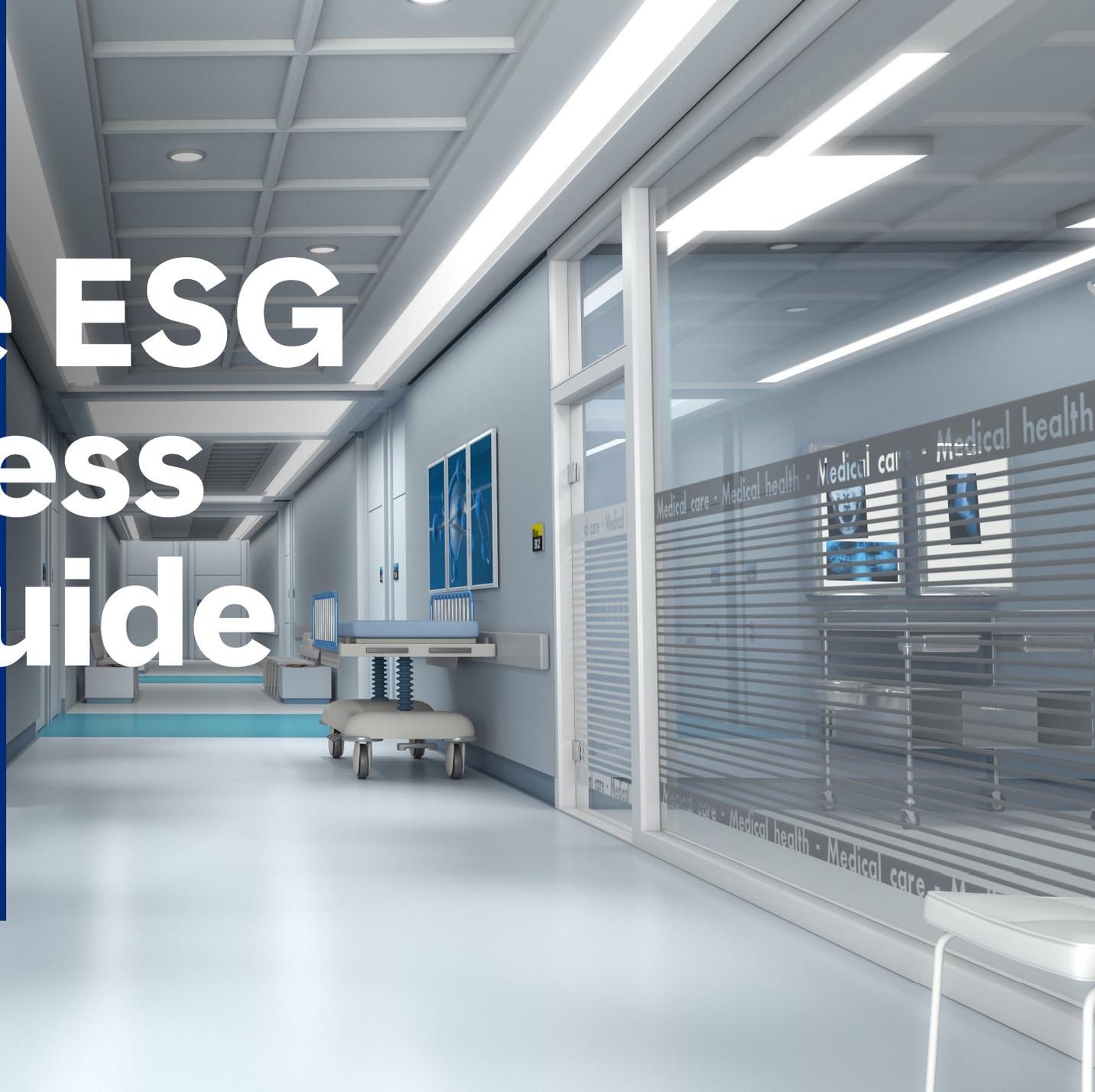# Healthcare ESG preparedness resource guide

Amidst increased focus on environmental, social, and governance (ESG) initiatives, healthcare organizations may be asked to report on a variety of criteria to demonstrate their ESG efforts and sustainability results. This increased scrutiny requires a clear view of how initiatives — both new and existing — may impact their ESG posture.

Regulators, investors, insurers and others are putting pressure on organizations across all industries to improve their ESG posture and associated disclosures. A materiality assessment can help companies understand which issues they should prioritize and the ones that they are likely to get questions on from external stakeholders. When asked to report their level of preparedness, risk managers at healthcare organizations may find it difficult to identify the data required and where to access this information.

Our ESG preparedness resource guide is intended to help you streamline the reporting process by highlighting some of the information you will likely be expected to gather and outlining the sources that may help you collect this data.

Environmental

These are factors that may affect climate change and nature/biodiversity, including a healthcare organization's direct and indirect carbon emissions, contribution to air and water pollution, energy and water consumption, use of anesthetic gases, use and disposal of single-use items, and construction practices.

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
Your level of preparedness to the potential effects of climate change	• Climate change risk assessment	• USDA water supply forecast • National Weather Services forecasts • National Oceanic and Atmospheric Administration • Climate scenario analysis and assessment	• Facilities management • Design and construction • Environmental health and safety • Engineering • Third-party consultants
Any new construction that requires leadership in energy and environmental design (LEED) certification	• LEED certification compliance	• LEED certification criteria	• Facilities management • Design and construction • Engineering • Real estate
Your environmental strategy	• Overall environmental plan	• Environmental policy statement • Sustainability plan • Emergency response plans • Environmental management system plan • Annual report	• Facilities management • Design and construction • C-suite

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
Your pollution prevention and control strategy	• Overall pollution prevention and control plan	• Environmental policy statement • Sustainability plan • Emergency response plan(s) • Environmental management system plan	• Environmental health and safety
Your water usage strategy	• Measurement of water usage — including potable water, grey water, and rainwater — to track conservation efforts and reduce water waste • Percentage reduction in water usage	• Water management plan • Energy and water audit • Sustainability plan • Environmental management system plan	• Facilities management • Engineering
The sustainability of transportation to your premises	• Proximity to public transportation • Availability of bike racks • Availability of electric vehicle chargers • Availability of public transportation vouchers for employees	• Campus maps • Employee benefits offerings	• Facilities management • Human resources
Your energy usage	• Total energy consumed, broken down by traditional and renewable energy usage	• Energy management plan • Energy and water audit • Sustainability plan • Environmental management systems plan	• Facilities management • Internal and external engineering specialists
Your waste management strategy	• Total amount of hazardous and nonhazardous pharmaceutical waste, broken down into percentage of waste that is incinerated, recycled or treated and percentage of waste that is landfilled • Total amount of medical waste, and percentage that is incinerated, recycled or treated, and landfilled	• Waste management plan • Hazardous materials management plan • Sustainability plan • Environmental management system plan	• Environmental services • Facilities management

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
The impact of your product use and disposal	• Green team supported by various clinical departments to identify environmentally friendly practices within their departments • Participation or membership in Practice Greenhealth, which is focused on sustainable healthcare	• Materials management plan • Procurement policies • Sustainability plan • Environmental management systems plan	• Sustainability department, office, or leader • Supply chain management • Infection control department
Your atmospheric emissions	• Scope 1 (direct emissions) and Scope 2 (indirect) emissions	• Air quality management plan • Air permits and compliance report • Sustainability plan • Environmental management systems plan	• Environment and safety
Your anesthetic gasses management	• Migration from desflurane (des) to sevoflurane (sevo)	• Anesthetic gas management plan • Hazardous materials management plan	• Anesthesia or perioperative services department

Social

These include factors that may affect your people and your communities, including employee health and safety and career progression plans as well as patient satisfaction and mortality rates.

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
Your employee health and safety program	• Employee injury rates • Workers' compensation claims rates	• Environmental health and safety plan • Safety data sheets • Emergency management plan(s) • Sustainability plan • Environmental management systems plan	• Environmental health and safety • Security services
Your level of patient safety/ quality of care	• Mortality rates • Infection rates • Readmission rates • Reportable events	• Patient safety plan • Patient safety metrics report • Risk management plan • Quality improvement plan • Clinical practice guidelines • Incident report forms • Root cause analysis reports	• Quality, risk management, and clinical risk management departments • Legal department
Your health equity/social determinants of health	• Mortality rates • Infection rates • Readmission rates	• Centers for Medicare and Medicaid Services • The LeapFrog Group • Electronic health records	• Quality, medical staff leadership • Nursing leadership
Your patient satisfaction scores	• Percentile rankings	• Hospital Consumer Assessment of Healthcare Providers and Systems data	• Department of Quality, patient experience departments

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
Your nondiscrimination and diversity status	• Staff turnover ratios • Compensation data	• Workforce diversity report • Diversity, equity, and inclusion plan	• Human resources • Diversity and inclusion department • Community relations department
Your career development plans	• Staff turnover ratios	• Employee engagement report • Talent management report • Employee satisfaction survey • Professional development program • Employee handbook	• Human resources
Your remuneration systems	• Staff turnover ratios • Compensation data	• Employee handbook • Employee benefits plan • Collective bargaining agreement(s) • Compensation and benefits survey results	• Human resources
Your supplier relationships	• Percentage of contracts awarded to vendors with clear diversity, equity, and inclusion efforts • ESG considerations included in procurement processes • Tracking of Scope 2 and 3 data	• Procurement policies • Vendor evaluation report • Contract management information • Supply chain management report	• Supply chain department or leader • Procurement team • Contracts management department
The development and impact of your social and economic plans	• Amount of uncompensated care provided to the community • Varying social benefits	• Community benefits report • Strategic plan • Philanthropy report • Annual report • Health outcomes report	• Community relations/benefits department

Governance

This category includes practices employed by a hospital or health system's leadership and management, including a healthcare entity's efforts to ensure that its operations are ethical, transparent, accountable, and aligned with its missions and values.

You have been asked to provide information on:	What metrics you need:	Where can you get the needed information:	Which functions own the information:
The board of directors' makeup and results	• Percentage of women and minorities on the board • Board's assessment of ESG processes	• Board composition, experience, and diversity	• C-suite or board liaison
Audits and internal controls	• Material deficiencies • General accepted accounting principles (GAAP) standards	• Internal audit report • Financial statements	• Internal audit team • Finance department
Your ethics and compliance programs	• Percentage of anonymous reports • Percentage of substantiated complaints • Completed risk assessment and/or materiality assessment	• Compliance reports • Hotline logs • Government audits/investigations	• Compliance department • Internal audit team • Legal department
Your cyber security programs	• Material deficiencies • Successful breaches	• Audit reports • Forensic studies	• IT department • Compliance department • Legal department
Your executive remuneration	• Benchmarking surveys	• IRS Form 990 • Annual report	• Human resources • Finance department

As organizations' ESG efforts come under increased scrutiny, it is important to have a thorough understanding of what data you may be asked to provide and where you should be able to find it.

It is also critical to keep in mind that Improving your ESG posture is a journey. Reviewing your disclosure information may also help you evaluate your current ESG posture and identify potential areas of improvement. Rather than considering it a one-and-done process, climate-related disclosures should be utilized to help you continuously move forward in your journey.

Marsh's team of ESG specialists can support you throughout your journey to becoming more sustainable, whether you are getting started or need to delve deeper into particular subjects or themes.

For more information, contact your Marsh representative.

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