

BON SECOURS MERCY HEALTH

# Environmental, Social and Governance (ESG)

2022 Progress Report

Our Values

Human Dignity  
Integrity  
Compassion  
Stewardship  
Service



# A message from our leaders



Doris Gottemoeller, RSM



Katherine Vestal



John M. Starcher, Jr.

Over the past decades, many organizations, in a variety of industries, have been working to safeguard the environment and bring greater benefit to their stakeholders, populations of people and communities. Through oversight and leadership by boards and executive teams, organizations are demonstrating that enhanced accountability and rigor is focused on this work. ESG (environmental, social and governance) reports like this one document organizations' efforts in these key areas. It is our pleasure to provide you with the Bon Secours Mercy Health ESG Report and share our ministry's ESG strategies, activities and achievements.

Safeguarding the earth, helping people and communities thrive and holding ourselves accountable are fundamental to all of us at Bon Secours Mercy Health. Our ministry's Values, along with our Mission and alignment with Catholic Social and Moral Teaching, guide us in our dedication to doing what's right, for the world and for others. We are called to extend Jesus' compassionate ministry by being of service, demonstrating compassion, honoring human dignity, acting with integrity and safeguarding resources through good stewardship. Our legacy goes back more than two centuries to women religious, physicians and business leaders who dedicated themselves to helping people live better lives and communities thrive.

Bon Secours Mercy Health's Values and Mission are reinforced by Pope Francis' discussion in *Laudato Si'*, as he asks us to embody "integral ecology" in everything we say and do. At the core of this call are right relationships with other people, with plants and animals, with the Earth and our environment, and most importantly, with God. We believe that wellness of mind, body and spirit strengthens the relationship between humans and the natural world. In the eyes of God, everything is connected.

It is in this spirit that we continually strive for excellence and doing what is right in serving patients, our associates and our communities, and in safeguarding our environment and its resources. Through the guidance of Bon Secours Mercy Ministries, (a public juridic person, which is our connection to the Catholic Church), our Board of Directors, an ESG Steering Committee and leaders across our ministry, Bon Secours Mercy Health has the framework, strategies and processes in place to fulfill these commitments.

Blessings,

*Doris Gottemoeller, RSM.*

**Doris Gottemoeller, RSM**  
Chair, Bon Secours  
Mercy Ministries

*Katherine W. Vestal*

**Katherine Vestal**  
Chair, Board of Directors

*John M. Starcher, Jr.*

**John M. Starcher, Jr.**  
Chief Executive Officer

# Table of Contents

<b>4</b>	A natural commitment to ESG
<b>8</b>	About us
<b>11</b>	Environmental: Care for our common home
<b>15</b>	Social: Care for quality of life, society and equity
<b>23</b>	Governance: Oversight, approach, action
<b>28</b>	The journey continues

| A natural commitment to ESG |



## Bon Secours Mercy Health has a long-standing commitment to safeguarding the Earth and serving its people

Given our Catholic heritage and the nature of our Mission, Bon Secours Mercy Health (BSMH) has always been driven by the types of issues that were eventually envisioned by ESG proponents. Recognizing the increasing importance of these matters, the Holy See issued its Encyclical Letter *Laudato Si'* in May 2015. *Laudato Si'* is a comprehensive examination of the Catholic Church's views on the importance of caring for the natural environment and all people and is addressed not just to Catholics and the Catholic Church but to every living person. As a result of this and the increasing importance of ESG-related matters to our stakeholders, we recognized the need to create a more formal approach to capturing, documenting and reporting Bon Secours Mercy Health's efforts

surrounding close connections to helping the patients and communities we serve, preserving and protecting the Earth and acting as responsible stewards of the resources with which we have been entrusted.

### Our ESG journey

In the spirit of *Laudato Si'*, Bon Secours Mercy Health's public juridic person (PJP) and board commissioned ministry leaders to formalize our ESG strategy and proceed toward implementing a program and structure for future reporting for both Governance and external stakeholders. To achieve this, key leaders were identified, and an initial cross-functional oversight team was created, which developed the initial ESG strategy and plan that was approved by the board and PJP.



We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental. Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature.

**Pope Francis, *Laudato Si'***

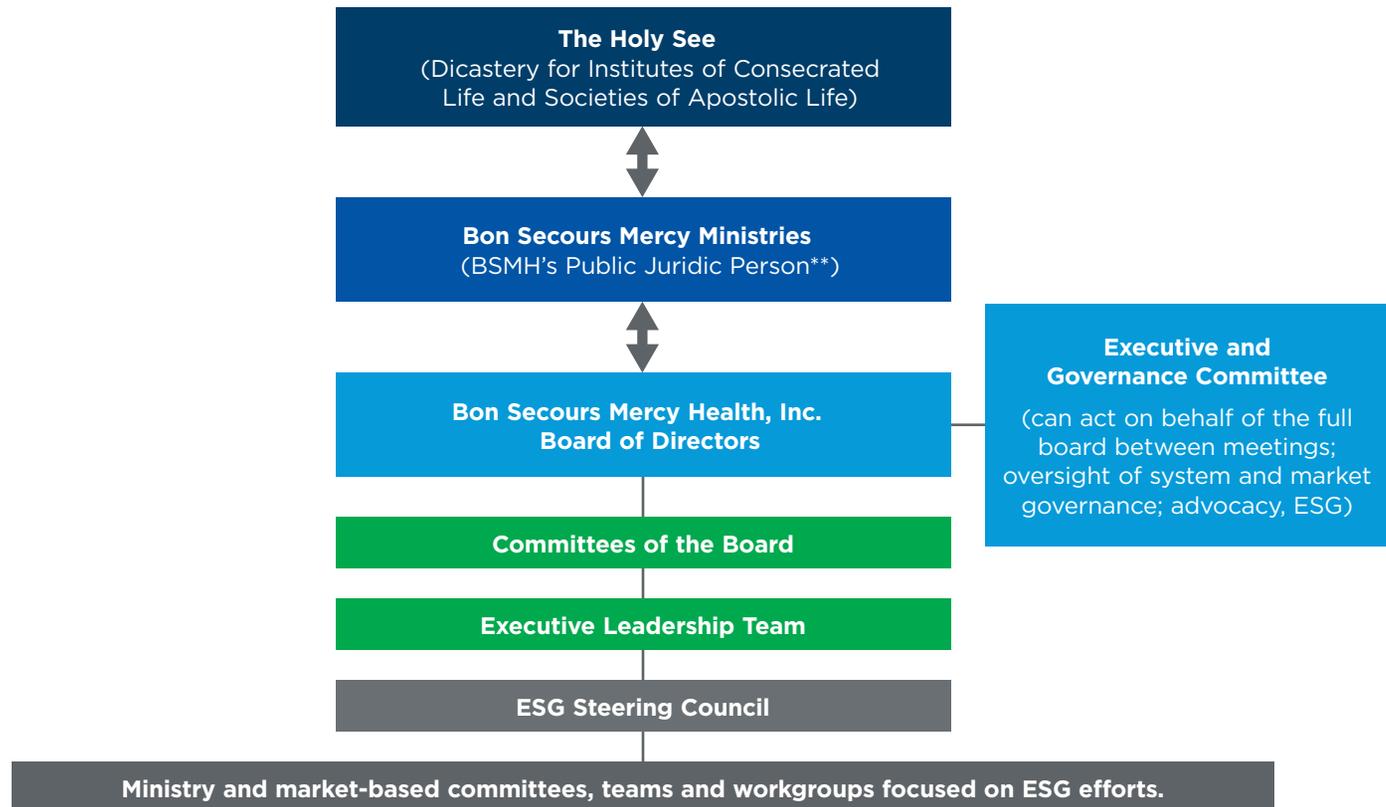


# Our ESG structure

## Governance

Under the guidance of the PJP and Board, BSMH's ESG initiatives are overseen by the board's Executive and Governance Committee along with the Executive Leadership Team. Day-to-day responsibility is managed by a cross-functional ESG Steering Council supported by various internal teams such as the

Sustainability Council, Socially Responsible Investing Workgroup and Clinical Leadership Council.\* In every BSMH market, committees, teams and workgroups are focused on ESG efforts in support of their communities. The ministry also relies on the expertise of key external thought leaders in the ESG space.



\* Many other ministry groups are supporting our ESG efforts; this is not a comprehensive list. \*\* The public juridic person (PJP) is the ministry's Catholic Church Sponsor.

## Materiality assessment

To establish our ESG strategy and program, we conducted a methodical, system-wide materiality assessment to identify which of our ESG activities would be of most interest to our stakeholders. The assessment was multi-faceted and involved utilizing key functional leaders to identify ESG measures throughout the ministry. The purpose was not only to identify the measures and activities currently underway, but also those areas that may be missing, or are emerging or evolving in a way that requires us to adjust our efforts. The process involved conducting an in-depth inventory of ESG-related actions currently underway across the organization, discussions and research involving external ESG thought leaders and key stakeholders across the organization, and a ranking process where executive leaders and the board provided input regarding which areas will be prioritized and reported upon in the coming years. In addition, the process involved an evaluation of the maturity of the measures and processes, as well as a validation process for the measures to be reported.



**Finally**, our Mission and Sponsorship leaders helped us to ensure that there was a clear linkage between the ESG concepts and the teachings in *Laudato Si'*, and to identify additional potential areas of further focus for the future.

## Results and future assessment

The maturity assessment process helped the ministry to provide an inventory of ESG activities and priorities for current and future reporting. The tools we developed in the maturity assessment will be utilized to perform ongoing reassessments of our ESG measures as we continue our ESG journey.

In the following sections of this report, we are happy to share our accomplishments as we continue to pursue excellence in being a contributor to the care of our common home.

| About us |



A photograph of two Black women smiling and embracing each other. The woman on the left is wearing a white headscarf and a white top, while the woman on the right is wearing a blue top. They are both looking towards the right of the frame with joyful expressions.

# Our Mission, Vision and Values drive our commitment to the health and well-being of populations and communities

## Our Mission

To extend the compassionate ministry of Jesus by improving the health and well-being of our communities and bring good help to those in need, especially people who are poor, dying and underserved.

## Our Vision

Inspired by God's hope for the world, we will be a ministry where associates want to work, clinicians want to practice, people seek wellness and communities thrive.

## Our Values

- Human Dignity
- Integrity
- Compassion
- Stewardship
- Service

# Bon Secours Mercy Health by the numbers

**ONE OF THE 5 LARGEST**  
CATHOLIC HEALTH CARE SYSTEMS IN THE US,  
THE **LARGEST** NOT-FOR-PROFIT PRIVATE  
PROVIDER IN IRELAND

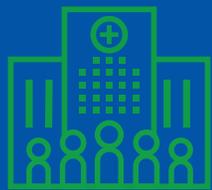


MORE THAN **1,200** SITES OF CARE  IN THE US  
AND IN IRELAND



APPROXIMATELY **\$11 BILLION**  
IN NET OPERATING REVENUE

MORE THAN **\$600 MILLION** IN  
COMMUNITY BENEFITS ACROSS 5 STATES



**48** HOSPITALS

**3,000\***  
PROVIDERS  
IN THE US

**450**  
CONSULTANTS  
IN IRELAND

**60,000**  
TOTAL  
ASSOCIATES



\*BSMH Medical Group physicians and APCs



An aerial photograph of a dense forest. The majority of the trees are a vibrant green, but there are patches of yellow and orange, suggesting autumn. A small stream or river flows through the forest, visible as a light blue-grey line. The text 'Environmental' is centered in the middle of the image, flanked by two vertical blue lines.

# Environmental

Care for our common home





There is a growing sensitivity to the environment and the need to protect nature, along with a growing concern, both genuine and distressing, for what is happening to our planet... Our goal is not to amass information or to satisfy curiosity, but rather to become painfully aware, to dare to turn what is happening to the world into our own personal suffering and thus to discover what each of us can do about it.

**Pope Francis, *Laudato Si'***

### Supporting environmental goals through an operations framework

Guided by Bon Secours Mercy Health governance and executive goals, ongoing oversight and operational support of the ministry's ESG commitments are provided by ministry and local teams. In markets, Green Teams oversee and facilitate ESG activities designed specifically to address their facilities' and communities' needs.

An aligned infrastructure drives our sustainability efforts

- Ministry Utilities Procurement Steering Committee
- Local Green Teams



By eliminating the use of desflurane as an anesthetic gas, BSMH has reduced CO2 emissions by 1,671 metric tons, which is the equivalent of emissions released by driving a car 4.15 million miles.

Over the past two years, BSMH has shifted to reusable gowns at 29 of the 34 hospitals under its direct management.

- One reusable gown = 60 disposable gowns
- We've eliminated 175,000 pounds of waste disposal through the use of reusable gowns

We are transitioning from disposable to reusable pulse oximeters. In 2021, we achieved a **19% reduction** in disposable oximeters.

In Tralee, Ireland, a new heat pump system is reducing energy utilization by **2 million kilowatt hours**.

## Extending our environmental efforts through partnerships and pledges

Bon Secours Mercy Health is committed to building a sustainable culture through environmental stewardship and partnerships, working in concert with others to protect the environment and enhance communities' health now and for future generations. Key partnerships are extending Bon Secours Mercy Health's ability to address environmental and social areas of opportunity. The ministry is a member of the Healthcare Anchor Network, a collaboration of health systems and hospitals that are advancing an Anchor Mission approach to build inclusive local economies. We're also aligned with Practice Greenhealth, a networking organization driving sustainable health care by providing environmental solutions to hospitals and health systems across the U.S.

As a signatory of the [Healthcare Anchor Network's Impact Purchasing Commitment](#), Bon Secours Mercy Health is increasing its use of electricity from renewable sources. In 2021, the ministry initiated an analytics platform to provide us with greater clarity on consumption data across our expansive geographic footprint. As we track recycling as a percent of total waste, in 2021, on average our facilities achieved 27% recycling, exceeding the median of 24% achieved by Practice Greenhealth members.

We are able to extend our environmental strategies and impact by aligning with other health systems through organizations leading the way in driving ESG initiatives nation wide.

- Practice Greenhealth

- The Healthcare Anchor Network

- Catholic Impact Investing Collaborative

- America is All In



## We're recognized for our achievements in safeguarding the environment



**Bon Secours Mercy Health was one of only 10 health systems recognized by Practice Greenhealth with the "System for Change" Award**

This award honors health systems that are working cohesively to set system-wide sustainability goals, track performance data, benchmark and support intra-organizational learning and implementation within their institutions.



**18 of our hospitals received the Practice Greenhealth Partner for Change Award**

This award recognizes superior performance in environmental sustainability.



**13 of our hospitals received the Practice Greenhealth Partner Recognition Award**

This award recognizes hospitals committed to environmental improvement that have achieved noteworthy progress.



**7 of our hospitals have achieved ENERGY STAR® certification**

To be certified as ENERGY STAR, a building must meet strict energy performance standards set by the EPA.

# Social

Care for quality  
of life, society  
and equity



The human environment and the natural environment deteriorate together; we cannot adequately combat environmental degradation unless we attend to causes related to human and social degradation. In fact, the deterioration of the environment and of society affects the most vulnerable people on the planet... The impact of present imbalances is also seen in the premature death of many of the poor.

**Pope Francis, *Laudato Si'***

Catholic health care is an integral part of the nation's health care system. One in seven patients in the United States receives care from a Catholic health care institution. At Bon Secours Mercy Health, we share a calling ... to fulfill our Mission and act in accordance with our Values. We are focused on helping people live healthier lives as we extend health care access and safety for patients and all community stakeholders.

### Working to address violence for the safety of all people

Addressing violence, especially gun violence has been a key focus for the ministry. As part of our shareholder advocacy efforts, Bon Secours Mercy Health has filed a total of eight shareholder resolutions and conducted more than 50 discussions with retailers or manufacturers of firearms since 2017. The ministry also screens its separately managed accounts for companies that produce firearms or ammunition. In our markets, a variety of programs and partnerships are dedicated to reducing the incidence of violence.

Bon Secours Mercy Health's local markets are working to help reduce violence in their communities. Through programs we've developed or through participation in local and state

initiatives, we're working to reduce incidences of violence, domestic abuse and human trafficking. We build awareness by conducting health fairs and seminars. We conduct classes that promote gun safety in concert with local police departments. We sponsor and our teams participate in prayer walks, parades, vigils and local National Night Out community building campaigns. We are working to help individuals who have previously been involved in gun violence through programs designed to reduce recidivism. In some communities, BSMH forensic nursing and response teams serve as critical resources for victims of abuse and human trafficking. Because every community we serve has its own unique needs, our teams strive to address serious societal issues by bringing stakeholders together to talk, listen and carefully discern, resulting in collaborative problem solving.



## Continually striving to enhance patients' health outcomes and support community health

At Bon Secours Mercy Health, patients are at the center of all we do. Enhancing health outcomes and patient safety through care delivery practices and education are priorities for our care teams. Across the ministry, we're working to ensure that all patients, especially those who are poor and underserved, have access to high-quality, safe health care. Through services and programs we provide, as well as through collaboration with local agencies and providers, we're helping address Social Determinants of Health in support of individuals, families, neighborhoods and communities.

## Areas of opportunity to enhance health outcomes and patient safety



**A1C levels** – We routinely conduct **HgA1C** testing for primary care patients, ages 18–75 years of age with a diagnosis of diabetes as a visit diagnosis in the past two years or as an ambulatory encounter in the past 12 months.

- Reducing A1C blood level results by 1 percentage point (e.g., from 8.0% to 7.0%) helps reduce the risk of micro vascular complications (eye, kidney and nerve diseases) by as much as 40% (CDC Estimates 2011).



**Sepsis** – We're refining specific sepsis protocols and increasing awareness of **sepsis** among all health care providers.

- Sepsis is the number one cause of hospitalization in the US. Sepsis is the body's overwhelming and life-threatening response to infection that can lead to tissue damage, organ failure and death.



**Maternal hypertension** – Our maternal-neonatal clinical care collaborative has produced educational materials and algorithms for the care of mothers with severe hypertension in our facilities. We provide ongoing patient education regarding signs and symptoms and steps women should take if they experience problems.

- Hypertension in pregnancy is the most common major medical disorder in pregnancy, complicating as many as 10% of pregnancies.



**A culture of safety** – Through regular surveys and education, we empower associates to proactively monitor and participate in safety efforts in the work environment.

- Every other year, associates are invited to complete a survey to address their perceptions of the safety of the care provided to our patients, so that the ministry may identify areas of improvement and continue its commitment to providing safe care for patients and a safe workplace for our teams.



**Safe use of opioids** – We're promoting safe opioid prescribing practices, with dashboards in place in our ministry's electronic medical records.

# Building an inclusive, diverse workplace engages associates and enhances our ability to serve patients and communities



## Building diversity and inclusion across our ministry

### Listening to our associates

- Our key Diversity metric (“I am able to be my authentic self at work regardless of race, gender, etc.”) is the top scoring item across our workforce in 2022 (78% favorable) and was among our top 5 in 2021 as well.
- Over the past year, we’ve made strides in perceptions of growth opportunities, recognition, leadership, and communications among our diverse associates.
  - Our experience dimension with the largest increase is Growth Mindset (+8% YOY)
  - Specifically, we are making significant strides in the perception of having fair access to opportunities (+9% YOY)

### Providing training and tools to support diversity and inclusion

- Introductory D&I training takes place at orientation for all new team members
- 2,400 associates and clinicians have completed live Bias & Anti-Racism training sessions
- Cultural Competency Essentials training is provided for clinicians and patient registration personnel to improve cross-functional understanding
- 4 million minutes of remote interpretation during almost 300,000 medical encounters
  - Centralized language services, including in-person/video remote interpreting services, document translation and language proficiency assessments for bilingual personnel

### Living Wage

In 2019, Bon Secours Mercy Health committed to reach a geographically adjusted \$15/hour minimum for all associates by the end of 2022. One year ahead of schedule, the ministry achieved its goal, investing \$16.6 million in support of roughly 6.5% of our associates.

### We’re recognized for our commitment to diversity and inclusion

Bon Secours Mercy Health is working to attract and retain a diverse workforce that reflects the communities we serve. As we work to achieve our Vision of being the place where associates want to work and clinicians want to practice, we’re addressing a variety of factors to attract and retain associates, such as organizational culture, benefits, flexibility and career advancement opportunities. Our achievements are garnering recognition. **Seramount** – a strategic professional services firm dedicated to advancing diversity, equity and inclusion in the workplace – has recognized our efforts with these rankings:

- #8 on the 2022 Top Companies for Executive Women list
- #38 on the 2022 Best Companies for Multicultural Women list
- #46 on the 2022 Top 100 Companies list
- #97 on the 2022 Best Companies for Dads list





### Partnering with schools to expand our talented, diverse workforce

From high schools to medical schools, Bon Secours Mercy Health has established partnerships with academic institutions to support students in expanding their knowledge and skills, while learning about the important work embraced by our ministry and associates:

**Adopt-A-School Program** – In five BSMH markets, we’re partnering with high schools and community colleges to provide students access to entry-level, patient-facing positions.

**Diverse School Partnerships** – Bon Secours Mercy Health is working with nine HBCUs in four states to attract diverse talent to our ministry.

**Meharry Medical College Partnership** – Third-year medical students at Nashville’s Meharry Medical College are completing two- to four-week clinical rotations in family medicine and OB/GYN at Mercy Health — Lourdes Hospital in Paducah, Kentucky.

### Helping communities thrive by ensuring an inclusive supplier base

Through our supply chain management company, Advantus Health Partners, we support vendors to ensure that they meet or exceed our performance standards. We also ensure that we’re inclusive and providing equal opportunity to businesses owned by minorities, women, veterans and people with disabilities. These sound business principles contribute to lowering our operational costs, encourage innovation, create competition and support the overall health of the greater business community within the markets we serve.

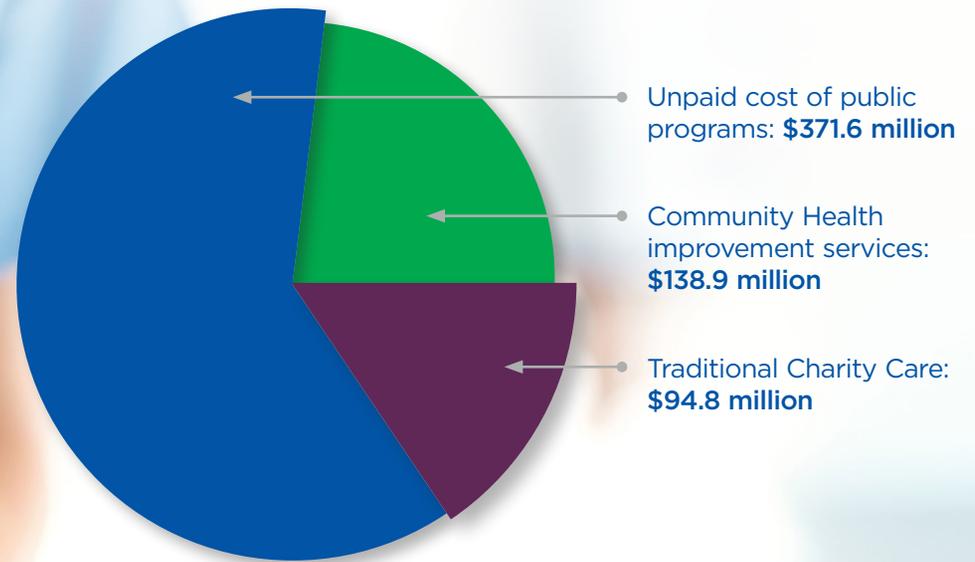
# 6.18%

of our total in-scope spend is with diverse suppliers – exceeding our goal as pledged in the Healthcare Anchor Network’s Impact Purchasing Agreement.



# Bon Secours Mercy Health Community Benefit – 2021

## Total Community Benefit **\$605.3 million**





**Bon Secours Mercy Health's Foundation is furthering the ministry's ability to assist individuals and enhance health and well-being across communities.**

With Foundation offices in 12 communities and five states served by Bon Secours Mercy Health, the Foundations' donors and assets support important local health care needs to help family, friends and neighbors get the quality, life-saving health care they need close to home. In 2021, the Foundation supported patients with \$16 million of patient assistance, community health and well-being programs and spiritual care and \$1.7 million to support ministry associates in our communities. Many programs and services extend into our communities with partnerships with other not-for profit organizations to deliver services aligned with community Health Needs Assessments (CHNA), including more than \$1.5 million annually to support innovation programs that promote the health and well-being of our communities.

**Bon Secours Mercy Health's Global Ministries is helping people in other countries**

Global Ministries supports Bon Secours Mercy Health's Mission by actively addressing the needs of those who are poor and vulnerable, primarily in Peru, Haiti, and South Sudan. Motivated by the ministry's Founding Sisters' work around the world, Global Ministries seeks to improve health globally, especially for women and children living in marginalized communities.

- \$900,000 USD provided in emergency relief support to the people of Ukraine
- Preparing support for Ukrainian refugees coming to the U.S. communities we serve
- Provided 8,672 children with iron supplements and hemoglobin testing in Peru
- Providing water filters and healthy habits training to communities that drink unsafe drinking water in Peru





## Investing in communities

Bon Secours Mercy Health has committed to fulfilling the Healthcare Anchor Network Place-based Investing commitment, which includes a commitment to investing 1% of our long-term investment portfolio into direct community investments. Place-based investing targets positive social and environmental impacts in local communities and geographies through targeted low-interest rate loans. Our Direct Community Investment program targets investments in communities where the ministry provides care or has a local presence.

As of May 31, 2022, the program has deployed

# \$24.9 million

in directed community investments and

# \$21.2 million

is in the pipeline.

## Examples of how Bon Secours Mercy Health is supporting affordable housing

### South Carolina

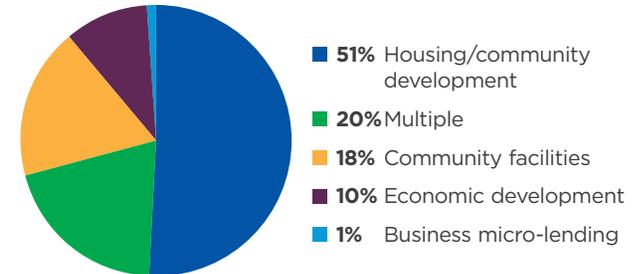
In 2021, BSMH funded a \$750,000 loan to Carolina CommunityWorks (CCW). This five-year, low interest rate investment loan supports CCW's affordable housing program. CCW works with small and non-profit developers to acquire, rehab and resell low-income housing properties in the Greenville, South Carolina housing market. In addition, CCW has a small business lending program, targeting small, minority and women-owned businesses.

### Virginia

In early 2022, Bon Secours Mercy Health expanded its partnership with Maggie Walker Community Land Trust (MWCLT). In renewing the loan to MWCLT, we're working to maximize the trust's impact by increasing loan amounts, reducing interest rates and extending loan terms. MWCLT operates a Community Land Trust focused in Richmond, Virginia, as well as Chesterfield and Henrico counties. Land trusts promote racial and economic justice and combat gentrification by allowing income qualified buyers to build wealth through home ownership while ensuring the land is permanently preserved for affordable housing through the trust.

## Direct Community Investments

Portfolio diversification by focus area





# Governance

Oversight, Approach, Action



Now is the time for courageous actions and strategies, aimed at implementing a ‘culture of care’ and an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time, protecting nature.

**Pope Francis, comments to a joint meeting of Congress, 2015**

### Shared corporate accountability ensures high standards of integrity and transparency

Bon Secours Mercy Health has an intentional approach to governance and leadership. This ensures we live within the spirit of our Mission and Values with effective oversight of strategy, risk management and operations. To facilitate this, BSMH has implemented a Governance structure of seasoned industry leaders to guide these efforts.

- **Bon Secours Mercy Ministries (BSMM)** – the organization’s public juridic person (PJP) is a canonical entity responsible for promoting the Mission of Bon Secours Mercy Health through the ownership, management and governance of health care facilities, programs and services. BSMM helps facilitate communication and relations with the Holy See, and also provides oversight of the ministry’s ESG efforts to ensure they are guided by the elements of *Laudato Si’*.
- **Board of Directors** – oversees general risk management efforts and approves major decisions affecting the strategic direction of the ministry, including allocation of capital, major acquisitions, divestitures, joint ventures,

executive compensation, advocacy efforts and ESG reporting. The board ultimately oversees the individual committees which provide direct oversight on specific strategic, mission and risk areas as summarized on some of the following pages.

- **Executive Leadership Team** – provides organizational leadership and operational management of patient care services, mission integration, finance and other support services and sets the organization’s strategic objectives, as approved by the board and PJP.
- **Executive and Governance Committee** – acts as a nominating committee for the board and board committees, as well as executive leadership. This Committee can act on behalf of the board between meetings and provides oversight of local market governance and all ministry advocacy efforts, which contribute significantly to our impact on ESG. This committee also provides primary oversight to our ESG program.
- **Finance & Investment Committee** – supports the board in financial strategy, reporting, disclosures, debt management, capital allocation, forecasting/ planning and investments. This committee also oversees the Socially Responsible Investing (SRI)

program and charity care/community benefit reporting, which are both key elements within the ministry’s ESG efforts.

- **People and Culture Committee** – supports the board’s oversight of human capital and the culture/support of our workforce and communities through areas like talent acquisition, retention, benefits/compensation, health/ safety, culture and learning. This committee also oversees the Diversity & Inclusion program, which contributes significantly to our ESG efforts.
- **Integrity & Stewardship Committee** – supports and assists the board in matters related to key risk management areas such as financial statement presentation and external audit, internal audit, compliance, ERM, legal, clinical, information security/privacy, internal controls and board policies. Examples and insights into some of these areas is summarized on the following pages.

## Ensuring integrity through a robust Compliance Program

Our Value of **Integrity** calls us to be honest, honor confidentiality, be worthy of trust, embody dignity, show respect to all we encounter and be transparent in our daily efforts. Through the structures, processes and policies developed through the Compliance Program and with oversight of the Board of Directors and other entities, we continually strive to achieve integrity in all we do.



### Maintaining ethical standards and behavior

The Integrity & Stewardship Committee oversees a comprehensive, innovative, system-wide Compliance Program designed to ensure adherence with health care laws, regulations and rules. The program includes a variety of ongoing audits and initiatives to monitor areas such as HIPAA compliance and coding/revenue accuracy.

Through mechanisms such as the BSMH Ethics Help Line, Compliance provides associates with a confidential means to raise ethical concerns and questions. All issues raised are investigated and resolved by the Compliance team. Compliance is kept top of mind through annual mandatory compliance training combined with ongoing training and communications on matters of current concern.



### Compliance activities support the ministry's risk management framework

- **Risk assessments** - we continually evaluate the risk landscape and compliance risks related to all facets of the organization, including core operations, non-traditional service lines, and international regulatory and privacy requirements.
- **Auditing/Monitoring** - dynamic, risk-based auditing and monitoring programs that address risk areas such as claims coding, revenue cycle, telehealth, population health, privacy and data protection, pharmacy/340B, subsidiary-specific risks and third-party relationships.
- **Reporting** - our 24/7 Compliance and Ethics Helpline enables associates to report concerns or ask questions without fear of retaliation.
- **Policies** - address specific risk areas and expectations.
- **Training and Communications** - Compliance is kept top of mind through annual mandatory compliance training for all associates, monthly education on the ministry's intranet and communications to leaders and staff on compliance risk areas, as well as updates on current and emerging international, federal and state regulatory requirements.
- **Third-party management** - we ensure Compliance oversight through training, audits and an annual compliance attestation process.



### Protecting the privacy and data of those we serve

BSMH respects and values the privacy of our patients and only collects and uses personal data in ways that are consistent with our obligations and our patients' rights under the Health Information Portability and Accountability Act (HIPAA) and the European Union General Data Protection Regulation (GDPR). Privacy and Data Protection are integrated into our Compliance Program with the Chief Privacy Officer and the Chief Data Protection Officer reporting directly to the ministry's Chief Compliance Officer. Mandatory privacy education is required of all workforce members, and such education is reviewed and updated each year.

### Focusing on clinical and quality risks and ensuring all aspects of care place the patient first

The Integrity and Stewardship Committee (ISC) oversees key elements of clinical and quality risks including the annual quality, safety and performance improvement plan (including benchmarks and targets), safety events, care transformation efforts, patient complaints and pending litigation. The ISC also reviews emerging clinical/quality risks (e.g., infectious diseases, new technology, litigation trends and clinical crises such as opioids or mental health), as well as potential clinical risks related to new ventures. The ISC also provides oversight of local market boards that have responsibility for local clinical, quality and medical staff risk management.

### Managing risk across the ministry

The Board of Directors and its committees oversee the organization's Enterprise Risk Management Program, while the Executive Leadership Team is primarily responsible for its execution. Under the program, a formal systematic approach is used to identify, assess, prioritize and report risks. This fosters a culture of Enterprise Risk Management by embedding the process throughout the ministry, which provides enhanced enterprise resilience and supports the achievement of strategic goals.

### Ensuring we're acting ethically

Our Ethics Program, guided by our ministry's Ethics Quality Standards, contributes to an understanding of ethics and their practical application among our associates and clinical staff, promotes values-based decision making consistent with our Mission and Catholic Identity, and advances a reflective and accountable ethical culture that aligns with the *Ethical and Religious Directives for Catholic Health Care Services*.

### Confirming financial accuracy and providing transparency

The Board of Directors engages external auditors to conduct annual audits of the ministry's financial results to ensure accuracy and financial transparency to key stakeholders. In addition, a robust Institute of Internal Auditors compliant internal audit function has been established that provides an independent assessment of the quality of the organization's internal controls and business processes, as well as providing objective and innovative recommendations for continuous improvement.



## Our focus on cybersecurity

The ministry works to incorporate cybersecurity practices and awareness into the culture of the ministry. With strategic and operational oversight provided by executive-sponsored committees, the ministry proactively works to ensure that strategies, infrastructure and processes are in place to mitigate cyber risks. We also include cyber incident response planning as part of the ministry's emergency response planning and preparation, which includes maintaining emergency response plans at the facility level to respond to and recover if an extended enterprise-wide cyber attack occurs.

### Teams dedicated to cybersecurity

- **Cybersecurity Risk Oversight Committee** – chaired by the Chief Information Security Officer, this committee includes clinical and operational leaders from areas such as legal, privacy, patient safety, clinical engineering, internal audit, supply chain and human resources. This committee ensures that the ministry's cybersecurity risk framework and policies are applied to processes, procedures, systems implemented and third-party services. It is focused on expediency in cyber-risk response (Avoid, Transfer, Mitigate, Accept) with a pragmatic approach, which integrates operational needs with broad stakeholder consideration.
- **Regulatory and Compliance Committee** – sponsored by the Chief Compliance Officer and facilitated by Legal, this committee ensures that the processes, procedures and systems implemented with respect to all electronic medical records and other systems that maintain PHI (protected health information) and other regulated data are compliant with all legal and regulatory standards.



The journey continues





All is not lost. Human beings... are also capable of rising above themselves, choosing again what is good, and making a new start... and [embarking] on new paths to authentic freedom.

**Pope Francis, *Laudato Si'***

Our focus on ESG is a journey ... one that has no endpoint. As a ministry, we will progress in our ESG commitments, evolving and refining our efforts to continually improve, as we embrace new ways of thinking and working to enhance the common good and safeguard the precious resources of the Earth.

# BON SECOURS MERCY HEALTH

