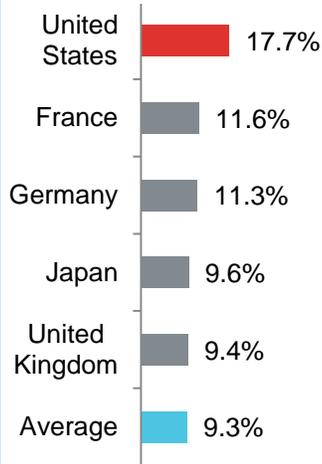
Technique	Information Source
Literature review	<ul style="list-style-type: none"> » 36 company CSR reports and websites from a diverse range of industries » Relevant health policies and standards, periodicals, newsletters, articles, journals, academic studies, and blogs
Interviews	<ul style="list-style-type: none"> » 20 interviews with representatives from various industries, companies, and functions » 20 interviews with issue experts from various sectors and organizational types
Survey	<ul style="list-style-type: none"> » Opinion survey of 28 companies (Note: Data are not representative of all companies or even all BSR member companies.)
Analysis	<ul style="list-style-type: none"> » Brainstorming, benchmarking, and analysis by BSR

Our research does not intend to provide a quantitative assessment of the current *effectiveness* of corporate engagement on health and wellness, nor does it intend to provide an evaluation of the health impacts, implications, or consequences of any program or initiative highlighted in this report. The analysis found within this report, therefore, should not be considered or cited as empirical.

¹¹ See Appendix I for notes on research methodology and limitations.

Section I: Introduction

Chart 1. Healthcare Expenditures as a Percentage of GDP



Source: OECD Health Data 2013.

The United States spends more on healthcare as a percentage of its gross domestic product (GDP) than any other developed country in the world (see Chart 1 in sidebar).¹² In spite of these investments, more than one-third of Americans are obese,¹³ and millions more suffer from preventable chronic and infectious diseases. In addition, for the first time in modern American history, the current generation of children may have shorter life expectancies than the previous generation.¹⁴ According to the Institute of Medicine, despite spending far more per person on healthcare than any other nation, the United States ranks 17th (for men) and 16th (for women) in terms of life expectancy among 17 high-income countries (see Table 1 below).¹⁵

These challenges are having a profound impact on business. On one hand, business is spending more on healthcare than ever before. In 2010, employers spent a total of US\$560.9 billion for group health insurance, an approximate increase of 67 percent over the past 10 years.¹⁶ Many argue that rising healthcare costs have placed an enormous burden on U.S. competitiveness, particularly for multinational corporations that compete in the international marketplace.¹⁷

On the other hand, for many leading companies, this challenge is driving innovation and engagement with key stakeholders. These companies have taken significant steps to improve the health of their employees with state-of-the-art workplace wellness programs, and some are engaging with communities on local health issues. Others are making major advances in health and healthcare directly by bringing new products, services, and technologies to the market.

Table 1. High-Income Countries Ranked by Life Expectancy at Birth

Male			Female		
Rank	Country	Average Life Span (in years)	Rank	Country	Average Life Span (in years)
1	Switzerland	79.33	1	Japan	85.98
2	Australia	79.27	2	France	84.43
3	Japan	79.20	3 (tie)	Switzerland	84.09
4	Sweden	78.92	3 (tie)	Italy	84.09
5	Italy	78.82	5	Spain	84.03
⋮			⋮		
17	United States	75.64	16	United States	80.78

Source: Institute of Medicine, National Academy of Sciences, January 2013.

¹² Organisation for Economic Co-operation and Development (OECD) Health Data 2013, www.oecd.org/health/health-systems/oecdhealthdata.htm.

¹³ National Center for Health Statistics, "Health, United States, 2012," U.S. Department of Health and Human Services Centers for Disease Control and Prevention, 2013, www.cdc.gov/nchs/hus.htm.

¹⁴ Olshansky, S. Jay, et al., "A Potential Decline in Life Expectancy in the United States in the 21st Century," *The New England Journal of Medicine*, March 2005, Volume 352, Issue 11, www.nejm.org/doi/pdf/10.1056/NEJMs043743.

¹⁵ Institute of Medicine, "U.S. Health in International Perspective: Shorter Lives, Poorer Health," report brief, National Academy of Sciences, January 2013, www.iom.edu/-/media/Files/Report%20Files/2013/US-Health-International-Perspective/USHealth_Intl_PerspectiveRB.pdf.

¹⁶ Employee Benefit Research Institute, *EBRI Databook on Employee Benefits*. "Chapter 2: Finances of the Employee Benefit System," December 2011.

¹⁷ Johnson, Toni, "Healthcare Costs and U.S. Competitiveness," Council on Foreign Relations, March 2012, www.cfr.org/competitiveness/healthcare-costs-us-competitiveness/p13325.

Shifting Values

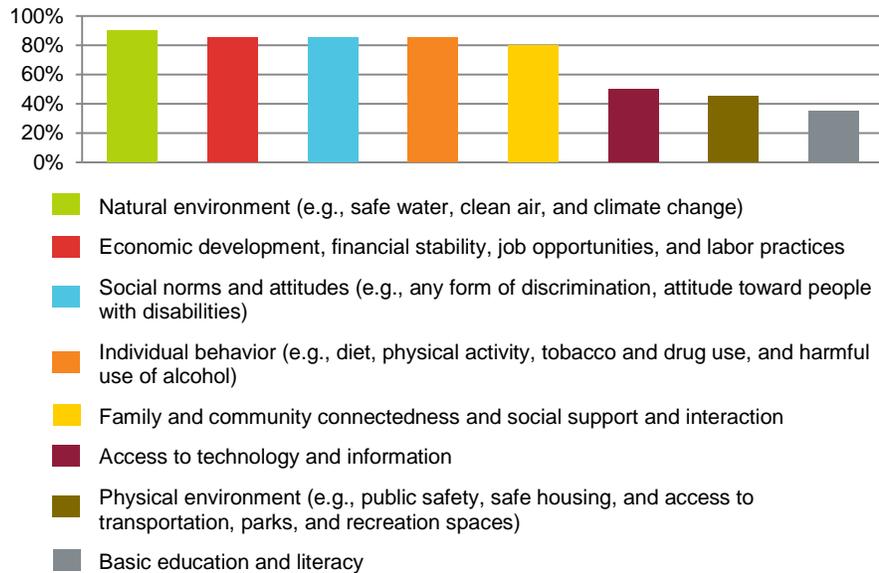
Recent activities and reforms in the U.S. healthcare system, including the implementation of the Affordable Care Act, have raised new discussions about the way government, companies, communities, and individuals understand the key ingredients to achieving good health. In the past, Americans generally acknowledged a narrower view of health—one that focused on treatment and recovery. In the context of business, this meant focusing on investments that sought to meet *healthcare and safety* expectations, from providing basic healthcare services to employees to reducing or mitigating the negative health impacts from company operations or product use.¹⁸

“There are social determinants of health that we work on through public policy, like addressing jobs and economic growth and improving technology skills.”

Source: Major U.S. consumer electronics retailer, senior executive interview.

There is an increasing recognition, however, that one of the most effective ways of improving health outcomes is by promoting *wellness and prevention*. Carrying out efforts that promote health reduces the need for medical care and prevents illnesses from occurring in the first place.¹⁹ There are also critical links and potential for mediation across a broader set of environmental, social, economic, behavioral, technological, and cultural factors that influence health and wellness (for example, the impacts of climate change on human health; see call-out box on the following page for additional examples).²⁰ Our research has found that companies agree on the importance of these social and environmental determinants and see CSR as playing a role in addressing them (see Chart 2 below).²¹

Chart 2. Companies Surveyed that Agree that CSR Has a Role to Play in Addressing Key Social and Environmental Determinants



Notes: Based on a BSR member opinion survey (n = 20). These data indicate the percentage of company respondents who agree or strongly agree that CSR has a role to play in addressing the listed social and environmental determinants of health and wellness. Data are not representative of all companies or even all BSR member companies.

¹⁸ Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

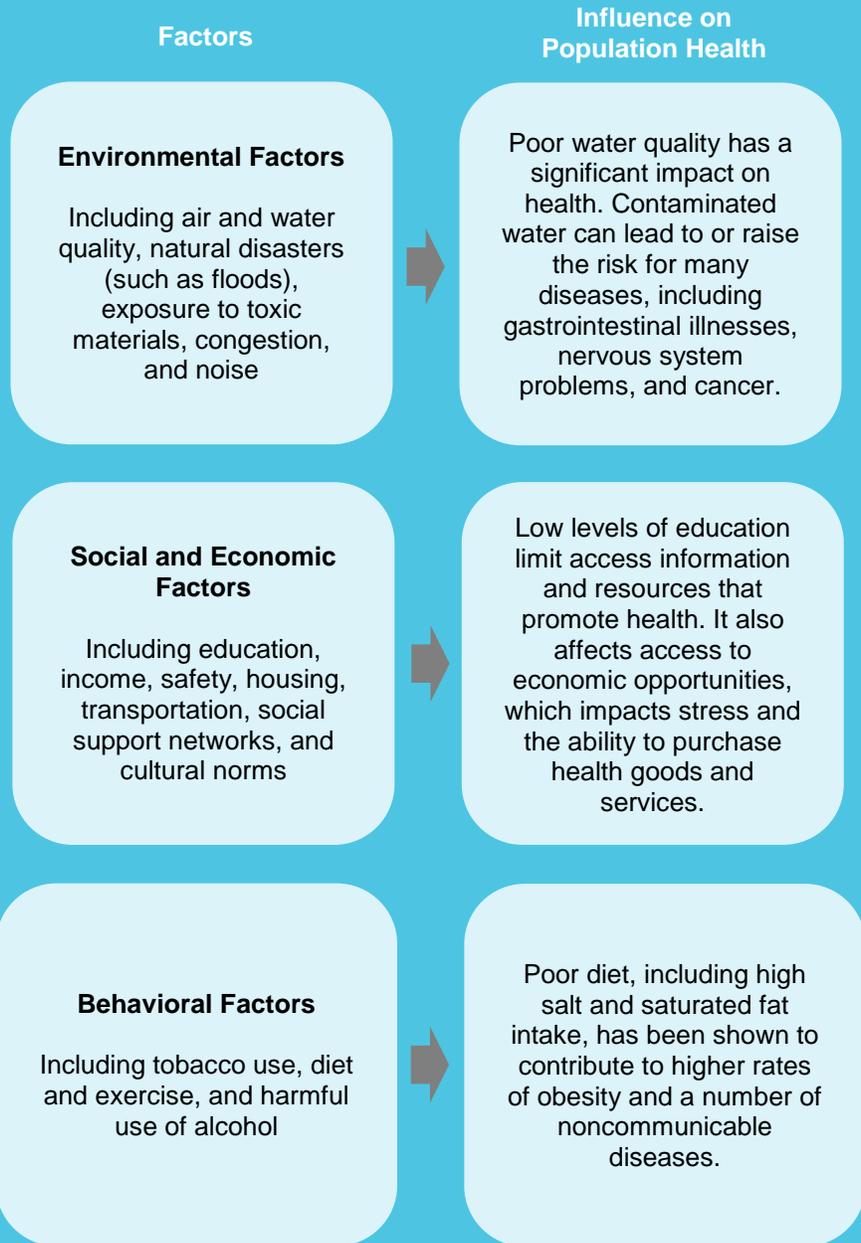
¹⁹ Ibid.

²⁰ Millennium Ecosystem Assessment, “Ecosystems and Human Well-Being,” World Resources Institute, 2005, page vi, www.millenniumassessment.org/documents/document.356.aspx.pdf. U.S. Environmental Protection Agency, Climate Impacts on Human Health, www.epa.gov/climatechange/impacts-adaptation/health.html.

²¹ See Appendix I for notes on survey methodology and limitations.

Factors That Influence Population Health

Numerous social, economic, environmental, and behavioral factors influence population health. Here are a few examples and their effects.²²



²² Booske, Bridget, et al., "Different Perspectives for Assigning Weights to Determinants of Health," Population Health Institute, University of Wisconsin, February 2010, <http://uwphi.pophealth.wisc.edu/publications/other/different-perspectives-for-assigning-weights-to-determinants-of-health.pdf>.

Population Health: The Next Frontier of CSR

The field of CSR has evolved significantly over the past two decades and has broadly gone through four distinct phases. Borrowing from the analysis of Professor Wayne Visser of the University of Cambridge, in the beginning, many CSR efforts were defensive in nature, undertaken largely to meet legal requirements or avoid fines and penalties. CSR efforts then evolved toward a focus on philanthropy and marketing, where companies contributed to specific social and environmental causes or promoted their CSR activities in ways that enhanced their brand, image, or reputation. Next, CSR served a more strategic role by using the company's core business and existing management systems to create business and societal value.²³

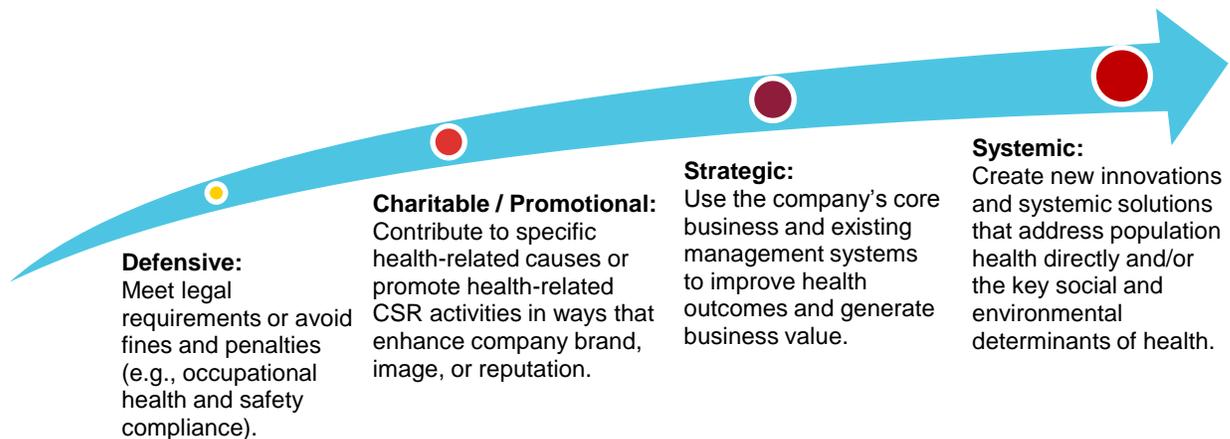
“We’re at a tipping point, and the trend today is that it used to be the ‘environment,’ but companies are now prioritizing and finding momentum behind the health, wellness, and prevention agenda.”

Source: Prominent U.S. health foundation, senior executive interview.

In its fourth and latest phase, CSR is being harnessed to create new innovations and systemic solutions that address the root causes of society's biggest challenges.²⁴ This latest phase presents an opportunity for companies to elevate the issue of population health as the *next frontier* of CSR given the fundamental links between health and the wider ecosystem of social and environmental challenges, from maintaining healthy, productive natural systems to achieving equitable prosperity and economic progress. These external factors that influence—and in many ways provide the foundation for—human health and development are too deeply intertwined to be addressed separately.²⁵

Given the shifting value toward a wellness and prevention agenda and the critical links between health and key social and environmental challenges, companies have the opportunity to create systemic change. Not only can they address health and wellness challenges directly through their products, services, operations, and business relationships, but they can also address the wider ecosystem of social and environmental factors that impact population health. CSR teams within companies are well-positioned to facilitate this effort given their experience driving progress on other social and environmental issues that affect business performance and their ability to view issues and solutions as interconnected and part of a larger system.

Diagram 1. The Four Phases of CSR and Health and Wellness²⁶



²³ Visser, Wayne, “The Age of Responsibility: CSR 2.0 and the New DNA of Business,” *Journal of Business Systems, Governance, and Ethics*, November 2010, Volume 5, Issue 3.

²⁴ Ibid.

²⁵ Independent Research Forum, “Post-2015: Framing a New Approach to Sustainable Development,” March 2013, <http://sustainabledevelopment.un.org/content/documents/874irf2015.pdf>.

²⁶ Adapted from Professor Wayne Visser's original analysis of “The Ages and Stages of CSR.” Source: Visser, Wayne, “The Age of Responsibility: CSR 2.0 and the New DNA of Business,” *Journal of Business Systems, Governance, and Ethics*, November 2010, Volume 5, Issue 3.

Section II: Stakeholder Views and Values of Health and Wellness

The shifting views and values of health and wellness among different stakeholder groups in the United States has implications for the role of business vis-à-vis other actors in tackling the country's greatest health challenges.²⁷ While traditional healthcare providers, including hospitals and medical professionals, will continue to play a vital role in advancing health outcomes, stakeholders' expectations that business support wellness and prevention and address the nonmedical, social, and environmental determinants of health will only grow.²⁸

This section provides detail on key stakeholder definitions, views, and expectations of business related to health and wellness.

Employees

For employees, health and wellness is both a set of formal and informal programs and benefits. They include a wide range of health benefits and wellness perks, from providing basic health insurance to establishing policies and practices that enable better work-life balance. They also include informal factors, such as workplace siting and ambience, stress management, and office culture—all of which contribute to employees' well-being.²⁹

Most employees have welcomed the rapid rise in workplace health and wellness programs and their associated financial incentives. Today, nearly 90 percent of employers offer wellness incentives or financial rewards or prizes to employees who work toward getting healthier, according to a survey from Fidelity Investments and the National Business Group on Health. Wellness perks are also worth more now: US\$521 per employee on average, compared with US\$260 four years ago, according to the same study.³⁰ Companies like Google are topping the *Fortune* rankings of the "Best Companies to Work For"³¹ four years in a row thanks partly to their generous wellness perks. These wellness benefits are becoming an important factor in the race to attract and retain talent, and companies are also finding that these benefits serve as a powerful tool for boosting motivation and strengthening employee engagement and loyalty.³²

Companies' increasing role in employees' personal health decisions is not without its concerns. Employers' access to personal and family health data raises issues about privacy with many fearing that this trend opens the door for discrimination based on an individual's ability to meet certain health standards.³³

"Health and wellness is viewed holistically as personal, emotional, and financial well-being. Our company is switching from a paternalistic to a more empowering culture—it is about making resources available and helping employees make good choices for themselves."

Source: Major U.S. financial services company, senior executive interview.

²⁷ Our research distinguishes "key stakeholders" as broadly defined groups that *influence* corporate action versus "key populations" as broadly defined groups that are *affected by* corporate action. We also recognize that some overlap naturally exists between these two distinctions. Key populations affected by corporate action are discussed in more detail in Section III.

²⁸ Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

²⁹ Based on a BSR analysis of company interviews conducted specifically for this research.

³⁰ Wiczner, Jen, "Your Company Wants to Make You Healthy," *The Wall Street Journal*, April 2013, <http://online.wsj.com/article/SB10001424127887323393304578360252284151378.html>.

³¹ Fortune, "100 Best Companies to Work For," CNNMoney, 2013, <http://money.cnn.com/magazines/fortune/best-companies/2013/snapshots/1.html>.

³² More than 89 percent of employees said the range of a company's health and wellness benefits is either "very important" or "somewhat important" in their choice of employer. Employees are also becoming much more motivated and productive when they know that their employer cares about their total quality of life. Source: Virgin HealthMiles, "Employees Place a Premium on Culture of Wellness, But Employers Still Struggle to Communicate and Measure the Effectiveness of Programs, According to New Virgin HealthMiles Survey," June 2013, http://us.virginhealthmiles.com/news/Pages/PR_130603_NEWMSurvey.aspx.

³³ Although the 1996 Health Insurance Portability and Accountability Act lays out specific conditions for health and wellness programs in an attempt to protect employees, many employees still feel

Long-term participation in wellness programs has been mixed in companies that do not foster a culture of health or where leadership and supervisors do not prioritize such programs. Studies have also found that a lack of time is one of the main reasons employees do not take part in wellness programs.³⁴

There is also a broader concern that many Americans are working longer hours than in past decades, and consequently, experiencing higher work-family conflicts than elsewhere in the developed world.³⁵ According to one study, the share of employed people working 50 or more hours per week in the United States increased across most demographic groups, most notably professional and middle-income women,³⁶ who, in addition to their long working hours, still take on more of the child care and household duties relative to their male counterparts.³⁷ The United States is also part of a very small club of nations that do not require time off each week, paid annual leave, and paid maternity leave.³⁸ Furthermore, 50 percent of employees described that they checked their work email on the weekend, 34 percent checked email while on vacation, and 22 percent felt they were expected to check email when not at work.³⁹ These statistics all point to the notion that, despite companies' best efforts to expand their workplace health and wellness programs and benefits, employees continue to confront fundamental work-life challenges.

Government

With growing evidence of the importance of prevention and investing in the nonmedical determinants of health, government is reflecting this shift, most notably through the Affordable Care Act, which includes incentives to invest in wellness and prevention, such as grants to small businesses and communities, policies to reduce health disparities, and other preferential policies for employee and community wellness programs. There has also been a strong push to strengthen laws to protect citizens' privacy and prevent discrimination based on an individual's health.⁴⁰

Local government attitudes about and their expectations of business related to health and wellness vary across regions.⁴¹ Health is becoming an important factor in attracting business investments and is increasingly part of local governments' job creation goals. Cities like Nashville, Tennessee, are undertaking a range of prevention efforts—including supporting community programs, workplace wellness efforts, and school-based initiatives—in an

their privacy is being threatened, as demonstrated by recent protests by Penn State faculty and substantiated by company and stakeholder interviews conducted for this research.

³⁴ Eighty-six percent of respondents reported that lack of time is the main reason they are not taking part in wellness. Source: Global Corporate Challenge, "2013 Global Workplace Health and Wellness Report," 2013, https://gccmarketing.blob.core.windows.net/sitecontent/2013_Global_Workplace_Health_and_Wellness_Report.pdf.

³⁵ Williams, Joan, "The Three Faces of Work-Family Conflict: The Poor, the Professionals, and the Missing Middle," Center for American Progress, January 2010, www.americanprogress.org/issues/2010/01/pdf/threefaces.pdf.

³⁶ Ibid.

³⁷ Gilson, Dave, "Overworked America: 12 Charts That Will Make Your Blood Boil," Mother Jones, July-August 2011, www.motherjones.com/politics/2011/06/speedup-americans-working-harder-charts.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ These laws include the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act of 1996.

⁴¹ Interviews with stakeholders and, particularly with local government representatives, highlighted significant differences in the attitudes and expectations of business based on: the type and significance of a community's health needs, the resources available to meet these needs, and the strength of the business community.

“Nashville wants to attract new business. If we’re known as a healthy city, that becomes a positive thing for economic development. If we’re known as a city that thinks about the health of our workforce, that will be a big plus for companies.”

Source: William Paul, Nashville Public Health Director, Trust for America’s Health, “Healthier Americans for a Healthier Economy,” November 2011, <http://healthyamericans.org/report/90>.

attempt to strengthen their reputation as a city that invests in the health of its workforce.⁴²

Some local and state governments are also working closely with companies to develop a shared vision around health. For example, as part of its Statewide Health Improvement Program, Minnesota is engaging with companies, such as retailer Target, to reduce the state’s burden of chronic disease by making it easier for residents to lead healthier lives; the program generates savings for companies throughout the state by reducing the number of people who have these conditions.⁴³ As part of these efforts, Target is engaging with the Alliance for a Healthier Minnesota, a business health coalition that partners with government, schools, and other relevant actors to advance health and wellness in companies and communities.⁴⁴

More local governments are also taking measures to discourage unhealthy lifestyles or habits.⁴⁵ From smoke-free air laws and soda taxes to menu labeling and bicycle sharing programs, city and state governments are pursuing a variety of efforts to make healthy choices easier for consumers and the general public. In some cases, companies have been enthusiastic supporters of these policy changes. The National Salt Reduction Initiative championed by New York City, for instance, counts food and beverage companies Starbucks, Mars Foods, and Unilever among its corporate partners.⁴⁶ In other cases, such policy changes have drawn criticism from business and intense lobbying efforts to eliminate restrictions or taxes on certain products, ingredients, or materials.⁴⁷

Community Organizations

Community organizations view health as deeply connected with social, economic, and environmental conditions.⁴⁸ Many other stakeholders interested in promoting and protecting health at the community level share this view. Building strong, vibrant communities depends on the health and well-being of its residents. Yet, many of the root causes for poor health lie in powerful social factors, such as education, income, and the quality of neighborhood environments.⁴⁹

⁴² Trust for America’s Health, “Healthier Americans for a Healthier Economy,” November 2011, <http://healthyamericans.org/report/90>.

⁴³ Ibid.

⁴⁴ Alliance for a Healthier Minnesota, <http://healthiermn.com>.

⁴⁵ For example, the American Nonsmokers’ Rights Foundation tracks the number of laws restricting smoking. As of October 1, 2013, there are 3,931 municipalities with laws in effect that restrict where smoking is allowed. Source: American Nonsmokers’ Rights Foundation, “Overview List: How Many Smokefree Laws?,” October 2013, www.no-smoke.org/pdf/mediaordlist.pdf.

⁴⁶ City of New York, “Mayor Bloomberg, Deputy Mayor Gibbs, and Health Commissioner Farley Announce First Companies to Commit to National Salt Reduction Initiative,” press release, April 2010, www.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0/index.jsp?pageID=mayor_press_release&catID=1194&doc_name=http%3A%2F%2Fwww.nyc.gov%2Fhtml%2Fom%2Fhtml%2F2010a%2Fpr179-10.html&cc=unused1978&rc=1194&ndi=1.

⁴⁷ Harless, William, “Richmond Soda Tax: Beverage Lobbyist Funds ‘Community’ Campaign against Measure,” *The Huffington Post*, June 2012, www.huffingtonpost.com/2012/06/14/richmond-soda-tax_n_1598508.html.

⁴⁸ Our research recognizes that “community organizations” represent a vast array of organizations and viewpoints, but for our purposes, these stakeholders are defined collectively as groups (such as community-based health organizations and nonprofits) that focus on or advocate for local community health and wellness issues.

⁴⁹ Studies have found that people ages 45-64 with the highest levels of education have death rates 2.5 times lower than those of persons with the lowest levels of education. Sources: Commission to Build a Healthier America, “Beyond Health Care: New Directions to a Healthier America,” Robert Wood Johnson Foundation, April 2009, www.commissiononhealth.org/PDF/779d4330-8328-4a21-b7a3-deb751dafaab/Beyond%20Health%20Care%20-%20New%20Directions%20to%20a%20Healthier%20America.pdf. McGinnis, Michael J., et al.,

“A company can be doing everything right in terms of their own employees’ health and wellness, but if they are not addressing community health issues, those employee investments will not be well spent, and outcomes won’t be as good. Companies must help build the local health infrastructure and improve community health.”

Source: Prominent U.S. business coalition on health, senior executive interview.

As a result, many community organizations focus on reducing health disparities through interventions aimed at improving access to healthcare for low-income populations and the uninsured. They also target the social and environmental determinants of health, including education, housing, poor nutrition, and public safety. With childhood obesity on the rise, more community organizations are educating children about healthy nutrition habits and promoting physical activity, as well as working to change the environment around them to make healthier choices (e.g., school lunches) and activities (e.g., recess) more accessible.

Traditionally, the private sector was seen as a source of charitable donations for community priorities, which included addressing health concerns. However, communities and companies are starting to see the benefits of forming strategic partnerships whereby coalitions of actors develop shared visions for community health. The California Endowment, for example, is supporting efforts in East Oakland (an Oakland neighborhood that suffers from high unemployment rates and high rates of obesity relative to California averages) to bring together youth and adult residents, community-based organizations, schools, businesses, healthcare service providers, and government agencies to work toward improved community and individual health. These efforts are part of the endowment’s Building Healthy Communities Initiative, a 10-year plan to improve health in underserved and geographically and ethnically diverse communities throughout California.⁵⁰ Communities are recognizing that companies have significant resources at their disposal to advance health outcomes, including their own human capital, products, and services, as well as logistical capabilities.⁵¹

Consumers

Different consumer groups define “good for our health” in vastly disparate ways. Within the food and beverage industry alone, one consumer may define healthy as organic, locally sourced food, while another may identify gluten-free as the most important health criterion. However it is defined, studies show that consumers are more aware of health when making purchasing decisions,⁵² although this plays out differently, depending on the product category (from food to electronics to baby products). While consumers appear to be more concerned with health, that concern does not always correspond to changes in consumption patterns; the motivation for purchasing one product instead of another varies widely. Affordability continues to be a top driver, but other factors, including personal preferences, culture, habits, and other practical considerations, such as time and convenience, are also important.⁵³ As one company explained,

“The Case for More Active Policy Attention to Health Promotion,” HealthAffairs, March 2002, <http://content.healthaffairs.org/content/21/2/78.full>.

⁵⁰ East Oakland Building Healthy Communities, www.eobhc.com.

⁵¹ A good example of how companies can use their logistical capabilities to address health issues is Walmart’s support of the Hurricane Katrina disaster response. Among other efforts, the company used its shipping and transportation network to provide medicine and other supplies to victims. Source: Hayes, Erin, “What Can Walmart Teach FEMA about Disaster Response?” September 2005, ABC News, <http://abcnews.go.com/WNT/HurricaneRita/story?id=1171087&page=1>.

⁵² A study of nutrition trends sponsored by the Academy of Nutrition and Dietetics in 2011 found significant increases in people’s interest in finding out more about the health and nutrition of products. In nationwide opinion surveys conducted since 1991, they found that only 19 percent of people in 2000 said that they “actively seek information about nutrition and healthy eating” compared with 46 percent in 2011. However, when asked whether they are “very careful to select foods to achieve balanced nutrition and healthy diet,” the difference was less significant (71 percent in 2000 compared to 76 percent in 2011). Source: The Academy of Nutrition and Dietetics, “Nutrition and You: Trends 2011 Public Opinion on Food and Nutrition: 20 Years of Insights,” 2011, www.eatright.org/nutritiontrends/#.UlbeMHbn_cs.

⁵³ Another study validated this information. When making decisions about buying packaged food or beverages, at least 6 in 10 Americans report considering calories (71 percent), whole grains (67 percent), fiber (62 percent), sugars in general (60 percent), sodium or salt (60 percent), and/or fats and oils (60 percent). While Americans acknowledge that they have room to improve and report that they are trying to improve the healthfulness of their diet, more than half (54 percent) report that

“Consumers want healthy food, but they want it cheap, easy, and as tasty as alternatives.”⁵⁴

Consumer-advocacy groups also continue to play a significant role in changing status-quo business practices. Many of these groups conduct well-crafted public-advocacy campaigns or exert influence through public policy. For instance, after a decade-long public-advocacy campaign, the Campaign for Safe Cosmetics achieved a significant milestone with a commitment from consumer products company P&G to eliminate toxic chemicals triclosan and diethyl phthalate from all its products by 2014, stating that doing so is “smart business, as well as smart health protection for families concerned about cancer and other chronic illness[es] linked to toxic cosmetic chemicals.”⁵⁵

“Nearly 6 in 10 Americans believe that online and mobile tools can help them live healthier lifestyles.”

Source: The International Food Information Council Foundation.

New crowdsourcing technology, mobile apps, and home health assessment devices are also playing an increasing role with consumers, who now have greater access to information about their personal health than ever before. Tools like GoodGuide are equipping consumers with information to compare products across a variety of health and nutrition criteria and empower them to make healthier choices.⁵⁶ The more information that consumers have access to however, the more they must process, leaving many hard-pressed to filter the noise. Consumers increasingly expect companies to do more than simply inform them; they expect companies to educate and empower them to make decisions appropriate for their needs and interests.

Many consumer segments also distrust the private sector on health to a certain degree.⁵⁷ Consumers are particularly concerned about the advertising or marketing of unhealthy foods to children,⁵⁸ accuracy of nutrition labeling, and the health and safety of products.⁵⁹ Revelations about carcinogens and other toxic materials found in everyday products have only served to heighten concerns for consumers.

Finally, companies are tapping into the perceived growing social consciousness of many younger consumers who seek companies and brands that align with their social values.⁶⁰ Companies like Chipotle, for instance, which has a narrative

they would rather just enjoy their food than worry too much about what is in it. Sources: International Food Information Council Foundation, “2012 Food and Health Survey,” www.foodinsight.org/Resources/Detail.aspx?topic=2012_Food_Health_Survey_Consumer_Attitudes_toward_Food_Safety_Nutrition_and_Health. Accenture, “2012 Accenture Healthcare Consumer Survey,” November 2012, <http://newsroom.accenture.com/news/us-consumers-value-healthcare-affordability-but-not-willing-to-make-tradeoffs-that-impact-health-costs-says-accenture-survey.htm>.

⁵⁴ Quotation is from a company interview conducted specifically for this research project, but it has been left unattributed to maintain confidentiality.

⁵⁵ The Campaign for Safe Cosmetics, “Proctor and Gamble Eliminating Phthalates, Triclosan from Products Worldwide,” September 2013, <http://safecosmetics.org/article.php?id=1155>.

⁵⁶ GoodGuide, www.goodguide.com.

⁵⁷ Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

⁵⁸ The top four foods advertised to children are fast foods, sugared cereal, sugary drinks, and candy, according to Jennifer Harris, Director of Marketing Initiatives at Yale Rudd Center for Food Policy and Obesity. Source: Klass, Perri, “How Advertising Targets Our Children,” *New York Times*, February 2013, <http://well.blogs.nytimes.com/2013/02/11/how-advertising-targets-our-children>.

⁵⁹ A study by the International Food Information Council Foundation (IFIC) found that more than half of Americans believe it is easier to figure out their income taxes than to figure out what they should and shouldn't eat to be healthier. It also found that more than 8 out of 10 Americans (85 percent) admit to giving some thought to the safety of their food and beverages over the past year. Source: IFIC, “2012 Food and Health Survey,” May 2012, www.foodinsight.org/Resources/Detail.aspx?topic=2012_Food_Health_Survey_Consumer_Attitudes_toward_Food_Safety_Nutrition_and_Health.

⁶⁰ There is a general perception that the Millennial generation is greener and more socially conscious than other generations. One study confirms that Millennials are potentially more attitudinally green than behaviorally green. One finding of note is that buying and using green products is a more important part of the Millennial public image than it is for all other age groups (40 percent vs. 33

around and sells healthy, fresh, and sustainably sourced food, have seen sales grow rapidly.⁶¹

Investors

The investor community has traditionally viewed⁶² health through a narrow risk management lens. As a result, workplace or occupational health and safety (OHS) compliance has been an important factor in the environmental, social, and governance (ESG)⁶³ assessments of companies, particularly those in the manufacturing and extractives industries. For some socially responsible investors, this view is evolving, particularly for food and beverage companies where health and nutrition information (fueled somewhat by regulatory risks) is more commonly part of the screening criteria.

Investors expect health and wellness to become more important in the coming years as healthcare costs increase and the risks and opportunities for business are more fully understood.⁶⁴ As diversity metrics become more important, health issues that affect specific populations, such as same-sex or domestic-partner benefits and women's health (e.g., flexible work schedules, reproductive health insurance benefits, and gender-disaggregated participation data) could also become a higher priority.⁶⁵

The emergence of B Corporations (businesses that are certified to meet rigorous standards of social and environmental performance, accountability, and transparency) has provided indicators by which investors can measure both business and societal impact. Health is integrated into both the operational assessment of the B Corporation and the assessment of the business model's ability to have an impact on advancing health.⁶⁶ While it is legally difficult for many large corporations to change their articles of incorporation to become a B Corporation, the model could significantly influence society and investors' definition of business success.

percent overall.) Source: Head, Lee Ann, "Millenials Are Greener! Really?," Shelton Group, September 2013, <http://sheltoninsights.com/sustainability-communications/millennials-are-greener-really>.

⁶¹ Since Chipotle opened with one restaurant in 1993, it has grown to about 1,500 restaurants and is now the second-largest Mexican-themed chain in the United States. Source: "Chipotle Cooks Up Healthy Growth with Better Burritos," NASDAQ, August 2013, www.nasdaq.com/article/chipotle-cooks-up-healthy-growth-with-better-burritos-cm269081#ixzz2qW3NCFjZ.

⁶² BSR has published a number of articles and research reports on the evolution of investor perspectives on CSR issues and health. Source: BSR, "Environmental, Social, and Governance: Moving to Mainstream Investing?," June 2008, <http://uksif.org/wp-content/uploads/2012/12/BSR-2008-Environmental-Social-and-Governance-Moving-to-Mainstream-Investing.pdf>.

⁶³ Environmental, social, and governance (ESG) refers to a set of nonfinancial criteria used by socially responsible investors to measure a company's long-term sustainability, value, and business performance. According to the Forum for Sustainable and Responsible Investment (U.S. SIF Foundation), "Socially responsible investment assets grew by 22 percent from year-end 2009 to year-end 2011 to a total of US\$3.74 trillion, driven in part by the growing number of institutional asset owners that consider governance issues in investment analysis and the dramatic expansion in the number and assets of mutual funds and alternative funds that consider environmental, social, and governance criteria." Source: U.S. SIF Foundation, "2012 Report on Sustainable and Responsible Investing Trends in the United States," 2012, www.ussif.org/files/Publications/USSIF_2012AnnualReport_F.pdf.

⁶⁴ Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

⁶⁵ Ibid.

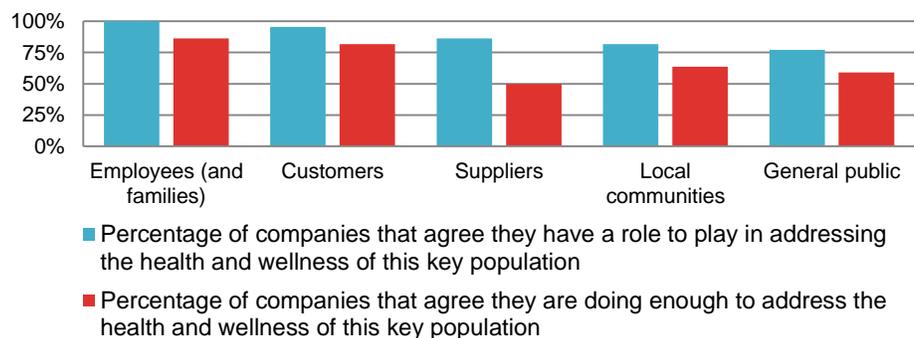
⁶⁶ B Corporation, www.bcorporation.net/b-the-change/b-social.

Section III: Current State of Corporate Engagement

Driven by stakeholders' evolving views and values of health and wellness, companies are increasingly called upon to play a greater role in improving the health and wellness of the key populations with whom they interact.⁶⁷ Companies are recognizing that they have a role to play. Our research has found that companies feel strongly that they can strengthen the health and wellness of, not only their employees and customers, but also of—and through—their suppliers, their local communities, and the general public.⁶⁸

But as companies recognize their changing roles, they are also aware that their efforts fall short of many stakeholders' expectations, most notably with suppliers. While 86 percent of companies agree that they can help strengthen the health and wellness of their suppliers, only 50 percent agree that they are doing enough to address this population's health and wellness.⁶⁹ The same trend occurs across all the other groups we explored, as depicted by Chart 3:

Chart 3. Companies Surveyed that Agree They Have a Role to Play and Are Doing Enough for Key Populations



Notes: Based on a BSR member opinion survey (n = 22). These data indicate the percentage of company respondents who agree or strongly agree that companies have a role to play in strengthening the health and wellness of key populations; and the percentage of company respondents who agree or strongly agree that companies are doing enough to address the health and wellness of key populations. Data are not representative of all companies or even all BSR member companies.

To understand why these gaps may exist, this section takes a closer look at the current state of corporate engagement on health and wellness in terms of four lenses:

- » Key business drivers of health and wellness
- » Informal factors that influence company action
- » Current impacts across the value chain
- » Current impacts across key populations

⁶⁷ Our research distinguishes “key populations” as broadly defined groups that are *affected by* corporate action versus “key stakeholders” as broadly defined groups that *influence* corporate action. We also recognize that some overlap naturally exists between these two distinctions.

⁶⁸ See Chart 3 for data. See Appendix I for notes on survey methodology and limitations.

⁶⁹ Ibid.

Key Business Drivers of Health and Wellness

Many different potential business drivers for corporate engagement on health and wellness exist, but some drivers have a much greater influence in some industries than others. There are also drivers that are common to most industries.⁷⁰ This report identifies seven key business drivers that companies use to move their health and wellness agenda forward.

COMMON BUSINESS DRIVERS

The following are common business drivers relevant to most industries:

“The overall intent is to build a culture of health and wellness, but key drivers also include controlling cost and increasing productivity.”

Source: Major U.S. healthcare company, senior executive interview.

- » **Reduce healthcare costs:** This driver is one of the most important for employee programs at companies, and it is the easiest to measure (with the ability to compare the investment in health and wellness programs against the cost of healthcare insurance premiums or premium increases prevented).⁷¹ As healthcare costs grow and policies change, the importance of this business driver will also grow.⁷² For some major employers, reducing healthcare costs is a stated objective of their health-related initiatives. For example, manufacturer General Electric has committed to “lead the market with innovations to decrease healthcare costs while improving the quality of healthcare,” and retailer Walmart described the broader picture: “[C]ontrolling the cost of coverage isn’t just a challenge for Walmart; it’s a national challenge.”⁷³
- » **Protect or strengthen reputation:** Reputation is both highly valued and highly fragile, and companies invest significant time to protect or strengthen their reputation and retain trust and credibility with their stakeholders. Companies that directly affect health and wellness through their products and services are driven to protect their reputation to avoid potentially large financial impacts and a loss of goodwill with customers, but companies that indirectly affect health and wellness, such as media companies that may be criticized for advertising smoking or unhealthy products, also recognize this driver’s importance. For companies with significant impact on local communities, such as those in the energy and extractives industries, there is a strong motivation to maintain a favorable reputation with local communities by reducing the negative health impacts of their operations or supporting efforts to improve the local community health or social infrastructure. For consumer-facing companies, there can be a strong motivation to connect health and wellness to their brand, and some engage in cause-related marketing or health-related campaigns to bolster their reputation.
- » **Improve employee productivity:** More and more data and research is linking health to productivity. One study found that obese workers lose 13 times more days of work from injury or illness than nonobese workers⁷⁴—a statistic that suggests that employees who are less healthy are injured more often and have higher rates of absenteeism. Some are beginning to link poor

⁷⁰ Based on a BSR analysis of key business drivers and their influence on the 10 industries examined for this research. See Appendix V for a list of the companies (grouped by industry) that we examined.

⁷¹ Ibid.

⁷² The National Business Group on Health found that employers expect healthcare costs to increase 7 percent in 2014. Source: National Business Group on Health, “Large U.S. Employers Project a 7% Increase in Health Care Benefit Costs in 2014: National Business Group on Health Survey Finds,” August 2013, www.businessgrouphealth.org/pressroom/pressRelease.cfm?ID=214.

⁷³ GE, “2012 Sustainable Growth,” page 12. Walmart, “2013 Global Responsibility,” page 90.

⁷⁴ Duke University Medical Center, “Obesity Increases Workers’ Compensation Costs,” April 2007, www.dukehealth.org/health_library/news/10044.

health (of an individual or even of family members) to stress and concentration, which also influence productivity.⁷⁵

This driver of employee productivity has the potential to play a larger role as more data is collected and measured. In fact, KKR, a leading global investment firm, announced in September 2012 a two-year collaboration with the American Heart Association to research the effectiveness of workplace wellness programs and, specifically, to measure the extent to which these programs improve employee productivity.⁷⁶

- » **Improve employee recruitment and retention:** Health and wellness is increasingly seen as important to employee recruitment and retention, though its recognition varies by industry. Some companies, such as those in healthcare-related industries or whose culture has a high focus on work-life balance or creativity, place more attention on this connection. For those companies, this issue is more integral to the company culture and may be more highly valued by the talent being recruited. Internet company Google, as noted earlier, has long been known for the perks that it provides its employees, including subsidized massages, free yoga and Pilates classes, courses on stress management, health consultations, and follow-ups with a personal health counselor.⁷⁷ These perks are an important aspect of the company's ability to recruit and retain talent.

INDUSTRY-SPECIFIC BUSINESS DRIVERS

The following business drivers are relevant to some, but not all industries:

- » **Enhance sales of existing products or develop new products:** This driver is crucial for many companies, particularly those whose core products directly and unavoidably affect health and wellness positively or negatively. These companies have seen a rise in demand for products and services that improve health or address new aspects of health and wellness. For example, according to the "Shopping for Health 2013" study, "Consumers continued the trend of switching to healthier versions of the food they used to eat."⁷⁸ More than half of the companies we analyzed are developing new products or services that specifically meet customers' health and wellness needs.⁷⁹ However, while there is promise for these new products and services to increase over time, these innovations currently represent only a small part of most companies' overall product portfolio.
- » **Reduce regulatory risks:** For companies working in the healthcare and the food, beverage, and agriculture industries, as well as those in the information and communications technology (ICT) industry, the possibility of tougher regulations, as noted earlier, can directly affect the products they make and

⁷⁵ For example, American Psychological Association research found that "those adults who rate their health as fair or poor also report higher levels of stress and are more likely to report physical symptoms of stress than those who rate their health as excellent or very good." Source: American Psychological Association, Health and Stress, www.apa.org/news/press/releases/stress/health-stress.aspx.

⁷⁶ KKR, "Working Together: KKR and the American Heart Association," September 2012, www.kkrwellnessworks.com/alliance-with-aha#_UkxZUobks_Y.

⁷⁷ Stewart, James, "Looking for a Lesson in Google's Perks," *The New York Times*, March 2013, www.nytimes.com/2013/03/16/business/at-google-a-place-to-work-and-play.html?pagewanted=all&r=0.

⁷⁸ Food Marketing Institute and Prevention, "Shopping for Health 2013," June 2013, www.fmi.org/news-room/latest-news/view/2013/06/25/prevention-magazine-and-food-marketing-institute-release-21st-annual-shopping-for-health-survey-results.

⁷⁹ Based on a BSR analysis of 36 publically available CSR reports and corporate websites of companies across industries. See Appendix V for a full list of company CSR reports and websites that were analyzed.

how companies market and sell them. These regulations affect the ability to get licenses for products, the potential for restrictions on design or materials in a product, and the freedom to market products in certain ways or to certain groups, which can have major impacts on a company's success. Companies, such as those in the food industry, often develop or join voluntary commitments or initiatives as an alternative way to moderate the impacts of increased regulation.⁸⁰ Regulation can also affect companies that impact the safety of local communities. For example, energy and extractive companies adhere to safety regulations to reduce unsafe or hazardous environmental and health exposures to local communities.

- » **Reduce operational risks:** Traditional concepts of workplace or OHS continue to sit at the core of many companies' health and wellness agendas, particularly those that manufacture or source products with significant safety risks in their operation or in their use, as well as those that operate in hazardous environments, such as companies in the transportation or energy and mining industries. These companies focus on reducing injuries to ensure predictable, consistent staffing to, in turn, prevent delays in production schedules. They also aim to prevent potential legal costs from manufacturing processes that might harm employees or from chemicals released during manufacturing that might harm local communities. In addition, many companies are increasingly recognizing the need to improve workplace ergonomics to better avoid office-based workplace injuries.

The following table summarizes these common and industry-specific key business drivers and their potential relevance by industry:

Table 2. Key Drivers of Health and Wellness and Potential Relevance by Industry⁸¹

		HC	FBA	CP	ICT	MAN	EE	FS	M&E	TT	LOG
Common Drivers		<p align="center"> Reduce healthcare costs. Protect or strengthen reputation. Improve employee productivity. Improve employee recruitment and retention. </p>									
Industry-specific Drivers	Enhance sales of existing products or develop new products	X	X	X	X	X		X	X	X	X
	Reduce regulatory risks	X	X			X	X		X	X	X
	Reduce operational risks			X	X	X	X			X	X

Key: HC = healthcare; FBA = food, beverage, and agriculture; CP = consumer products; ICT = information and communications technology; MAN = manufacturing; EE = energy and extractives; FS = financial services; M&E = media and entertainment; TT = travel and tourism; LOG = transportation and logistics

⁸⁰ Sharma, Lisa, et al., "The Food Industry and Self-Regulation: Standards to Promote Success and to Avoid Public Health Failures," *American Journal of Public Health*, February 2010, Volume 100, Issue 2, pages 240–246, www.ncbi.nlm.nih.gov/pmc/articles/PMC2804645. Boseley, Sarah, et al., "Food Industry Playing for Time on Regulation, Says Obesity Expert," *The Guardian*, February 2013, www.theguardian.com/society/2013/feb/18/food-industry-regulation-obesity-expert.

⁸¹ Based on a BSR analysis of 36 publically available CSR reports and corporate websites of companies across industries. See Appendix V for a full list of company CSR reports and websites that were analyzed.

The call-out box below provides a summary of how various industries generally impact health and wellness through their products and services.

A Company's Products and Services Define How It Impacts Health and Wellness

- » Healthcare and food, beverage, and agriculture companies have a direct, high, and unavoidable impact on health and wellness. Their products serve either to prevent or treat health issues or provide nutrition.



Key Questions for CSR: How can CSR help reduce negative health and wellness impacts from products? How can CSR help lower high barriers to access for products with health and wellness benefits? How can CSR help develop new products that address unmet health and wellness needs and ensure their affordability, availability, and usability?

- » Consumer products, ICT, media and entertainment, and manufacturing companies could have a significant impact, depending on whether they recognize (and take responsibility for) how their products and brands currently (or could) impact health and wellness.



Key Questions for CSR: How can CSR help influence customers to improve their health and wellness? How can CSR help change operations or business processes to improve health and wellness? How can CSR help enhance business-to-business customers' ability to deliver health products and services?

- » Energy and extractives, travel and tourism, and transportation and logistics companies have a major impact, but their effect is often restricted to the specific geographical area of their operations. They may also only have products that indirectly improve health and wellness, such as financial services (which may lend or invest money in healthcare infrastructure) or logistics companies (which may transport life-saving products after a natural disaster).



Key Questions for CSR: How can CSR help reduce negative health and wellness impacts from local operations? How can CSR help increase health and wellness benefits for local communities and affected stakeholders? What opportunities are there to develop or adapt services that improve customers' health and wellness?

“Every person in the company has to do health and wellness just like everybody must do CSR.”

Source: Major U.S. financial services company, senior executive interview.

Informal Factors That Influence Company Action

Numerous informal factors can also influence decisions related to health and wellness. This report identifies the top three informal factors that influence corporate engagement on health and wellness.⁸²

CORPORATE CULTURE AND VALUES

A company’s corporate culture and values can often determine the extent to which it integrates health and wellness across its value chain. This integration (or lack thereof) affects the extent to which a company incorporates health and wellness into its core business strategies, incentives, rewards systems, and activities with employees and their families. It also affects employees’ motivation to strengthen the health and wellness of their local communities, customers, and suppliers through their daily actions and business decisions. For instance, a motivated employee may design products that use less harmful chemicals or volunteer in the community to improve local environmental conditions, a key determinant of health.⁸³

A variety of companies, such as healthcare company Johnson & Johnson, regularly talk both internally and externally about how supporting health policies, practices, and programs fit into—and is core to—their culture, in order to demonstrate it as central to their company.⁸⁴ One stakeholder interviewed professed, “CSR is a good steward of the pulse of the company, leadership, and employees.”⁸⁵ These views demonstrate how company culture plays an informal role in influencing corporate action and the role that CSR plays (or can play) in championing a company’s culture and values.



Key Questions for CSR: *How is health and wellness represented in the corporate mission or values? How can the existing culture be leveraged to strengthen health and wellness? How important is health and wellness in the company’s employee or customer value proposition? How can companies integrate a wellness and prevention agenda into their operations and sourcing standards?*

LEADERSHIP COMMITMENT

The level of commitment expressed by senior leadership on health and wellness plays a significant role in how much a company invests in related programs and initiatives and how closely it is linked to the overall business strategy.⁸⁶ As one company described, “While we have a number of incentive programs, it’s the unconditional support that we have from leadership on health and wellness that really helps drive employee participation in our health and wellness programs.”⁸⁷ Some companies demonstrate their leadership commitment by establishing leadership roles that focus specifically on health and wellness. For example, telecommunications company AT&T has a vice president of healthcare, and apparel company Nike has a vice president of access to sport.⁸⁸

⁸² The top three informal factors were based on a BSR member opinion survey (n = 22). These factors were also further substantiated by company interviews that were conducted specifically for this research. Data are not representative of all companies or even all BSR member companies. See Appendix I for notes on survey methodology and limitations.

⁸³ Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

⁸⁴ Johnson & Johnson, Employee Health and Wellness, www.jnj.com/responsibility/Social/Our-Employees/Overview.

⁸⁵ Quotation is from an expert stakeholder interview conducted specifically for this research project, but it has been left unattributed to maintain confidentiality.

⁸⁶ Ibid.

⁸⁷ Quotation is from an expert stakeholder interview conducted specifically for this research project, but it has been left unattributed to maintain confidentiality.

⁸⁸ AT&T, AT&T Healthcare Executive Advisory Council, www.corp.att.com/healthcare/heac/heac_new.html. Siemers, Erik, “Nike’s Investment in Physical



Key Questions for CSR: *If not the most senior person at the company, who is the most senior person accountable for health and wellness? How important is health and wellness in the company’s agenda? Does the most senior person responsible for CSR consider health and wellness part of his or her responsibility?*

EMPLOYEE EXPECTATIONS

Much of the success of any health and wellness program relies on meeting employees’ expectations. Companies recognize that their employees’ needs, attitudes, and expectations around health and wellness may vary by location, culture, and demographic, among other factors. One healthcare company described the importance of understanding employees’ perceptions of health and wellness and has created an internal mechanism to collect feedback from employees and share this information with senior leadership on a regular basis.⁸⁹ This feedback-loop can be applied to companies across all industries either by creating a separate mechanism for collecting feedback on health and wellness only, or by integrating health and wellness into existing feedback mechanisms (e.g., annual employee surveys).

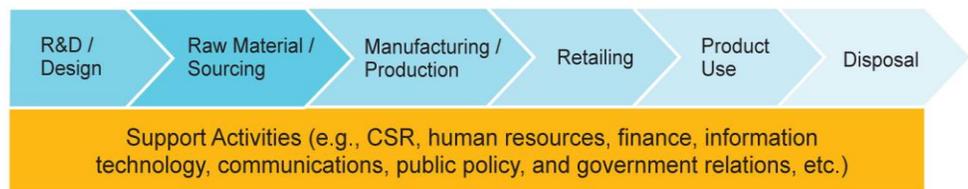


Key Questions for CSR: *Are employees asked for suggestions around health and wellness—including their own health, as well as their families’ and their communities’ health—as part of their feedback exercises? Are they well informed about the company’s approach to and policies on health and wellness? How is employee feedback on health and wellness shared with senior leadership?*

Company Impacts across the Value Chain

The value chain concept uses a high-level approach that is helpful in understanding where and how a company might influence health and wellness. This two-tier concept includes: 1) primary activities that relate directly to the physical creation, sale, maintenance, and support of a product or service (i.e., the chain of events that occur in bringing a product or service from conception to disposal) and 2) support activities (such as CSR, human resources, communications, or finance) that provide the underlying infrastructure, management systems, and other common resources that help maximize how each primary activity is carried out.⁹⁰

Diagram 2. The Corporate Value Chain⁹¹



Activity Starts in U.S., Will Spread Elsewhere,” *Portland Business Journal*, February 2013, www.bizjournals.com/portland/blog/threads_and_laces/2013/02/nikes-investment-in-physical-activity.html?page=all.

⁸⁹ Based on a company interview conducted specifically for this research.

⁹⁰ Porter, Michael E., *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1998.

⁹¹ Adapted from Professor Michael Porter’s value chain framework.

Our research has found that there are many ways to impact health and wellness across the value chain, but to date, some impacts have been emphasized or explored more explicitly than others. Companies are emphasizing their impacts mostly at the production, retailing, and product use stages of the value chain. At these stages, they generally have the most direct control over how their operations, products, and services impact the health and wellness of employees and customers. But while companies will need to continue addressing health and wellness at the stages they have the most control over, there are other areas along the value chain where companies have not fully recognized their actual (or potential) positive or negative influence on health and wellness.

This section provides detail on how some companies are influencing health and wellness across different stages of the value chain.

R&D AND DESIGN

The R&D and design stage is where companies consider ways to strengthen the positive or reduce the negative health impacts of their products and services, such as deciding which suppliers to source from, which raw materials or services to use, what manufacturing techniques to employ, and how products and services can enable better health outcomes for the end-user.

Companies in the food, beverage, and agriculture industry invest significantly in R&D to design healthier, safer products and gain a competitive advantage. Nestle USA, for instance, argues that R&D is a key competitive advantage to achieving industry leadership in nutrition, health, and wellness.⁹² In another example, food company General Mills has created a Worldwide Innovation Network to work with external partners who can help design innovations in products, packaging, processes, ingredients, and technologies that will improve the nutritional value of the company's products.⁹³

Companies are recognizing that decisions made during the R&D stage can also affect health and wellness during other stages of the value chain, including the disposal stage. For example, by designing products to use less harmful materials (e.g., greener chemicals, more sustainable raw materials) that are easier to recycle or safer to use and dispose of, companies can positively impact both environmental and human health.⁹⁴

Even companies that do not, at first glance, seem to have a direct impact on health through their products or services are recognizing the ways they can strengthen the health and wellness of the key populations they influence. For example, media and entertainment companies like the Walt Disney Company are designing story lines or programming to include healthy messaging in an entertaining way. Specifically, all Disney Channel series currently in production have at least one episode per season that incorporates a positive healthy lifestyle message.⁹⁵

⁹² Nestle USA, www.nestleusa.com/about-us/rd.

⁹³ General Mills, Worldwide Innovation Network, www.generalmills.com/Company/Innovation/G-Win.aspx.

⁹⁴ Bredenberg, Al, "Green Chemistry Impacts Manufacturing Supply Chains," Industry Market Trends, July 2013, <http://news.thomasnet.com/IMT/2013/07/17/green-chemistry-impacts-manufacturing-supply-chains>.

⁹⁵ Walt Disney Company, "2010 Corporate Citizenship Report," Family Entertainment, <http://corporate.disney.go.com/citizenship2010/familyentertainment/overview/promotinghealthylifestyle>.



Key Opportunities for CSR:

- » *Provide a health and wellness lens to current R&D and design activities, priorities, and guidelines.*
- » *Bring together internal and external experts on health and wellness with R&D and design teams to provide market insights, identify future trends, and develop product suggestions.*
- » *Work with R&D and design to set goals for product impacts on health and wellness.*

RAW MATERIALS AND SOURCING

During the raw material production and sourcing stage, key health challenges include the health and safety of the workers who are extracting, producing, or processing raw materials, as well as the health of those living in the communities surrounding these sites. This part of the production process can often generate local and regional pollution and contribute to adverse environmental conditions and/or exposures that create potentially harmful health impacts.⁹⁶ In addition, because these raw material production activities often take place in socioeconomically disadvantaged areas,⁹⁷ some companies invest in the local economic development, healthcare infrastructure, and other factors like education that may be causing poor health.

Corporate engagement on health and wellness at this stage is still relatively weak; the focus on health at this stage tends to be limited to addressing the workplace or occupational health and safety of workers and suppliers producing the raw materials.⁹⁸ However, some buyers are expanding their roles by providing these workers and suppliers with preventive services and offering them health education and psychological support. For example, ExxonMobil's Culture of Health is a site-based preventive health and wellness program that provides health awareness campaigns and seminars on topics, such as workplace ergonomics, eating habits, and fitness, to employees at worksites across the United States.⁹⁹ Others like Freeport-McMoRan Copper & Gold are enlisting their corporate foundations to allocate funds to local community programs that address health and wellness directly or focus on education, economic and cultural development, and the environment—all of which are determinants of health.¹⁰⁰

In the agriculture industry, many worker healthcare needs are not being met because of poverty, frequent mobility, low literacy levels, and language and cultural barriers that impede farmworkers' ability to be healthy, as well as access

⁹⁶ A study conducted by the University of California, Berkeley compared environmental exposures in a fence-line community bordering the Chevron Richmond refinery with a group of Bay Area homes located in rural Bolinas, California. It found measurements of indoor air pollution in Richmond to be higher overall than in Bolinas where the air is cleaner. Higher levels of vanadium and nickel were also indicative of heavy oil combustion and shipping. Source: The Center for Occupational & Environmental Health, "New Methods Detect 'Hotspots' of Cumulative Exposures in California Communities," Bridges, Winter 2013, <http://coeh.berkeley.edu/bridges/Winter2013/BridgesNewsletterWT13.pdf>.

⁹⁷ The cumulative exposure to multiple stressors in Richmond, such as noise, crime, and poverty, are amplifying the health effects of specific exposures like air pollution. Source: Ibid.

⁹⁸ Based on a BSR analysis of 36 publically available company CSR reports and websites where only 10 companies were found to have any relevant impact on health and wellness during this stage. See Appendix V for a full list of company CSR reports and websites that were analyzed.

⁹⁹ ExxonMobil, Employee Health, www.exxonmobil.com/Corporate/safety_health_employee.aspx.

¹⁰⁰ Freeport-McMoRan Copper & Gold, General Social Investment Program, www.freeportinmycommunity.com/pages/social-investment-program.

to social services and cost-effective primary healthcare.¹⁰¹ Our research, however, cannot determine the extent to which companies are addressing these needs or barriers, either directly or through their supply chain. Some companies are using their influence to improve the health of their raw materials suppliers. Food company McDonald's, for example, created a Supplier Workplace Accountability program to promote unified global workplace standards for all workers who touch the company's supply chain and to ensure that they are treated fairly and provided with a safe, healthy work environment.¹⁰² It is unclear whether this initiative or other similar initiatives also seek to address some of the underlying social and environmental determinants of health that many workers in the supply chain face.



Key Opportunities for CSR:

- » *Review existing sourcing standards and practices to ensure that they include expectations around the health and wellness of employees involved in sourcing. Identify opportunities to incorporate health and wellness programs into existing capacity-building or community programs with suppliers.*
- » *Review broader considerations (e.g., education, labor practices) that impact health and wellness during sourcing.*
- » *Review the extent to which health and wellness is part of existing standards on ethical sourcing, and propose changes where necessary.*
- » *Review standards and practices for outsourced manufacturing to ensure the health and wellness of the employees involved.*

MANUFACTURING AND PRODUCTION

Whether a company is manufacturing a product or preparing a service, workplace or occupational health and safety continues to dominate the health and wellness agenda with employees during this stage (as it did in the previous stage). Companies that conduct their own manufacturing, however, are increasingly focusing on prevention, and some are providing targeted solutions for specific health challenges. For example, Cummins, a manufacturer of heavy equipment, has designed several programs to raise awareness about health, including the first-ever, company-wide ergonomics competition, which drew more than 70 entries that collectively saved the company an estimated US\$1.7 million by improving productivity.¹⁰³

Other manufacturers like Boeing have developed comprehensive wellness packages that include a health and well-being website and newsletter, confidential online and onsite health screenings, flu vaccine programs, and smoking cessation, fitness, and weight management programs and coaching.¹⁰⁴ Nonmanufacturing companies that produce services for their customers like financial services company Goldman Sachs provide similar wellness programs

¹⁰¹National Center for Farmworker Health, "Facts about Farmworkers," August 2012, www.ncfh.org/docs/fs-Facts%20about%20Farmworkers.pdf.

¹⁰²McDonald's, Supplier Workplace Accountability, www.aboutmcdonalds.com/mcd/sustainability/library/policies_programs/sustainable_supply_chain_supplier_workplace_accountability.html.

¹⁰³Cummins, "Health and Safety Key to Cummins Sustainability," www.cummins.com/cmi/navigationAction.do?nodeId=59&siteId=1&nodeName=Record+Year+for+Safety&menuId=1050.

¹⁰⁴Boeing, U.S. Benefits Overview, Wellness Programs, www.boeing.com/boeing/careers/benefits/us_benefits.page.

and preventive services, as well as child care and flexible working opportunities to employees.¹⁰⁵ The latter may play a particularly important role given the long working hours and poor work-life balance that the financial services industry has been historically known for and, more recently, has resurfaced as a key industry issue in light of recent tragedies allegedly linked to overwork.¹⁰⁶

In terms of external impacts, companies recognize the importance of manufacturing in ways that do not negatively impact local communities. Companies like Intel, which uses complex and intense manufacturing processes to produce microprocessors, manage their local environmental impacts across a number of dimensions, from managing water and chemical use and discharge to local siting of manufacturing facilities to reducing energy use, air emissions, and waste—all of which contribute to local community health.¹⁰⁷



Key Opportunities for CSR:

- » *Review existing employee health and wellness offerings in light of established best practices.*
- » *Identify opportunities to incorporate health and wellness programs (such as the HERproject¹⁰⁸) and policies into existing capacity-building or community programs with manufacturing suppliers.*
- » *Review the local environmental and social impacts of manufacturing operations and benchmark against established best practices.*

“We want to make healthy choices easy for consumers to make.”

Source: Major U.S. food services company, senior executive interview.

RETAILING

Companies have significant influence over consumers' purchasing decisions and behaviors through retailing activities, such as pricing, marketing, and distribution. They can provide health-related product labeling, aim messages directly at customers (via in-store promotional activities or through online or traditional advertising channels), or make healthy (or healthier) products more readily available to people in rural or socioeconomically disadvantaged areas.

Many studies have found that people who live in neighborhoods with better access to healthy food have better nutrition and better health; yet, nearly 30 million people in the United States lack adequate access to fresh, healthy, and affordable food choices. This lack of access is a particular challenge for communities of color and people living in low-income neighborhoods and rural areas.¹⁰⁹ Walmart has made some significant efforts that aim to address this challenge. They have committed to reducing prices of healthier food by US\$2.3 billion in two years and to opening 275 to 300 new stores by 2016 that will serve areas designated as “food deserts” by the U.S. Department of Agriculture.¹¹⁰

¹⁰⁵Goldman Sachs, U.S. Benefits, www.goldmansachs.com/careers/why-goldman-sachs/compensation-and-benefits/compensation-and-benefits-us.html.

¹⁰⁶Melendez, Eleazar, “BofA Takes Hard Look at Work-Life Balance after Intern’s Death,” *Huffington Post*, October 2013, www.huffingtonpost.com/2013/08/23/intern-death-bank-of-america_n_3804775.html.

¹⁰⁷Intel, “2012 Corporate Responsibility Report,” http://csrreportbuilder.intel.com/PDFFiles/CSR_2012_Full-Report.pdf.

¹⁰⁸BSR’s HERproject links multinational companies and their factories to local NGOs to create sustainable workplace programs that increase women’s health awareness. Source: BSR, HERproject, <http://herproject.org>.

¹⁰⁹Healthy Food Access, “Making the Case,” PolicyLink, 2013, www.healthyfoodaccess.org/get-started/making-case?destination=node/208.

¹¹⁰According to the U.S. Department of Agriculture, a food desert is an area in the United States with limited access to affordable and nutritious food, particularly such an area composed of predominantly lower-income neighborhoods and communities. Source: Walmart, “Walmart to Open up to 300 Stores Serving USDA Food Deserts by 2016; More than 40,000 Associates Will Work in

While companies are making a wide range of efforts, specifically aiming to promote health and wellness, many of the same companies continue to engage in efforts that are counterproductive to health and wellness. For example, while there has been strong progress on health-related advertising and labeling and a noticeable increase in price-reduction efforts for products that are healthier or promote healthier lifestyles, companies continue to invest heavily in promoting less healthy options.¹¹¹ According to one study, despite companies promising not to mislead children about the benefits of using a product, researchers found that 59 percent of advertisements for sugary cereals did just that by, for example, associating the product with entertainment and fun.¹¹²



Key Opportunities for CSR:

- » *Review current regulations, voluntary standards, and collaborative initiatives related to the retailing and marketing of all products to ensure compliance and participation where relevant.*
- » *Engage external stakeholders to identify expectations and trends, and work internally to develop appropriate road maps for retail site expansion and product promotion and distribution.*
- » *Engage retail, marketing, advertising, and government affairs colleagues to assess the potential to incorporate health and wellness messaging into existing activities.*

PRODUCT USE

A product or service can have a wide range of positive and negative health impacts, with the actual impact highly dependent on the type of product. As described earlier, some companies are delivering products or services intentionally designed to have health benefits, while others try to minimize their products' negative health consequences. Some companies have found new sales opportunities that prevent or solve specific health challenges. For example, logistics company UPS is using its core capabilities and assets to provide distribution solutions to healthcare companies to improve their ability to deliver healthcare products to patients in a timelier, more reliable fashion. Healthcare companies are using UPS's products and services to improve their ability to strengthen their customers' health and wellness. Meanwhile, UPS has uncovered a new market opportunity.¹¹³

Since new technologies are constantly being developed, companies may find new ways to connect customers to important health information. For example, Qualcomm is partnering with WebMD to develop integrated digital health resources and tools that will enable customers to access and manage wireless

These Stores," July 2011, <http://news.walmart.com/news-archive/2011/07/20/walmart-to-open-up-to-300-stores-serving-usda-food-deserts-by-2016-more-than-40000-associates-will-work-in-these-stores>.

¹¹¹Research by the Yale Rudd Center for Food Policy and Obesity found that "the average U.S. child sees approximately 13 food commercials every day . . . and about one ad per week for healthy foods, such as fruits and vegetables, and bottled water." Source: Yale Rudd Center for Food Policy and Obesity, Food Marketing to Youth, http://yaleruddcenter.org/what_we_do.aspx?id=4.

¹¹²Yale Rudd Center for Food Policy and Obesity, "Despite Promises, Cereal Companies Play on Children's Imaginations to Promote Unhealthy Products," *Journal of Health Communication*, August 2013, www.rwjf.org/en/about-rwjf/newsroom/newsroom-content/2013/08/despite-promises--cereal-companies-play-on-childrens-imagination.html.

¹¹³UPS, "Corporate Sustainability Report 2012," pages 40-41, www.responsibility.ups.com/community/Static%20Files/sustainability/UPS_CSR2012_WEB_072213.pdf.

health data from a wide array of fitness, wellness, and medical devices.¹¹⁴ Internet company Google is providing special search results for critical health queries. When Google users search for acute health-related keywords, vital information, such as poison control numbers or suicide prevention hotlines, appears at the top of search results. Google has also been identifying how searches can be used as a surveillance tool to help predict outbreaks of diseases, such as the flu.¹¹⁵

Companies also continue to influence health and wellness by providing after-sale services, for instance, by providing customers with new information or updates about how to responsibly use their products and services. Companies can use these services to inform their customers about pending product health and safety issues. More recently, with new guidelines provided by the U.S. Food and Drug Administration, companies have clearer guidance about how to develop smartphone apps that enhance customers' experience with all products and services, including those directly related to health and wellness.¹¹⁶



Key Opportunities for CSR:

- » *Review the current portfolio of products and services to assess positive and negative impacts on health and wellness. Identify new business opportunities, products, and service applications to enhance health and wellness.*
- » *Monitor stakeholder feedback on current health and wellness impacts of products, including the cumulative effect of multiple products.*
- » *Identify appropriate KPIs for health and wellness impacts from product use.*

DISPOSAL

The health impacts during the disposal stage of the value chain are relatively unexplored beyond the obvious impacts of product recycling and waste. Some waste can release toxins at customers' homes or in the communities where customers and employees live. Since they handle potentially harmful materials, employees who are involved in the process of recycling or disposing of waste are also susceptible to negative health impacts during this stage.

Companies with products that have the greatest potential for being harmful have made progress—though often driven by regulations—in reducing the negative health impacts from the recycling or disposal of waste. Electronics retailer Best Buy, for example, requires all partner recyclers to comply with the highest standards in the industry (including those related to OHS) regarding the reuse, refurbishment, or recycling of products collected through its program, as well as

¹¹⁴Qualcomm, "Qualcomm Life and WebMD Collaborate to Bring Integrated Digital Health Resources and Tools to Consumers," March 2013, www.qualcomm.com/media/releases/2013/03/04/qualcomm-life-and-webmd-collaborate-bring-integrated-digital-health.

¹¹⁵Google.org, "Special Search Results for Critical Health Queries," Past Projects, Health, www.google.org/projects.html#tab=health. Google.org, "Explore Flu Trends—United States," www.google.org/flutrends/us/#US.

¹¹⁶Mobile World Live, "FDA Finally Rules on Health and Wellness Apps," September 2013, www.mobileworldlive.com/fda-finally-rules-health-wellness-apps?utm_campaign=MWL-H-20130902%20%3a%20Copy&utm_medium=email&utm_source=Eloqua&elq=ef39e667ba5e4f128001778b82286218&elqCampaignId=657.

the disposal of waste generated from the recycling process.¹¹⁷ Finally, some companies are adopting concepts, such as cradle-to-cradle design, a systems approach that aims to eliminate harmful waste, but these approaches are still relatively nascent and have not yet become mainstream.¹¹⁸

Food, beverage, and agriculture companies have made significant efforts to donate unused or unsold food whenever possible, which can have positive health benefits, particularly to those who are economically disadvantaged. With nearly 49 million (1 in 6) Americans living in food insecure households in 2010, companies are working with national and local food banks to expand sources of surplus food for those in need, while simultaneously reducing food waste and disposal costs.¹¹⁹



Key Opportunities for CSR:

- » *Assess whether the health and wellness impacts of product disposal are well understood and addressed internally.*
- » *Identify opportunities for collaboration to address systemic barriers to improving product take-back, disposal, and reuse.*
- » *Identify opportunities to maximize health and wellness impacts from donating unused products.*

“While our human resources team ‘owns’ health and wellness, it works closely with the CSR function to make sure efforts are aligned with the broader CSR agenda and key targets for health and wellness are developed not just for employees, but also for customers and suppliers.”

Source: Major U.S. healthcare company, senior executive interview.

SUPPORT ACTIVITIES

Some of the wide variety of corporate support functions that impact health and wellness directly and indirectly include:

- » **Human resources:** Develops and implements employee health and wellness offerings.
- » **Facilities and real estate:** Influences whether the company’s physical spaces provide a supportive environment for health and wellness.
- » **Finance:** Authorizes financial investments in initiatives across the value chain and with employees, and values the returns on investments.
- » **Community relations and foundations:** Directs financial and other resources (including in-kind product donations or staff volunteers) that may directly affect health and wellness or indirectly by influencing the social and environmental determinants of health.
- » **Government relations:** Sets policy-advocacy objectives that may impact government health and wellness policies or social and environmental policies (e.g., housing) that impact health.
- » **Communications:** Engages the media and may promote health and wellness messages or encourage better behaviors or actions.
- » **Strategy and corporate planning:** Incorporates health and wellness into the overall business strategy.

¹¹⁷Best Buy, “Corporate Responsibility & Sustainability Report,” 2013, www.bby.com/wp-content/uploads/CSR_Interactive_061413.pdf.

¹¹⁸Build Sustainable Business, “Cradle to Cradle—Shift Your Company Using Systems Thinking,” July 2012, <http://buildsustainablebusiness.com/2012/07/05/cradle-to-cradle-deep-shift-in-design-using-systems-thinking>.

¹¹⁹Feeding America, Hunger and Poverty Statistics, <http://qa.feedingamerica.org/hunger-in-america/hunger-facts/hunger-and-poverty-statistics.aspx>.

- » **Legal and ethics:** Ensures compliance with existing legislation, and identifies implications of future legislation that may be related to the health and wellness of employees or of products. Explores the ethical issues behind the creation or use of products or services that may directly or indirectly impact health and wellness (e.g., 3D printing of guns or human organs).¹²⁰
- » **Information technology:** Develops the systems to monitor and measure health and wellness impacts among employees or through programs with suppliers and communities.



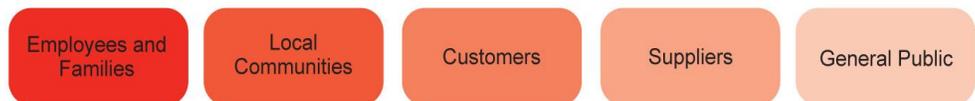
Key Opportunities for CSR:

- » *Work with each function to identify how their role influences health and wellness, and help make appropriate changes, such as developing new programs or tools or obtaining relevant insights.*
- » *Establish an internal community or network of staff from different functions whose work touches on health and wellness to keep them informed of developments and improve internal alignment.*

Company Impacts across Key Populations

Understanding how companies impact the health and wellness of key populations is also useful in determining new opportunities to address relevant health challenges. Our research identifies five general populations affected (either positively or negatively) by companies' actions (whether intentionally or unintentionally) to influence their health and wellness:

Diagram 3. Key Populations Affected by Company Action¹²¹



EMPLOYEES AND FAMILIES

While regulatory compliance and an often clearer, measurable business case have led many companies to place a strong emphasis on the healthcare and safety of employees, almost all large companies have also incorporated wellness and prevention into their workplace programs. Industries including healthcare, transportation, ICT, retail, and finance are leading the way in providing wellness programs to their employees, while the agriculture, mining, construction, and manufacturing industries are following closely behind, according to a Kaiser Family Foundation 2013 survey.¹²² These workplace wellness programs often include providing weight loss programs, biometric screenings, gym memberships, smoking cessation programs, lifestyle or behavioral coaching, classes in nutrition or healthy living, web-based resources for healthy living, flu shots or other

¹²⁰Krasny, Jill, "The Ethics of 3D Printers—and the Guns They Can Produce," Inc., May 2013, www.inc.com/jill-krasny/ethics-of-3d-printers-guns.html.

¹²¹Diagram created by BSR.

¹²²Large firms: 200 workers or more. Source: Kaiser Family Foundation, "Employer Health Benefits: Annual Survey," 2013, <http://kaiserfamilyfoundation.files.wordpress.com/2013/08/8465-employer-health-benefits-20131.pdf>.

vaccinations, employee assistance programs, and wellness newsletters, among others.¹²³

In addition to these efforts, companies have the opportunity to engage more with employees' families and extend wellness programs and facilities to them.¹²⁴ While more than 90 percent of large firms offer their employees wellness benefits, the same Kaiser Family Foundation 2013 survey found that only 65 percent extend these programs to spouses or dependents.¹²⁵ Extending these programs to family members could significantly strengthen these programs' impact as employees make health and wellness both a way of life for themselves at work and for their families at home. Many stakeholders further argue that extending benefits to employees' families would also benefit companies by strengthening employee loyalty and improving productivity and attendance.¹²⁶ Employees would feel less stress knowing that their family is healthier; they may also spend less time away from work caring for ill family members.



Key Opportunities for CSR:

- » *Work with human resources to help make the business case (e.g., by reviewing existing data, collecting primary data, and benchmarking against other companies) for expanding workplace wellness programs and expanding their coverage to include family members.*
- » *Work with human resources to integrate employee health and wellness into the company's CSR strategy, KPIs, goals, reporting, and engagement with stakeholders and collaborative initiatives.*
- » *Identify opportunities to partner with other local stakeholders to jointly provide health and wellness services to employees and families to reduce costs.*

LOCAL COMMUNITIES

In the energy and extractives industry, some companies that site large-scale projects have gone beyond meeting regulatory requirements to incorporate health and wellness into their environmental impact assessments and develop a more comprehensive approach to addressing a project's potential impacts.¹²⁷ Such companies have made notable efforts to strengthen the health and wellness of local communities. For new upstream projects, ExxonMobil, for instance, has expanded its environmental impact assessment to include socioeconomic and health issues. Their expanded Environmental, Socioeconomic, and Health Impact Assessments are now enabling ExxonMobil to identify a broader set of social and economic concerns, many of which are linked to community health.¹²⁸

¹²³Ibid.

¹²⁴Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

¹²⁵Kaiser Family Foundation, "Employer Health Benefits: Annual Survey," 2013, <http://kaiserfamilyfoundation.files.wordpress.com/2013/08/8465-employer-health-benefits-20131.pdf>.

¹²⁶Based on a BSR analysis of expert stakeholder interviews conducted specifically for this research.

¹²⁷McCrea, Sam, "Effectiveness of HIA with Other Impact Assessments: ESHIA Versus HIA within the Oil and Gas Context," November 2010, www.iaia.org/hia2010/proceedings/HIA%202010%20Presentations%20PDFs/12%20Thur%2011am%20Working%20with%20other%20IA/mcreea.pdf?AspxAutoDetectCookieSupport=1.

¹²⁸ExxonMobil, "Environmental Stewardship through Responsible Management," www.exxonmobil.com/Corporate/safety_env_sustain.aspx.

Some companies are also working more closely with local community groups, as well as governments, on comprehensive solutions to meet community health needs. For example, healthcare company WellPoint tracks and analyzes health issues on a state-by-state basis and then collaborates with community groups and local health officials to develop strategies that aim to improve the health of local communities.¹²⁹ Other companies are specifically targeting schools and other community institutions where they can work with local actors to help promote healthy habits and address many of the underlying issues to good health, such as education and access to nutritious food, transportation, and affordable, healthy housing options.

Overall, however, our research has found that company engagements to improve the health and wellness of local communities have largely been driven by the company's philanthropic efforts or reputational goals.¹³⁰ Instead, companies should look for more strategic opportunities, for example, by developing solutions that would benefit both the company and local communities. Companies, therefore, should determine how they can incorporate health and wellness into their strategic priorities (e.g., building a healthier local community will improve employee engagement) and then seek partnerships with local community stakeholders to achieve these objectives.



Key Opportunities for CSR:

- » *Work with the relevant functions (such as community relations or government relations) to understand local communities' health and wellness needs. Engage with stakeholders or join an existing multisector, community coalition to identify appropriate programs, policies, and practices; support implementation; and report back to both internal and external stakeholders.*
- » *Review the company's existing programs, practices, and policies with local communities, and seek to incorporate health and wellness into them. Identify whether existing or new actions may be able to address the social and environmental determinants of health, as well as specific health and wellness issues.*
- » *Stay up-to-date with and participate in relevant local or national initiatives to learn best practices, identify opportunities for collaboration, and represent the company among important stakeholders.*

CUSTOMERS

Customers, much like consumers described in Section II, are a key population that companies can engage with and influence directly through their products and services to gather information about how companies could best serve their health needs. Companies in the ICT industry, for instance, are working directly with their healthcare customers to identify technology solutions that will, in turn, enable their customers' key constituents to achieve better health outcomes. Technology company Dell, for example, has built an internal healthcare group that includes more than 1,000 specialists and consultants who work directly with Dell customers to understand their healthcare technology needs.¹³¹ Other examples

¹²⁹WellPoint, "Member Health Index/State Health Index," www.wellpoint.com/PW_D014810.html.

¹³⁰Based on a BSR analysis of company interviews conducted specifically for this research.

¹³¹Dell, "Dell Healthcare Consulting Careers,"

www.dell.com/learn/us/en/uscorp1/campaigns/dellhealthcareconsulting.

include financial services company Bank of America, which offers research on the impacts of obesity to clients to inform their investment decisions and (alongside wealth management products) help them prepare for such long-term health issues as aging.¹³²

Overall, however, we argue that companies can do more to directly and indirectly improve their customers' health and wellness. Beyond those in the healthcare and food, beverage, and agriculture industries, few companies are trying to improve customers' health and wellness despite significant opportunities to do so.¹³³ The ICT industry can play a significant role in this space by using their technology solutions to enhance the health and wellness of end-customers directly or by enhancing their business-to-business customers' ability impact the health and wellness of their customers. Other industries like media and entertainment can offer their customers more health-related programming and content, as well as offer their skills to enhance other stakeholders' influence on health and wellness.



Key Opportunities for CSR:

- » *In partnership with relevant internal stakeholders from R&D, design, and business development and sales, engage health experts and consumers to understand current and future health needs that the company may be able to meet, including ways to move beyond direct health and wellness efforts to indirect efforts (e.g., clean air and water, housing, and education).*
- » *Invite health-related consumers or representatives of consumers onto existing CSR advisory councils, or invite them to join new health and wellness advisory councils.*
- » *Leverage CSR networks to identify opportunities for partnerships with other companies that might create new avenues to impact health and wellness. Simple partnerships may include joint volunteering activities, while more sophisticated partnerships may involve cross-marketing or product link ups. Nike and Apple, for instance, collaborated on Nike + iPod, which promotes running.*

SUPPLIERS

In terms of priorities, many companies have been more focused on working with their suppliers to improve traditional business performance measures (quality, price, and speed-to-market, for example) than on improving their health and wellness.¹³⁴ However, some industries, such as consumer products and food manufacturers and retailers, are placing a greater emphasis on ethical sourcing—of which workplace or occupational health and safety has been an important element.

¹³²Bank of America, "Corporate Social Responsibility at Bank of America, 2012 CSR Report," pages 19-20, <http://about.bankofamerica.com/assets/pdf/Bank-of-America-2012-Corporate-Social-Responsibility-Report.pdf>.

¹³³Based on a BSR analysis of 28 publically available CSR reports and corporate websites of companies outside the healthcare and food, beverage, and agriculture industries. See Appendix V for a full list of company CSR reports and websites that were analyzed.

¹³⁴Based on a BSR analysis of 36 publically available CSR reports and corporate websites. See Appendix V for a full list of company CSR reports and websites that were analyzed.

Some companies are starting to include wellness and prevention as part of this sourcing. For example, food and beverage company PepsiCo has integrated a health, wellness, and safety agenda into its Sustainability Farming Initiative, a supply chain effort to improve the livelihoods of farmers who produce raw materials for the company.¹³⁵ Another example is Costco Wholesale Corporation, a food retailer that is aiming to improve the working conditions of farmworkers through the Equitable Food Initiative.¹³⁶ Other companies like apparel maker Levi Strauss & Co. are supporting programs that increase awareness of health issues and promote access to asset-building and life skills training for Levi's contractors and suppliers.¹³⁷

On the whole, however, we found that efforts to engage with suppliers on health and wellness have been minimal despite a growing recognition that companies have enormous potential to use their scale and influence to make a positive health impact through their supply chain.¹³⁸ Many of these suppliers are small or medium-sized businesses that may not possess the same level of resources as a larger company. Companies could consider extending some of their health and wellness programs and resources to their suppliers and make the case that improving their health and wellness can produce tangible returns on investment, including the health and wellness benefits that may come indirectly from practices that improve labor conditions, environmental conditions, and educational achievement.¹³⁹



Key Opportunities for CSR:

- » *Work with procurement to review existing relationships and standards for suppliers. Review health and wellness impacts of current procurement decisions, and identify opportunities to expand health and wellness components.*
- » *Bring together human resources and procurement to share best practices with the company's suppliers to encourage and help them establish similar wellness programs.*
- » *Engage with relevant industry associations or initiatives (including those specific to CSR) that are raising the health and wellness agenda.*

GENERAL PUBLIC

Companies' marketing and policy activities can play a significant role in raising public awareness about health and wellness. Beyond adhering to industry-wide commitments and regulations, some companies, for example, are voluntarily increasing their promotion of healthier products (or reducing the promotion of less healthy products). Other companies are partnering with media outlets to positively influence the public's awareness of key health issues, challenges, and solutions. For example, Kaiser Permanente is partnering with media company Home Box Office to present *The Weight of the Nation* documentary series, which

¹³⁵PepsiCo, Sustainable Farming, www.pepsico.com/Purpose/Environmental-Sustainability/Agriculture.

¹³⁶The Equitable Food Initiative, www.equitablefood.net.

¹³⁷Levi Strauss & Co., Product Suppliers, www.levistrauss.com/sustainability/product/product-suppliers.

¹³⁸Based on a BSR analysis of company interviews specifically conducted for this research.

¹³⁹Ibid.

aims to raise awareness about the obesity epidemic in the United States.¹⁴⁰ Such examples demonstrate the opportunity that companies have to engage the public on health issues that are important to them—no matter which industry they belong to.

Addressing public services, from hospitals to educational institutions, is another area where companies can have a significant impact on the general public. For example, through its foundation, food company General Mills sponsors the new Presidential Youth Fitness Program, which aims to reach an unprecedented 90 percent of schools across the United States by 2020. It offers assessment tools, professional development training, and resources for teachers, as well as recognition for students in the area of physical activity.¹⁴¹

Overall, however, efforts to positively influence the general public's health and wellness through public services have largely been driven by a company's philanthropic efforts or reputational goals (similar to the motivation behind companies' efforts with local communities). We contend that more can be done to align these efforts with a company's strategic priorities; companies can develop solutions that benefit both them and the general public's health and wellness. Networking equipment company Cisco Systems, for example, has achieved this realignment to some extent by developing its HealthPath program, which delivers online education and training for electronic health records for doctors and nurses who practice at small and mid-sized clinics.¹⁴²



Key Opportunities for CSR:

- » *Engage with the marketing and advertising functions to encourage them to incorporate health and wellness messages into public communications. Seek to integrate a health and wellness lens into all marketing and advertising efforts to ensure that all messages they promote are aligned with this lens.*
- » *Engage with the government relations function to review the company's lobbying policies with regard to health and wellness. Seek to ensure that company lobbying promotes health and wellness, and report publicly on these efforts (to be transparent and encourage others to lobby for health and wellness).*
- » *Engage with public institutions (e.g., schools, hospitals, and universities) to advance social and health goals, and align these goals with companies' own strategic priorities.*

Our research also sought to understand which health and wellness issues and risk factors companies are currently engaging on in the United States. For a summary of these findings, please see the Appendix II.

¹⁴⁰Kaiser Permanente, "Kaiser Permanente Joins HBO and Leading Health Organizations to Present *The Weight of the Nation*," May 2012, <http://share.kaiserpermanente.org/article/kaiser-permanente-joins-hbo-and-leading-health-organizations-to-present-the-weight-of-the-nation>.

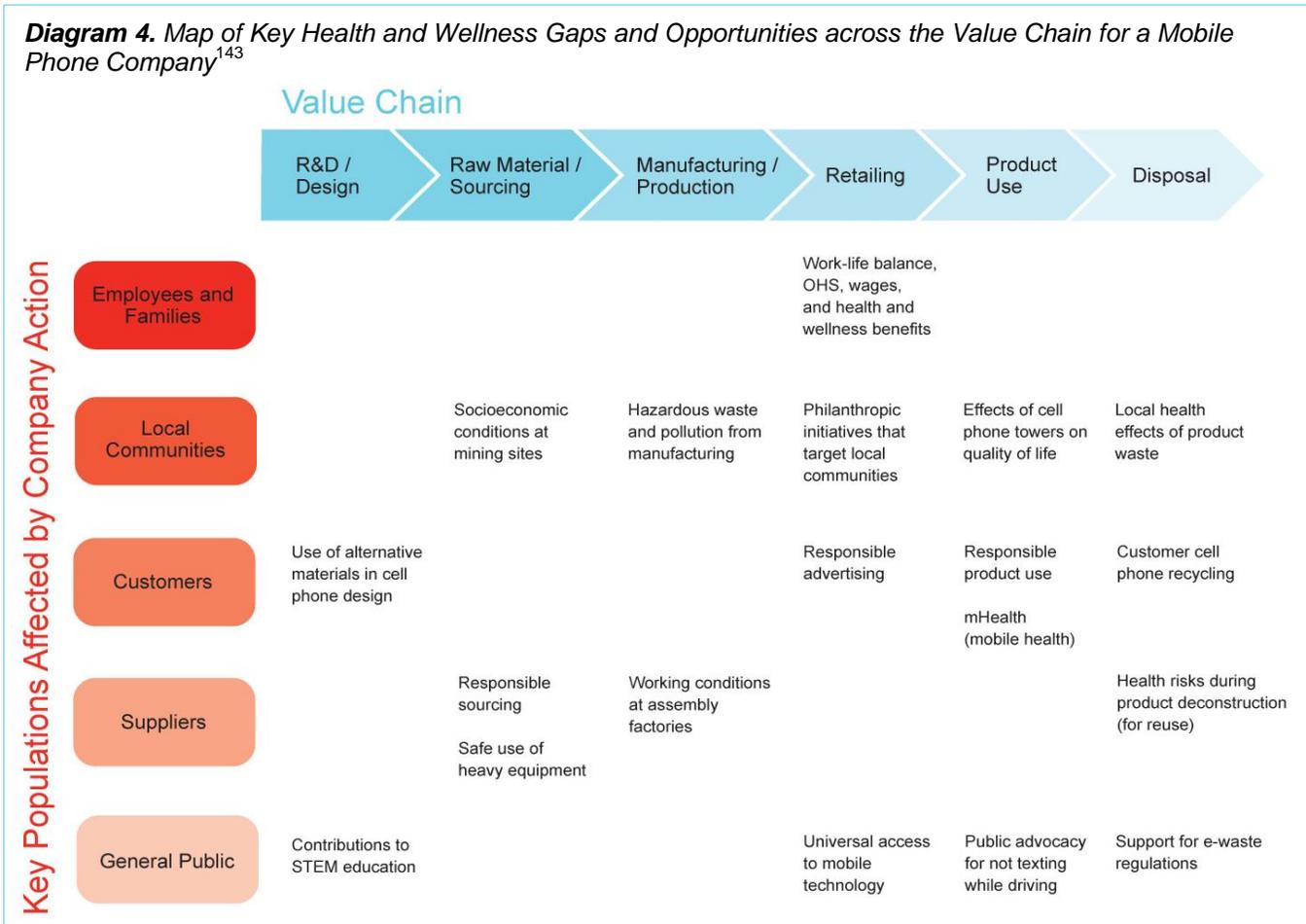
¹⁴¹General Mills, "General Mills Foundation Joins New Presidential Youth Fitness Program," February 2012, www.prnewswire.com/news-releases/general-mills-foundation-joins-new-presidential-youth-fitness-program-194000091.html.

¹⁴²Cisco HealthPath, "Meaningful Use of EHRs: First Steps to Improved Patient Outcomes," www.csr.cisco.com/cdnorigin/media/documents/HealthPath-brochure_129738432416723466.pdf.

Mapping Key Gaps and Opportunities

Using a value chain approach, companies can map their health and wellness gaps and opportunities across key populations, particularly those that have received less emphasis in the past.

Consider the map below of a sample company in the telecommunications (mobile phone) industry and the potential areas across its value chain where it can strengthen population health, either directly or by addressing one of the many social and environmental determinants of health:



As this map demonstrates, a company can address population health in many different ways across the value chain. Some of these engagements address health and wellness more directly. Using alternative, less toxic materials in the design and production of a mobile phone, for instance, would improve both the health of the workers who manufacture the phone and of the customers who use it. Less direct, but potentially as effective, ways include addressing one of the many key determinants of health, such as providing greater access to mobile technology, which can improve how individuals obtain important health and healthcare information and services. Companies could also contribute to science, technology, engineering, and math education, which can improve the level of education (another determinant of health) among young people in the United States.

¹⁴³OHS = occupational health and safety; STEM = science, technology, engineering, and math.

Section IV: Mobilizing CSR to Enable Better Outcomes

From improving working conditions in the supply chain to tackling climate change, CSR has played an important role in developing policies, standards, practices, and partnerships that seek to elevate business's role in addressing key social and environmental challenges. If population health is the next frontier for CSR, companies can learn from success stories to identify ways to use CSR as a lens and as an activity to enable better health outcomes.

Table 3. Comparisons and Key CSR Opportunities for Population Health

CSR Activities	Present and Future CSR Movements		
	Labor Practices in the Supply Chain	Climate Change	Population Health
Stakeholder Engagement	Companies regularly meet with influential stakeholders (e.g., the International Labour Organization, ILO) to understand their key expectations of business.	Companies regularly meet with influential stakeholders (e.g., Environmental Defense Fund) to understand their key expectations of business.	Stakeholder engagement on health has been minimal for companies outside of the healthcare and food, beverage, and agriculture industries, likely because health has been viewed primarily as an employee issue rather than a broader stakeholder and value chain issue.
KPIs and Reporting	The Global Reporting Initiative (GRI) guidelines provide more than a dozen different labor-related KPIs for companies to report on.	Standards like the Greenhouse Gas Protocol and the Carbon Disclosure Project have been developed to help companies measure and report their emissions.	Most health-related KPIs focus on employee and customer health and safety, so there is an opportunity for CSR to develop new KPIs that identify <i>wellness and prevention</i> impacts across a wider population. ¹⁴⁴
Strategy and Integration	Labor practices in the supply chain have become a core element in many companies' supply chain strategies, codes of conduct, and procurement requirements. ¹⁴⁵	Climate change is viewed as a highly "material" CSR issue by many companies, enabling them to engage employees on this issue and create business value across the value chain. ¹⁴⁶	Healthcare and safety have dominated the health agenda at most companies, so there is an opportunity for CSR to integrate <i>wellness and prevention</i> into the CSR or corporate agenda more explicitly.
Collaborations	Multistakeholder, cross-sector collaborations (e.g., the Global Social Compliance Programme) have been created to partner directly with business to address supply chain labor practices.	Multistakeholder, cross-sector collaborations (e.g., the Center for Climate and Energy Solutions) have been created to partner directly with business to address climate change.	Collaborations, such as the Alliance for Workplace Excellence and National Business Group on Health, tend to focus on workplace issues and healthcare delivery and treatment. There is an opportunity for CSR to create new collaborations that adopt a broader stakeholder and value chain perspective and scope. ¹⁴⁷

¹⁴⁴For example, the GRI G4 provides seven aspects on health (LA5, LA6, LA7, LA8, SO1, PR1, and PR2), but they are focused primarily on occupational and customer health and safety and not on wellness and prevention. Source: Global Reporting Initiative, www.globalreporting.org.

¹⁴⁵Example: Apple, www.apple.com/supplierresponsibility/pdf/Apple_Supplier_Code_of_Conduct.pdf.

¹⁴⁶A material issue is defined in this context as an issue that is important to a company's business success and to its broader set of societal stakeholders. This definition is distinct from the definition used for financial disclosure, as defined by such principles as the U.S. Generally Accepted Accounting Principles (GAAP).

¹⁴⁷These existing health collaborations are a few examples that companies provided through an online survey conducted specifically for this research. Source: Alliance for Workplace Excellence, www.excellentworkplace.org; National Business Group on Health, www.businessgrouphealth.org.

“CSR is the eyes and ears of the company. It knows the internal and external expectations, gaps, and opportunities. Its role is to bring information to the right functional areas and help turn problems into opportunities.”

Source: Major U.S. healthcare company, senior executive interview.

Mobilizing CSR for Population Health

CSR varies by company and industry, but in practical terms, it is generally a set of activities, strategies, resources, and networks that companies use to influence decision making across a wide range of social and environmental issues that affect business performance. As one senior executive of a major hospitality company described, “CSR touches all different parts of our business and enables us to improve our operations and processes. CSR helps us to make strategic business decisions.”¹⁴⁸

Some companies have begun to pursue health and wellness as a broader stakeholder and value chain issue. Overall, however, more can be done across all industries to realize the full potential of CSR’s role in strengthening corporate engagement on health and wellness. To achieve this objective, we recommend four critical success factors:

Reframe health and wellness as a broader stakeholder and value chain issue, and ensure that the company’s CSR agenda reflects that shift. Many companies still view health and wellness as an employee-centric issue, placing a limit on new priorities and business opportunities that may arise if companies developed a more holistic view of health and wellness. For example, automobile company Ford Motors currently defines health as a “*workplace* health and safety.”¹⁴⁹ If Ford reframed health as a broader stakeholder and value chain issue, the company may discover new (business) opportunities from linking health more explicitly to other important social and environmental challenges that it is already addressing through its CSR efforts.

Companies, therefore, have the opportunity to reframe health and wellness as a broader stakeholder and value chain issue, and create a CSR agenda that reflects that shift. One leading example is Nike, which has identified health and wellness as one of the main metatrends the company seeks to address. Specifically, Nike identifies hunger and malnourishment, obesity, and disease outbreaks as key health challenges that the company sees as relevant to its business. Furthermore, Nike links health and wellness to other metatrend issues, such as climate change, illiteracy, and access to information, to demonstrate how health is connected to other social and environmental challenges. Through this reframing, Nike is creating new “disruptive innovations” and “driving market transformation” to ultimately deliver business value and positive societal impact.¹⁵⁰

View company stakeholders as key partners in addressing the larger, systemic challenge of population health. Engaging with key stakeholders has been a standard CSR activity for many years, used to ensure that companies are listening to a broad set of opinions and acting on this feedback. Our research has found that more than 75 percent of companies agree that stakeholder engagement can be a key instrument for enabling greater impact on health and wellness across the value chain.¹⁵¹

In the context of population health, companies should view stakeholder engagement as an opportunity to explore and understand how they can

¹⁴⁸Quotation is from a company interview conducted specifically for this research project, but it has been left unattributed to maintain confidentiality.

¹⁴⁹Ford Motors, Materiality Matrix, <http://corporate.ford.com/microsites/sustainability-report-2012-13/blueprint-materiality-matrix-high-medium>.

¹⁵⁰Nike, Sustainability Strategy, www.nikeresponsibility.com/report/content/chapter/our-sustainability-strategy.

¹⁵¹Based on a BSR member opinion survey (n = 20). Data are not representative of all companies or even all BSR member companies. See Appendix I for notes on survey methodology and limitations.

specifically improve the health of the key populations they influence. One leading example is healthcare company Merck, which recognizes that the company cannot solve major health, environmental, and economic challenges without engaging with others. Merck conducts stakeholder engagement at both the corporate and the local level (depending on the issue) and engages with internal and external stakeholders to inform its policies, practices, and the development of products.¹⁵²

Ultimately, to address the larger, systemic challenge of population health, companies will need to build deeper *partnerships* with key stakeholders to understand and codevelop solutions that address the many social and environmental challenges that impact population health. As Merck describes, strong partnerships “strive to exchange information, views, and recommendations; share activities and progress against key goals; and work in partnership toward common objectives.”¹⁵³

Use measurable key performance indicators (KPIs), and be transparent in the company’s reporting about them. Many companies have taken the important first step to define the key business drivers of their health and wellness efforts, whether these efforts help reduce healthcare costs, reduce operational risks, drive new innovations, or strengthen their reputation. But fewer companies have gone further to substantiate these key business drivers with measurable KPIs and goals, which would allow them to assess their efforts’ business value and health impacts (beyond basic workplace or occupational health and safety goals).

Walmart is one company that has established KPIs and goals related to the nutrition of their food products, committing to reduce sodium by 25 percent, reduce added sugars by 10 percent, and remove all remaining industrially produced trans fats.¹⁵⁴ In general, health and wellness KPIs and goals should consider a number of elements that aim to demonstrate both the potential value to business and the potential impact on health and wellness across the value chain and key populations, for example:

Potential Value to Business	<ul style="list-style-type: none"> » Financial valuation of opportunity (e.g., impact on key financial business drivers, such as productivity, cost savings, or revenues) » Nonfinancial valuation of opportunity (e.g., impact on key nonfinancial business drivers, such as on employee and customer engagement, reputation, or operational risk) » Degree of opportunity to demonstrate market leadership
Potential Impact on Health and Wellness	<ul style="list-style-type: none"> » Degree of impact on improving the level of participation in health and wellness activities by the target population » Degree of scale of impact on improving the health outcomes of the target population » Degree of depth of impact on improving the health outcomes of the target population

¹⁵²Merck, Stakeholder Engagement, www.merckresponsibility.com/corporate-responsibility/stakeholder-engagement.

¹⁵³Ibid.

¹⁵⁴Walmart, “Making Healthier Food a Reality for All,” <http://corporate.walmart.com/global-responsibility/hunger-nutrition/our-commitments>.

Companies should also communicate these KPIs and goals—including how they collected and measured data—in a full, transparent way. Population health is a systemic challenge, and increased transparency around goals and impacts will enable companies and their key stakeholders to make well-informed decisions about future investments.

Establish a cross-functional health network that leverages resources across the company to improve health outcomes. Establishing an internal, cross-functional network (e.g., committee) on health and wellness puts a structure and mechanism in place to enable companies to understand and address their health and wellness gaps and opportunities. For example, logistics company UPS has established a network of 3,600 Health and Safety Committees at UPS locations across the United States to take a comprehensive approach to improving the overall health and safety environment for UPS employees. These committees consist mostly of nonmanagement employees who lead and drive the committees' activities. While these committees focus on employees' health and safety, UPS is demonstrating the importance and effectiveness of establishing a company-wide network to improve the health outcomes of a key population.

Companies, therefore, have the opportunity to establish cross-functional health networks that leverage resources across the company to improve health outcomes. Our research further suggests that these internal networks should broaden their scope to address not just the health of their employees, but also the health of other key populations they influence. In addition, these networks should aim to move beyond healthcare and workplace or occupational health and safety and incorporate wellness and prevention into the overall health agenda.

Advancing Population Health through Collaboration

No one sector or company can solve the immense health and wellness challenges in the United States. But the question that remains is how and to what degree the various actors of society (from business to communities to government to private individuals) can use their core strengths and work collaboratively to strengthen health outcomes across the country.

Existing collaborations on health tend to focus on workplace wellness (e.g., the Workplace Wellness Board or the National Business Group on Health), specific issues or industries (e.g., the Alliance for a Healthier Generation focuses on childhood obesity and the food industry), or broad health campaigns targeting the general public (e.g., the Let's Move campaign).¹⁵⁵ While all these efforts serve critically important roles, we could not identify any collaborative efforts that specifically elevate CSR's role in strengthening population health across the value chain.

Many challenges remain. Companies need to demonstrate the business case for health and wellness internally and present this case convincingly in the face of competing priorities. Health and wellness will also require a systemic approach, underscoring the need for more collaboration across companies and industries.

We, therefore, recommend the creation of a cross-industry collaboration that would focus on using the CSR function to expand the private sector's role in improving population health. Such collaboration will provide a forum for CSR professionals to share knowledge and insights and engage with relevant stakeholders and influencers. By leveraging the strengths and skills of different

¹⁵⁵Let's Move is a program developed by First Lady Michelle Obama to solve the epidemic of childhood obesity within a generation. Source: Let's Move, www.letsmove.gov.

parties, such collaboration would enable companies to collectively address key challenges, including:¹⁵⁶

Building the business case for health and wellness	
Collaborative Solution	To increase corporate support, build a stronger evidence base for health and wellness based on return-on-investment studies and in-depth, industry-specific case studies.
Potential Benefit	Sharing costs and resources in developing useful materials can build the business case internally and provide guidance on implementation.
Identifying appropriate KPI, goals, and approaches to reporting	
Collaborative Solution	Research and recommend suggested health and wellness goals and KPIs, including inputs, outputs, and outcomes. Some goals and KPIs are common to all or most companies, while others are industry-specific.
Potential Benefit	Establishing common KPIs, which are easily comparable and recognized as credible by stakeholders, will aid with collaboration on projects and help measure the business case and progress.
Establishing a common framework with other stakeholders to assess and drive community health and wellness initiatives	
Collaborative Solution	Develop a framework that will identify the multiple entry points and interventions for community programs. This framework will demonstrate the links between other social, economic, or environmental initiatives and health and wellness impacts.
Potential Benefits	Companies can create additional business and stakeholder value by recognizing (and reporting on) the health and wellness impacts on local communities.
Creating collaborative initiatives that are geographically focused	
Collaborative Solution	Identify a specific location where there is limited collaboration, engage the relevant stakeholders, and identify the overall health and wellness situation and intervention needs.
Potential Benefits	Increased efficiencies and alignment could lead to greater business and health and wellness impacts.
Expanding health and wellness programs in supply chains	
Collaborative Solution	Integrate broader aspects of health and wellness (beyond OHS) into supplier codes of conduct and expectations, and develop curriculum and joint trainings for suppliers related to health and wellness.
Potential Benefits	Companies can share costs and resources to develop appropriate materials and implement supplier-related programs.

¹⁵⁶See Appendix III for more suggestions and details on collaborative solutions and how they can help companies strengthen health and wellness across the value chain through CSR.

Mapping industry-specific stakeholder engagement opportunities	
Collaborative Solution	Bring together companies within the same industry, and identify opportunities to impact health and wellness.
Potential Benefits	A collaborative approach to developing common tools and resources will gain more credibility and advance progress within companies.

The purpose of these collaborations is to understand and further the private sector’s role in and contribution to population health. They also aim to determine specific capabilities, assets, innovations, and resources that companies can collectively bring to the broader table of relevant actors who are working every day to improve health outcomes in the United States.

CALL TO ACTION

Reflecting on BSR’s 20 years of experience working with the private sector to address complex CSR issues, such as climate change, labor rights, and inequality, our research points to a new frontier in the CSR landscape—the challenge and opportunity for business to play a key role in strengthening population health.

This frontier presents a call to action, and a call for collaboration—recognizing that the challenge is too large and too complex for any one company to tackle alone. As with other multifaceted, systemic issues, there is an opportunity for companies to hasten progress and drive stronger impacts if they share best practices and develop precompetitive tools for industry to work together in improving health outcomes.

Toward this end, BSR is now forming the Business Coalition for Population Health. To learn more, please contact BSR at businessandpopulationhealth@bsr.org.

With your partnership, we can build a healthier, more productive, and more competitive America.



Appendix I: Notes on Research Methodology

To gather and assess relevant data for this report, we conducted an extensive literature review, a series of company and expert stakeholder interviews, an opinion survey, and a qualitative analysis of publically available information about company practices and stakeholder perspectives.

Our literature review consisted of the following key information sources (see Appendix IV for the full list of sources):

- » 36 corporate CSR reports and websites
- » Other relevant company and stakeholder websites
- » Relevant health policies and standards, periodicals, newsletters, articles, journals, academic studies, and blogs

Interviews

We conducted 40 semistructured interviews with leading authorities on CSR, corporate affairs, health and wellness, and healthcare, including:

- » 20 interviews with mid- to senior-level company representatives from various functions, including CSR, human resources, corporate affairs, external affairs, corporate communications, public policy, employee health services, health and wellness, and environmental health and safety
- » 20 interviews with mid- to senior-level stakeholder experts from various sectors, including community health organizations; local governments and public health departments; health foundations; health insurers; business coalitions, roundtables, and associations; human resource consultants; socially responsible investors; and other CSR leaders and practitioners

Company interviewees were selected based on whether their company belonged to BSR, company size (annual revenues), and industry (to achieve a fair representation across all industries). Stakeholder interviewees were selected based on BSR's initial desk-based research and analysis of individuals that were referenced in prominent U.S.-focused health and wellness literature or were deemed as strong interview candidates in consultation with the Robert Wood Johnson Foundation. Stakeholder interviewees were also selected based on their issue and sector expertise (to achieve a diversity of views). All interviews were conducted by phone.

COMPANY INTERVIEW QUESTIONS

- » How is your company promoting formal engagements on health and wellness, including (but not limited to) key programs, policies, incentives, and communications targeting employees, customers, suppliers, and local communities? What are the main drivers for these engagements?
- » How is your company influencing informal factors that may shape corporate engagement on health, wellness, and prevention, including (but not limited to) promoting corporate culture and values, addressing employees' and stakeholders' attitudes and behavior toward their own health and wellness, etc.? Why are these informal factors important to your company?

- » What are the opportunities and risks for your company to elevate the importance of health, wellness, and prevention and to drive improved health outcomes across the value chain?
- » Where do private sector investments in health, wellness, and prevention fall short and/or require partnership(s) from other sectors?
- » What health and wellness innovations, particularly in the area of incentives, is your company trying to pilot or scale? For example, some companies provide financial incentives for employees to participate in company health and wellness programs.
- » What role do you see CSR—as a corporate function and vehicle for engagement—playing in strengthening corporate-led health, wellness, and prevention programs? This may include how CSR is leveraged to deepen employee engagement, connect with external stakeholders, integrate programs throughout the value chain, report to key stakeholders, etc.
- » What are some quick wins to strengthen your company’s programs on health and wellness, and prevention? What opportunities may require more risk-taking and long-term vision?
- » How important or “material” is health, wellness, and prevention to the CSR agenda? Is this issue presented as a value chain opportunity, or is it primarily employee-focused (or other)?
- » What are the main barriers or reasons preventing CSR from playing a greater or more effective role in strengthening corporate-led engagements on health, wellness, and prevention across the value chain?
- » Is corporate engagement on health, wellness, and prevention integrated (or not) within existing CSR frameworks, strategies, reporting, and action? To what extent is there a recognized or explicit link between CSR and health, wellness, and prevention?
- » Are there opportunities to link corporate-led health, wellness, and prevention programs more closely with CSR and with its many external stakeholders, influencers, raters, and evaluators? What are the key external expectations in linking this issue to CSR?

STAKEHOLDER INTERVIEW QUESTIONS

- » Which companies are leading in this space, and why? Along which dimensions are they leading (e.g., engaging with employees, suppliers, local communities, and customers)? Please provide examples.
- » What restrictions or barriers are preventing companies from going further in shaping health attitudes and outcomes? Please provide examples.
- » Where do private sector investments in health, wellness, and prevention fall short and/or require partnership(s) from other sectors?
- » Of the following top 10 risk factors (smoking, obesity, high blood pressure, high blood glucose, high cholesterol, physical inactivity, poor diet, high alcohol consumption, high stress, and depression), where have you seen companies place the most emphasis? Would you encourage companies to increase their investments in these areas beyond what you see today?
- » What health and wellness innovations, particularly in the area of incentives, are you seeing or would like to see companies attempt, pilot,

or scale? For example, some companies provide financial incentives for employees to participate in company health and wellness programs.

- » CSR is increasingly linked to corporate reputation and brand. What are the opportunities to link corporate-led health and wellness programs more closely with CSR and corporate reputation?
- » What are some quick wins for companies to strengthen their corporate-led programs on health, wellness, and prevention? What opportunities may require more risk-taking and long-term vision?

Survey Scope and Limitations

To gather additional information and supporting data about the current state of corporate engagement on health and wellness across public corporations in the United States, BSR's primary contacts at all 156 U.S.-based BSR member companies were asked to participate in an online survey, designed by BSR, and provide responses that best represented their company's views. The survey period was August 20 through September 6, 2013, and the final response rate was 18 percent, or 28 respondents. A SurveyMonkey online tool was used to distribute and collect responses.

The survey data have not been weighted to reflect the demographic composition of public corporations in the United States, nor have they been tested for statistical significance. Furthermore, because the sample type was nonprobability and, therefore, based on the companies who volunteered to participate in the survey, rather than a probability sample, no estimates of sampling error can be calculated. All sample surveys may be subject to multiple sources of error, including (but not limited to) sampling, coverage, and measurement errors.

This survey was supported through a grant by the Robert Wood Johnson Foundation.

SURVEY QUESTIONS

1. My company has a role to play in strengthening the health and wellness of:
 - a. **Employees.** This may include internal programs, policies, incentives, and communications that strengthen the health and wellness of my company's employees (and their families).
 - b. **Local communities.** This may include the promotion of community-based plans, projects, policies, and philanthropic initiatives that strengthen the health and wellness of individuals in the local communities where my company operates.
 - c. **Suppliers.** This may include policies and standards that strengthen the health and wellness of individuals associated with my company's suppliers, distributors, business partners, and franchisers.
 - d. **Customers.** This may include my company's role in providing products, services, or information that protect or strengthen customers' health and wellness.
 - e. **General public.** This may include my company's role in public advocacy, education, or research that strengthens the general public's health and wellness.

2. My company is doing enough to address health and wellness with:
 - a. Employees (and their families)
 - b. Local communities
 - c. Suppliers
 - d. Customers
 - e. General public

3. My company's current commitment to health and wellness is driven by the need to:
 - a. Improve efficiency and productivity.
 - b. Maximize talent recruitment and retention.
 - c. Reduce healthcare costs.
 - d. Reduce operational risks (e.g., occupational health and safety, supply chain risks).
 - e. Enhance community engagement and corporate citizenship.
 - f. Deliver new product and service innovations.
 - g. Reduce regulatory risks.
 - h. Strengthen brand and reputation.
 - i. Other—please specify: _____

4. Informal factors influencing my company's engagement on health and wellness include:
 - a. Employees' needs and behavior toward their own health and wellness
 - b. Expectations from external stakeholders
 - c. Company culture and values
 - d. Company leadership commitment
 - e. Other—please specify: _____

5. Over the next three years, I expect my company will increase its commitments to health and wellness with:
 - a. Employees (and their families)
 - b. Local communities
 - c. Suppliers
 - d. Customers
 - e. General public

6. Future increases in my company's commitment to health and wellness will be driven by the need to:
 - a. Improve efficiency and productivity.
 - b. Maximize talent recruitment and retention.
 - c. Reduce healthcare costs.
 - d. Reduce operational risks (e.g., occupational health and safety, supply chain risks).
 - e. Enhance community engagement and corporate citizenship.
 - f. Deliver new product and service innovations.
 - g. Reduce regulatory risks.
 - h. Strengthen brand and reputation.
 - i. Other—please specify: _____

7. My company currently views health and wellness in the following ways:
- a. Health and wellness is a key factor that touches or influences ALL business decisions that are made across my company.
 - b. My company's health and wellness commitments are focused primarily on addressing top 10 health risk factors for my employees and stakeholders (top 10 risk factors include: smoking, obesity, high blood pressure, high blood glucose, high cholesterol, physical inactivity, poor diet, high alcohol consumption, high stress, and depression).
 - c. My company considers addressing health and wellness a priority business objective.
 - d. Other—please specify: _____
8. CSR plays the following roles at my company:
- a. CSR reporting
 - b. External engagement
 - c. Employee engagement
 - d. Internal leadership engagement on CSR
 - e. Internal think tank or “watchdog”
 - f. CSR integration (including linking CSR priorities and goals to corporate objectives)
 - g. Philanthropy and volunteering
 - h. Other—please specify: _____
9. CSR strengthens my company's efforts to improve health and wellness across the value chain through the following roles:
- a. CSR reporting
 - b. External engagement
 - c. Employee engagement
 - d. Internal leadership engagement on CSR
 - e. Internal think tank or “watchdog”
 - f. CSR integration (including linking CSR priorities and goals to corporate objectives)
 - g. Philanthropy and volunteering
 - h. Other—please specify: _____
10. Health and wellness would be a more significant focus area within my company's CSR agenda if there was a stronger:
- a. Business case
 - b. Opportunity for differentiation
 - c. Demand from employees
 - d. Regulatory threat
 - e. External stakeholder pressure
 - f. Measurement and evaluation methodology or tool
 - g. Forum for collaborations with others
 - h. Other—please specify: _____

11. CSR has a role to play in addressing the following social and environmental determinants of health and wellness at my company:
- a. Basic education (K-12) and literacy
 - b. Economic development, financial stability, job opportunities, and labor practices
 - c. Natural environment (e.g., safe water, clean air, climate change)
 - d. Physical environment (e.g., public safety; safe housing; access to transportation, parks, and recreation spaces; healthy foods)
 - e. Access to and quality of clinical health services
 - f. Access to technology and information
 - g. Social norms and attitudes (e.g., any form of discrimination, attitude toward people with disabilities)
 - h. Individual behavior (e.g., diet, physical activity, tobacco and drug use, harmful use of alcohol, hand washing)
 - i. Family and community connectedness and social support and interaction
 - j. Other—please specify: _____
12. My company currently participates in a working group or alliance focused on health and wellness:
- a. Yes (if yes, which working group or alliance does your company participate in?)
 - b. No
 - c. Not sure

Other Research Limitations

Our research does not intend to provide a quantitative assessment of the current *effectiveness* of corporate engagement on health and wellness, nor does it intend to provide an evaluation of the health impacts, implications, or consequences of any program or initiative highlighted in this report. The analysis found within this report, therefore, should not be considered or cited as empirical.

Appendix II: Corporate Impacts on Health and Wellness Issues

Our research sought to understand how companies are currently engaging on health and wellness in the United States. Companies can help provide access to quality healthcare for employees that provide treatment for health issues and create safe working environments, but, as argued in this report, companies can also do more to focus on prevention and monitoring, as well as on the broader concept of human well-being, including addressing a person's mental state. To understand these different issues, we reviewed how companies are addressing leading health and wellness issues and the underlying issues that affect health and wellness (also referred to as the social and environmental determinants of health).

The leading causes of death in the United States are noncommunicable diseases (NCDs).¹⁵⁷ These include cardiovascular diseases (which cause heart attacks and strokes), cancers, chronic respiratory diseases (such as asthma), and diabetes. Other key causes of death include accidents, diabetes, influenza and pneumonia, and suicide. Additional health issues that affect human well-being include: stress, common ailments (such as allergies, colds, etc.), sexually transmitted diseases (STDs), and other infectious diseases.

We identified that there has been strong progress in many areas, particularly related to smoking and safety. But in other areas, despite significant activity and some positively trending results, much more is needed to make a significant impact on the nation's health, including other ways to think about health (e.g., quality of life, happiness).

Leading Health and Wellness Issues

1. **NCDs.** Though age, gender, and genetics play a role in causing NCDs, experts agree that key risk factors such as a person's physical inactivity, unhealthy diet, smoking, and harmful use of alcohol¹⁵⁸ also cause NCDs. Addressing key risk factors further could reduce the incidence of NCDs by between 40 and 75 percent.¹⁵⁹
 - » **Nutrition:** Companies are tackling the challenges of under- and overnutrition with relevant products and marketing activities, as well as through employee programs. The challenge is twofold: eating enough fruits and vegetables and eating less fat, sugar, and salt. Companies have begun to respond. General Mills, for example, is reducing the amount of calories, fat, sugar, and sodium in more than 650 products by 10 percent or more; and increasing the amount of vitamins, minerals, and fiber in many products by 10 percent or more; reformulating foods; and educating consumers through its packaging and by sponsoring various programs.¹⁶⁰ Despite recent reports showing that obesity rates in the United States are no longer growing (and may even be declining)

¹⁵⁷Centers for Disease Control and Prevention, Leading Causes of Death, www.cdc.gov/nchs/fastats/lcod.htm.

¹⁵⁸World Health Organization, Noncommunicable Diseases, Fact Sheet, March 2013, www.who.int/mediacentre/factsheets/fs355/en/index.html.

¹⁵⁹World Health Organization, 10 Facts on Noncommunicable Diseases, www.who.int/features/factfiles/noncommunicable_diseases/facts/en/index9.html.

¹⁶⁰General Mills, "Global Responsibility 2013," page 11, www.generalmills.com/~/_media/Files/CSR/2013_global_respon_report.ashx.

among children in some cities and states,¹⁶¹ the rates remain extremely (and dangerously) high and progress is slow. Aside from employer efforts to provide healthier food to their employees, the overall ambition of food- or drink-related companies is fairly low compared to the challenge, and stakeholders are frequently critical of industry. For example, the head of the World Health Organization comments:

“We are at the mercy of an industry which health officials have no power to control . . . Politicians face tremendous political and financial pressure from powerful lobby groups. Time and time again, national dietary guidelines are watered down at the insistence of these groups . . . Preventive measures pit public health against the interests of powerful multinational corporations.”¹⁶²

- » **Physical activity:** Some efforts have been made to encourage more physical activity driven by public initiatives such as the Let’s Move campaign, through employee programs, and through some consideration during building design and community planning. However, recent research, such as that in the *British Journal of Sports Medicine*, identifies that “physical inactivity is one of the most important public health problems of the 21st century, and may even be the most important.”¹⁶³ Companies have a tremendous opportunity to engage more in promoting physical activity with employees, their families, and local communities through marketing and advertising or through products. A recent initiative led by Nike and involving more than 100 organizations aims to address this problem.¹⁶⁴

- » **Smoking and alcohol:** Companies have made significant efforts to encourage employees to quit smoking and have provided a variety of support programs to help them do so, though there has been less effort on reducing harmful alcohol consumption. For companies whose products include alcohol, there is an emphasis on promoting responsible drinking; however, more can be done, especially in terms of alcohol pricing and marketing. Research in the U.K. found that “the balance of research finds that increases in alcohol prices are linked to decreases in these health harms,”¹⁶⁵ while the U.S. Surgeon General recommends further action to “create environments that empower young people not to drink or use other drugs.”¹⁶⁶ Though alcohol companies are involved in various voluntary initiatives, retailers who sell alcohol are not proactively involved in this issue. Most of their efforts are limited to restricting the sale of alcohol to minors, and they continue to promote alcohol heavily with price reductions and marketing promotions.

¹⁶¹Robert Wood Johnson Foundation and Trust for America’s Health, “F as in Fat: How Obesity Threatens America’s Future 2013,” August 2013, www.rwjf.org/content/dam/farm/reports/reports/2013/rwjf407528.

¹⁶²Chan, Margaret, “Obesity: Bad trouble Is on Its Way,” Lecture delivered to the Women’s International Forum, September 2012, www.who.int/dg/speeches/2012/forum_20120921/en.

¹⁶³Blair, Steven, “Physical Inactivity: The Biggest Public Health Problem of the 21st Century,” Department of Exercise Science and Epidemiology/Biostatistics, Arnold School of Public Health, University of South Carolina, *British Journal of Sports Medicine*, 2009, Volume 43, pages 1-2, <http://bjsm.bmj.com/content/43/1/1.full>.

¹⁶⁴Nike, “Designed to Move,” September 2012, nikeinc.com/news/designed-to-move.

¹⁶⁵Home Office, “The Likely Impacts of Increasing Alcohol Price: A Summary Review of the Evidence Base.” January 2011, www.gov.uk/government/uploads/system/uploads/attachment_data/file/98100/impacts-alcohol-price-review.pdf.

¹⁶⁶U.S. Department of Health and Human Services, “National Prevention Strategy: Preventing Drug Abuse and Excessive Alcohol Use,” www.surgeongeneral.gov/initiatives/prevention/strategy/preventing-abuse.pdf.

2. **Safety.** Many strong efforts exist to ensure workplace safety and product safety. Companies may have more opportunities to promote community safety (from road accidents or injuries) and to ensure that participants further up the value chain, such as suppliers, adopt appropriate safety measures.
3. **Mental health and well-being.** Employers are increasingly expanding the provision of well-being services available to employees, addressing mental health and overall well-being. However, there is an opportunity to expand these programs among employers that employ less skilled labor and to cover family members.
4. **Communicable and infectious diseases.** Though many multinational companies address communicable diseases in developing countries, companies are minimally engaged around addressing these diseases in the United States, including HIV/AIDS, hepatitis, tuberculosis (TB), and other STDs. Current efforts are mostly limited to early detection through health checks, provision of flu vaccines, and treatment from specific products offered by pharmaceutical companies.

Though these diseases have a less severe impact on the United States compared to other diseases, this is a significant gap—and very few community programs are addressing these issues. Companies can contribute further to supporting the Centers for Disease Control and Prevention’s priorities, including early prevention and control of HIV, viral hepatitis, STDs, and TB among employees, their families, communities, and the broader public, particularly youth and those most at risk due to their socioeconomic circumstances.¹⁶⁷

Social and Environmental Determinants of Health

Two other broader issues, known as the social and environmental determinants of health, need to be addressed to improve health and wellness.

The social determinants of health are the economic and social conditions that influence individual and group differences in health. These include the distribution of income, wealth, influence, and power and are shaped more by policies and communities than an individual’s own control. Companies can help address these economic and social conditions by improving local health infrastructure, increasing economic opportunities, improving education and health education, and improving housing, among other factors.

Some companies, such as manufacturer General Electric and healthcare insurers WellPoint and Kaiser Permanente, are pioneering work in this field. Other companies are addressing these issues through non-health-related activities, such as education programs. There is a pressing need to do much more and build on some initial success in collaboration at a community level¹⁶⁸ to address these issues. It is also critical that companies align their activities with those of other local stakeholders.

The environmental determinants of health concern all aspects of the natural and built environment that may affect human health. In the United States, the environment has a major impact on certain cancers, cardiovascular diseases, asthma, respiratory infections, traffic injuries, and drownings. Companies can

¹⁶⁷Centers for Disease Control and Prevention, Winnable Battles, www.cdc.gov/winnablebattles.

¹⁶⁸The Roadmaps to Health Prize has identified some excellent examples. Source: Robert Wood Johnson Foundation, Roadmaps to Health Prize, <http://rwjf.org/en/about-rwjf/newsroom/features-and-articles/Roadmaps-to-Health-Prize.html>.

focus on building safety, air and water quality, and the use and management of toxic substances in products.¹⁶⁹ Some innovative efforts have been made to reduce the use of waste toxins produced in manufacturing and to remove or replace toxic chemicals in products.

The Road Map to Zero Discharge of Hazardous Chemicals, for example, is aiming for zero discharge of hazardous chemicals by 2020 among its 16 corporate members, which include apparel companies Gap, Levi Strauss & Co., and Nike. In another example, members of the Sustainable Apparel Coalition use a Materials Sustainability Index to help product teams select materials with lower environmental impacts. Meanwhile, Kaiser Permanente is a member of Health Care Without Harm, which works to implement ecologically sound and healthy alternatives to healthcare practices that pollute the environment and contribute to disease. Our research has identified a need for companies to think more broadly about the environmental determinants of health.

¹⁶⁹World Health Organization, www.who.int/features/factfiles/environmental_health/en/index.html.

Appendix III: Collaborative Solutions for Key Challenges

This report contends that more collaboration around CSR’s role in health and wellness is needed as such efforts would present a more effective way to address key health and wellness challenges. This detailed list of collaborative solutions explains how they can help companies strengthen health and wellness across the value chain through CSR.

Key Challenges	Collaborative Solution	Potential Benefits
<p>Building the business case for investing in health and wellness across the value chain</p> <ul style="list-style-type: none"> » Unclear business case for investing in health and wellness, particularly in industries without a strong, direct link to health and wellness. » Lack of detailed case studies of successful initiatives. 	<ul style="list-style-type: none"> » To increase corporate support, build a stronger evidence base for health and wellness based on return-on-investment studies and in-depth, industry-specific case studies. 	<ul style="list-style-type: none"> » Sharing costs and resources in developing useful materials can build the business case internally and provide guidance on implementation.
<p>Identifying appropriate health and wellness KPIs, goals, and approaches to reporting</p> <ul style="list-style-type: none"> » Most companies’ health and wellness goals and KPIs are limited to OHS, with some food or retail companies adopting R&D or sales-related healthy-food-orientated goals. There are no existing benchmarks or guidance on what good health and wellness goals, KPIs, or public reporting should look like. 	<ul style="list-style-type: none"> » Research and recommend suggested health and wellness goals and KPIs, including inputs, outputs, and outcomes. Some goals and KPIs are common to all or most companies (e.g., those related to employees, communities, or supplier codes), while others are industry-specific. » These recommendations would also include how to report publicly on this issue, including suggested context. 	<ul style="list-style-type: none"> » Establishing common KPIs, which are easily comparable and recognized as credible by stakeholders, will aid with collaboration on projects and help measure the business case and progress. » Clear guidelines on health and wellness reporting will help fill a gap that existing reporting guidelines do not meet.
<p>Establishing a common framework with other stakeholders to assess and drive community health and wellness initiatives</p> <ul style="list-style-type: none"> » Existing health-oriented community initiatives often address specific issues, making it hard to identify overall impact or opportunities for collaboration. » Many existing community initiatives affect the social or environmental determinants of health, but these are not being recognized. 	<ul style="list-style-type: none"> » Develop a framework that will identify the multiple entry points and interventions for community programs. » This framework will demonstrate the links between other social, economic, or environmental initiatives and health and wellness impacts. 	<ul style="list-style-type: none"> » Companies can better identify where and how to intervene to support (and increase impact on) community health and wellness. » Companies can identify opportunities to collaborate with other stakeholders with complementary initiatives. » Companies can create additional business and stakeholder value by recognizing (and reporting on) the health and wellness impacts on local communities.

<p>Creating collaborative health and wellness initiatives that are geographically focused (i.e., replicate initiatives, such as the Cities Project led by GE in Cincinnati)¹⁷⁰</p>	<ul style="list-style-type: none"> » Existing activities from companies and other stakeholders operate in isolation. » Current activities are often addressing only one aspect of a multifaceted problem without addressing other aspects or underlying causes, thus having limited impact and sustainability. 	<ul style="list-style-type: none"> » Review existing best practices in collaboration to address location-specific needs. » Identify a specific location where there is limited collaboration, engage the relevant stakeholders, and identify the overall health and wellness situation and intervention needs. » Involve corporate contributions that include philanthropic sources, new financial instruments (such as social impact bonds), product donations, marketing, and others with resources from local government, NGOs, etc. 	<ul style="list-style-type: none"> » Increased efficiencies and alignment could lead to greater business and health and wellness impacts. » Investing common resources in the measurement process may make it more efficient. However, we recognize that aligning the measurement process can be tricky if individual parties are looking to identify the contribution (versus attribution) of their efforts to particular outcomes.
<p>Expanding health and wellness programs in supply chains</p>	<ul style="list-style-type: none"> » Many companies across different industries use codes of ethics or have supplier capacity-building programs, but they focus too heavily on OHS as opposed to broader health and wellness. 	<ul style="list-style-type: none"> » Integrate broader aspects of health and wellness (beyond OHS) into supplier codes of conduct and expectations » Develop curriculum and joint trainings for suppliers related to health and wellness. » Develop a clear business case for suppliers to invest in health and wellness. » Jointly implement programs with NGOs and service providers among suppliers focusing on health and wellness (such as the HERproject, which works in developing countries). » Integrate health and wellness into existing supply chain programs, particularly those with individual suppliers that may focus more on economic development. 	<ul style="list-style-type: none"> » Companies can share costs and resources to develop appropriate materials and implement supplier-related programs. » Share best practices and case studies of supplier-orientated health and wellness programs. » Improve existing collaborations (e.g., data collection initiatives, such as SEDEX, or shared supplier codes of conduct and capacity building, such as the Electronic Industry Citizenship Coalition) by incorporating health and wellness more fully.¹⁷¹

¹⁷⁰The Cities Project takes a comprehensive approach to healthcare improvement and engages a wide variety of stakeholders. For more information, refer to: www.ge.com/globalimpact/pdf/Building_Better_Healthcare_Value_in_Cincinnati.pdf.

¹⁷¹SEDEX, www.sedexglobal.com. Electronic Industry Citizenship Coalition, www.eicc.info.

Mapping industry-specific health and wellness stakeholder engagement opportunities

- » For the many industries that do not see how they are directly linked to health and wellness, there is a lack of understanding of the links and opportunities across the value chain.
- » There is limited information that can inform future planning and horizon opportunities to impact health and wellness across the value chain.
- » Bring together companies within the same industry, and through internal and external stakeholder engagement, identify opportunities to impact health and wellness.
- » Develop a tool and road map to help companies select appropriate opportunities.
- » Tackling this collaboratively is more efficient, and a broader range of perspectives will divulge more insights.
- » Developing tools and road maps can help CSR drive health and wellness internally.
- » A collaborative approach to developing common tools and resources will gain more credibility and advance progress within companies.

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Appendix V: Company CSR Reports and Websites Reviewed

Consumer Products (6):

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- » Gap Inc., The
- » Marks and Spencer, p.l.c. (non-U.S.)
- » Nike, Inc.
- » Walmart
- » Whirlpool Group

Energy and Extractives (3):

- » Caterpillar
- » Exxon Mobil Corporation
- » Freeport-McMoran Copper & Gold Inc.

Financial Services (2):

- » Bank of America Corporation
- » JPMorgan Chase & Co.

Food, Beverage, and Agriculture (4):

- » Cargill
- » General Mills, Inc.
- » McDonald's Corporation
- » PepsiCo, Inc.

Healthcare (4):

- » Johnson & Johnson
- » Kaiser Permanente
- » Merck & Co., Inc.
- » WellPoint

Information and Communications Technology (4):

- » AT&T
- » Cisco Systems, Inc.
- » Google, Inc.
- » Microsoft Corporation

Manufacturing (3):

- » Boeing Company, The
- » Cummins
- » General Electric Company

Media and Entertainment (4):

- » Omnicom Group
- » Pearson
- » Time Warner
- » Walt Disney Company, The

Transportation and Logistics (3):

- » Ford Motors
- » United Continental Holdings, Inc.
- » United Parcel Service, Inc.

Travel and Tourism (3):

- » Hilton Worldwide (Private)
- » Marriott
- » Wyndham