



BON SECOURS MERCY HEALTH



# Environmental, Social and Governance (ESG)

2024 PROGRESS REPORT



# A message from our leaders



Sr. Pat Eck, CBS

Safeguarding the Earth, helping people and communities thrive and holding ourselves accountable are fundamental to all of us at Bon Secours Mercy Health.



Peter Maddox

Our efforts are consistent with the challenge that Pope Francis presented in the 2015 Encyclical Letter *Laudato Si'*. That document comprehensively examines the Catholic Church's views on the importance of caring for the natural environment and all people.

In a heartfelt *Laudate Deum* message issued last year, Pope Francis expressed his continued concerns about the care of our common home. He noted, "We must move beyond the mentality of appearing to be concerned, but not having the courage needed to produce substantial changes."



John M. Starcher, Jr.

As the fifth-largest Catholic health system in the United States, we long ago embraced the challenge to act as responsible stewards of the resources with which we are entrusted. Already guided by our Catholic faith and our Mission, we further recognized the need for a formalized approach to capture, document and report Bon Secours Mercy Health's efforts to safeguard the Earth.

Pope Francis further implored in *Laudate Deum*, "I ask everyone to accompany this pilgrimage of reconciliation with the world that is our home

and to help make it more beautiful, because that commitment has to do with our personal dignity and highest values."

As we continue that journey, we've enhanced our accountability and focus on environmental, social and governance (ESG) work. Under the guidance of Bon Secours Mercy Health Ministries, our Board of Directors and our Executive Leadership Team, we're aligned on the importance of fulfilling our ESG commitments. Day-to-day responsibilities are managed by a cross-functional ESG Steering Council supported by various internal teams, such as our Sustainability Council, Socially Responsible Investing Workgroup, Social Determinants of Health Council, Clinical Leadership Council and key external thought leaders in the ESG space.

We're confident we have the right framework, strategies and processes to make a positive impact well into the future. We are pleased to provide this report on our ministry's ESG activities and achievements.

Blessings,

**Sr. Pat Eck, CBS**  
Chair, Bon Secours Mercy Ministries

**Peter Maddox**  
Chair, Board of Directors

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



# Environmental

Our commitment to quality and environmental sustainability is an important part of our Mission and a practice that has brought recognition and innovation.

An example of our holistic approach is designing a new or replacement system. The Design and Construction team uses lean principles and tools to develop and compare potential solutions. This enables the team to explore options from various perspectives, including sustainability, financial and operational.

In our maintenance operations, we strive to be more efficient in our energy consumption, which is a significant contributor to greenhouse gas emissions. Every hospital has an Energy Star profile that is monitored for trends over time, which is how leaders see the impact of the daily operational decisions as well as the impact of larger investments.

Last year, we set a goal of seven hospitals earning Energy Star certification. We exceeded that goal with eight certifications.

This approach has enabled the ministry to demonstrate the most sustainable solution is also the most cost-effective:

## Lourdes Cancer Center

Lourdes Cancer Center in Paducah, Kentucky, is a new building in a location with high utility costs. The project team looked at options for the

building's heating and cooling system. They built a geothermal system that lowers the environmental impact by not producing greenhouse gas emissions like a traditional system and lowers our utility costs, helping us be good stewards of all of our resources.

The Inflation Reduction Act (IRA) has enabled nonprofits to use tax credits for qualifying sustainability projects. Bon Secours Mercy Health is leading the way as one of the first health care systems to submit for IRA tax credits for a geothermal system.



At Bon Secours Mercy Health, we look at weaving environmental sustainability into everything we do. **Environmental health and human health are directly linked.** By reducing the emissions of our own operations, we can very directly contribute to improving the health and well-being of our communities.

*Ann Walston, vice president of Acute Care Facilities Management.*



Committing to environmental sustainability in our facilities can lead to various innovations that not only reduce the ecological footprint, **but also improve patient outcomes and operational efficiency.**

*Noah Dunlap, vice president of Insights, Innovation & PMO for Advantus Health Partners  
Co-chair of the Bon Secours Mercy Health Sustainability Council.*

### Geothermal for Rappahannock Hospital

Building on the geothermal success at Lourdes Cancer Center, a similar evaluation was completed for Rappahannock General Hospital in Kilmarnock, Virginia. While the cancer center is a relatively small building, Rappahannock is an existing acute care hospital. Older equipment needed to be replaced, so the ministry did an analysis and challenged our design teams to think outside the box. We've been looking for opportunities to decrease the environmental impact of our operations while increasing reliability and lowering costs. We were able to select geothermal for this location as well. The project is now in progress with a mid-2025 completion date.

### Exploring solar for our hospitals

Last year, we completed a high-level assessment of all 35 hospitals to understand the potential of adding solar to our utility strategy to reduce emissions and lower our costs. That work enabled us to narrow the next-level study to seven target locations in 2024.

### Reducing greenhouse gas emissions

In Ireland, we're making good progress toward our goal of reducing CO2 emissions (greenhouse gasses) by 51% by 2030. Our effort is assisted by the Corporate Power Purchase Agreement with a Wind Farm. The Wind Farm currently provides approximately 47% of the electricity requirement of sites, excluding Limerick.

In our United States markets, we're updating our inventories — with the support of the Bon Secours Mercy Health Foundation — and will measure our progress by the end of this year.

### Practice Greenhealth awards

Our dedication to sustainability earned us 37 prestigious awards from Practice Greenhealth, the leading organization in health care sustainability. It underscores our collective efforts and the importance of our environmental initiatives to improve health care delivery and community well-being.

Bon Secours Mercy Health won the System for Change Award for the third year in a row, which recognizes 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.

Ten of this year's awards signify a promotion since the prior year.

Our initiatives in energy efficiency, green building design, waste management and water conservation are already proving to be transformative.

### Electronics recycling

R2 (Reuse + Recycling) is a comprehensive and voluntary standard that sets best practices for the handling of used electronics including worker health and safety, environmental protection, the preservation of natural resources and data security.

In 2023, AIM Ecycling completed 129 pickups at 31 of our locations. Over 193 tons of electronic equipment was sent to our R2 certified processing facility in Toledo, Ohio, instead of a landfill.

These efforts reflect a holistic approach to health care that prioritizes both patient well-being and planetary health.



# Social

As a health system, we align our clinical safety and quality initiatives with our ESG goals. This allows us to improve patient outcomes, promote environmental sustainability and enhance social responsibility.

## Community Engagement drives multi-year strategies to improve health and social conditions

Community Health Improvement Plans (CHIPs) – based on Community Health Needs Assessments (CHNAs) conducted in all our markets – is a three-year strategy to address how Bon Secours Mercy Health will implement programs, partnerships and initiatives to address our communities’ most pressing health and social needs.

Bon Secours Mercy Health is tracking 250 community strategies tied to our CHNAs and developed strategies to address priorities, including

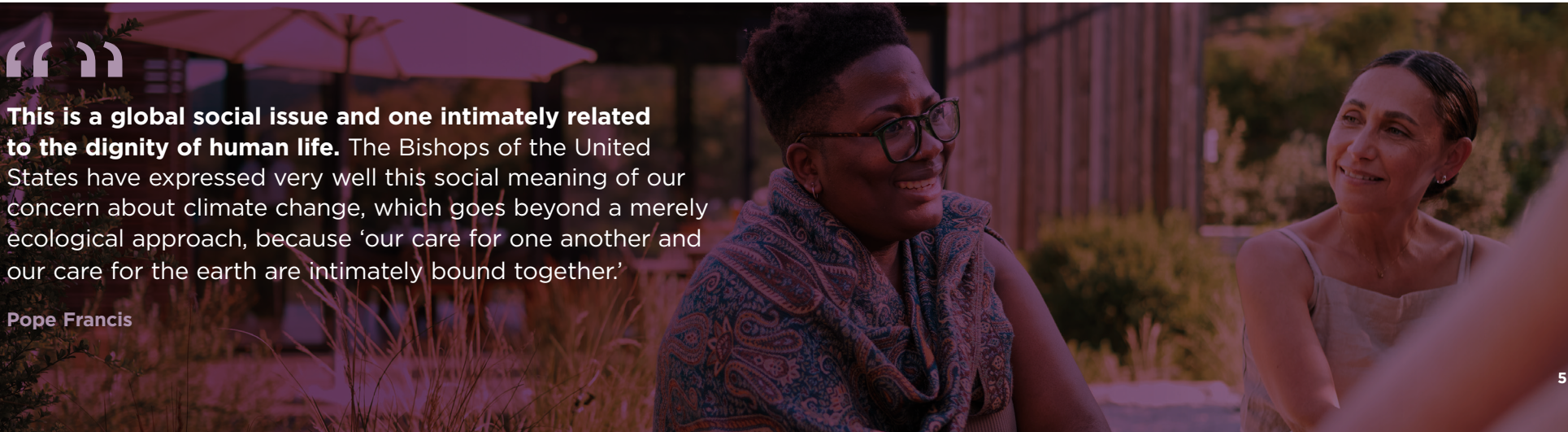
access to care, chronic disease, community safety, food insecurity, housing stability, health education and maternal infant health.

- In our Richmond Market, the Bon Secours Violence Response team, with focus in Market South, supported 3,410 victims of violence; enrolling more than 1,000 people to receive additional victim advocate support. The program has continued into 2024, serving more than 800 patients as of June.
- In the Lima, Ohio Market, Project 129, a community investment strategy aimed at improving neighborhood infrastructure and quality of life, has reduced the rent burden within the census tract from 61% to 56% in the last year.
- In our Cincinnati Market, the Mercy Health Cincinnati Perinatal Outreach program served 74 clients in 2023; 100% of babies born to program participants were born >37 weeks. In 2024, the program has served 21 participants with all babies again being born >37 weeks.

## Community benefit

Bon Secours Mercy Health provided more than \$600 million in community benefit last year across five states, alleviating cost as a barrier to health care for our patients in need. Bon Secours Mercy Health also invests in community benefit programs that address chronic illness, affordable housing, access to healthy food, education and wellness programs, transportation, workforce development and other social determinants and drivers of health that directly affect the communities we serve.

Community benefit categories	Dollars
Charity care	\$110,323,104
Medicaid unpaid cost	\$318,563,404
Community health services	\$28,394,090
Health professionals education	\$66,538,147
Subsidized health services	\$51,345,774
Financial and in-kind contributions	\$24,002,862
Community building activities	\$2,348,205
Community benefit operations	\$4,823,736
Research	\$589,087
<b>Total quantifiable community benefit</b>	<b>\$606,928,409</b>



**This is a global social issue and one intimately related to the dignity of human life.** The Bishops of the United States have expressed very well this social meaning of our concern about climate change, which goes beyond a merely ecological approach, because ‘our care for one another and our care for the earth are intimately bound together.’

Pope Francis

### Social determinants of health and social needs

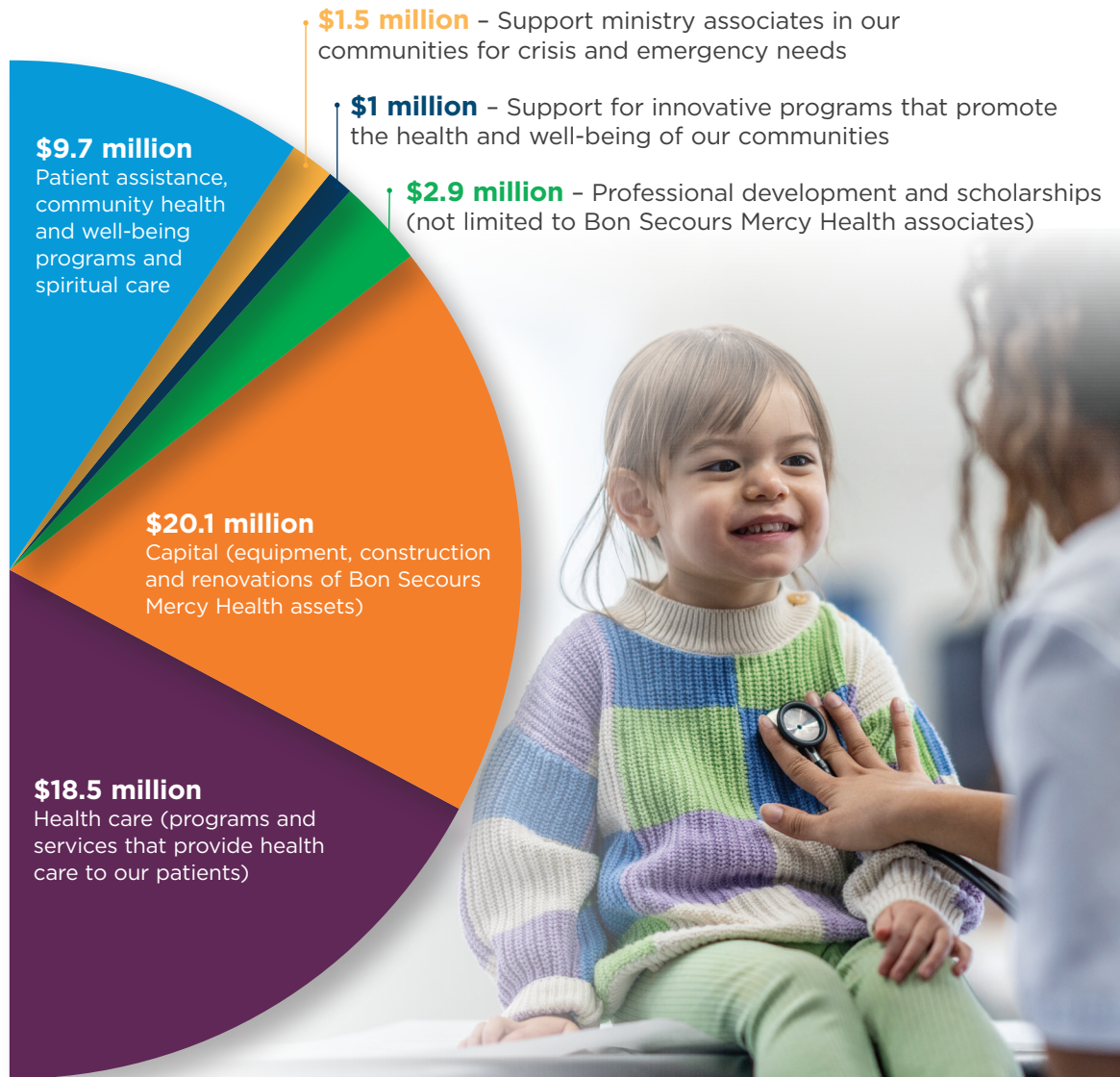
Our ministry recognizes the conditions people are born, grow, live and age with, as well as the fundamental drivers of these conditions — known as the social determinants or drivers of health (SDOH) — greatly impact a person’s ability to thrive and be well. Bon Secours Mercy Health continues to broaden and redefine our approach to addressing both SDOH and individual social needs for patients and communities.

Last year, Bon Secours Mercy Health Community Health focused on developing new and growing existing programs and partnerships to address food insecurity, housing stability and transportation needs. More than 100 community health interventions and partnerships are currently dedicated to help patients and community members address their identified needs in these areas. We have also invested more than \$46 million in local communities to address SDOH through the Direct Community Investment (DCI) loan program, Mission Outreach Program (MOP) and Community Health Fund (CHF) program.

In the past year, Bon Secours Mercy Health Medical Group practices screened more than 550,000 patients for SDOH needs including financial security, food insecurity, housing stability and transportation.

### Bon Secours Mercy Health Foundation

The Bon Secours Mercy Health Foundation raised \$94.8 million last year to further the ministry’s ability to improve the health and well-being of the communities we serve. With Foundation offices in 12 communities and five states, their support makes a positive impact in the following areas:







It is indubitable that the impact of climate change will increasingly prejudice the lives and families of many persons. **We will feel its effects in the areas of health care**, sources of employment, access to resources, housing and forced migrations.

Pope Francis

### Global Ministries provide assistance in lower- and middle-income countries

Global Ministries supports Bon Secours Mercy Health's Mission of extending the compassionate ministry of Jesus by actively addressing the needs of those who are poor and vulnerable around the globe.

Continuing the work of our Founding Sisters throughout the world, Global Ministries seeks to improve health globally, especially for women and children living in marginalized communities of Peru, Haiti and South Sudan. Last year, we provided \$1.6 million in support.

In 2024, Global Ministries has focused on four areas: health equity, care of creation, emergency response and justice. Through its support for programs such as access to clean water as well as access to health care services, disaster relief, education and migration, Global Ministries spending reaches over 200,000 vulnerable persons in low- and middle-income countries, especially in Peru, Haiti and South Sudan.

### Advocacy

Inspired by Catholic Health Association's mission statement "We will empower bold change to enable human flourishing," Bon Secours Mercy Health president and CEO John Starcher was appointed to the CHA board, where he continues to support CHA's advocacy agenda.

### Deepening commitment to stewardship

BSMH offers care to our communities through the lens of the core commitments of Catholic health care: promoting and defending human dignity, attending to the whole person, caring for poor and vulnerable persons, promoting the common good, acting on behalf of justice, stewarding resources and serving as a ministry of the church.

We offer a robust series of programs that invite our associates to match their personal values with the Mission, Vision and Values of Bon Secours Mercy Health in a way that enables them to fully understand how these core commitments touch their everyday work. Each year, more than 40,000 associates take part in these learning opportunities. These programs help to build an organizational culture that supports our identity as a faith-based ministry.

### Ensuring associates share a sense of belonging at work

- Expanded Leadership Councils in all markets
- Relunched employee resource groups (ERGs)
- 21% of Director+ hires reflect inclusive hiring initiatives
- Provided risk mitigation and union awareness training to over 1,000+ leaders
- Signed the Healthcare Anchor Network (HAN) Workforce Impact Commitment (to hire 10% from economically disadvantaged communities across our footprint by 2027)
- Key associate experience survey measures for people of color trended higher in affinity to BSMH, recommending BSMH to others as a best place to work

## Healthcare Anchor Network commitment

As a Healthcare Anchor Network (HAN) member, we pledged to execute the HAN Impact Workforce Commitment, which advances strategies for inclusive local hiring, retention and career advancement. This commitment:

- Identified systemwide economically disadvantaged ZIP codes and established Impact Hiring goals across our ministry's footprint.
- Identified job codes that meet definition recognized by HAN as an Impact Hire.
- Determined metrics for educating leadership regarding inclusive hiring.
- Included inclusive hiring and internal advancement of qualified minority candidates with a goal to mirror community benchmarks.

## We're recognized for fostering a culture where all are valued

Bon Secours Mercy Health is working to attract and retain a 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, respecting and valuing all people in the workplace — has recognized our efforts with these rankings:





# Governance

Living our Mission and Values across an organization spanning 1,200 points of care and 60,000 associates requires a focused and intentional approach to governing and leading. Achieving our Mission depends on strategies and objectives that convert those words into action, how well we identify and mitigate the risks that stand in our way and how we manage our resources. Bon Secours Mercy Health implemented a comprehensive governance structure designed to effectively oversee strategy, growth, risk management and operations. The governance structure is directed and led by a team of seasoned industry leaders.

## Enterprise Risk Management

Through its Enterprise Risk Management (ERM) program, Bon Secours Mercy Health leadership provides a formal, systematic approach for identifying, assessing and prioritizing risks.

The program fosters a culture of ERM by embedding the process throughout the ministry, which enhances enterprise resilience, supports the achievement of our strategic goals and considers the impact of catastrophic events. Primary ownership and responsibility of the ERM program rests with Bon Secours Mercy Health’s Executive Leadership Council with oversight provided by the Board of Directors.

## Shared corporate accountability

High standards of integrity and transparency are achieved through shared corporate accountability. Our ethics program, which is guided by our ministry’s Ethics Quality Standards, contributes to an understanding of ethics and their practical application among our associates and clinical staff. It promotes values-based decision making consistent with our Mission and Catholic identity. It also advances a reflective and accountable ethical culture that aligns with the Ethical and Religious Directives for Catholic Health Care Services.

## Ensuring Integrity

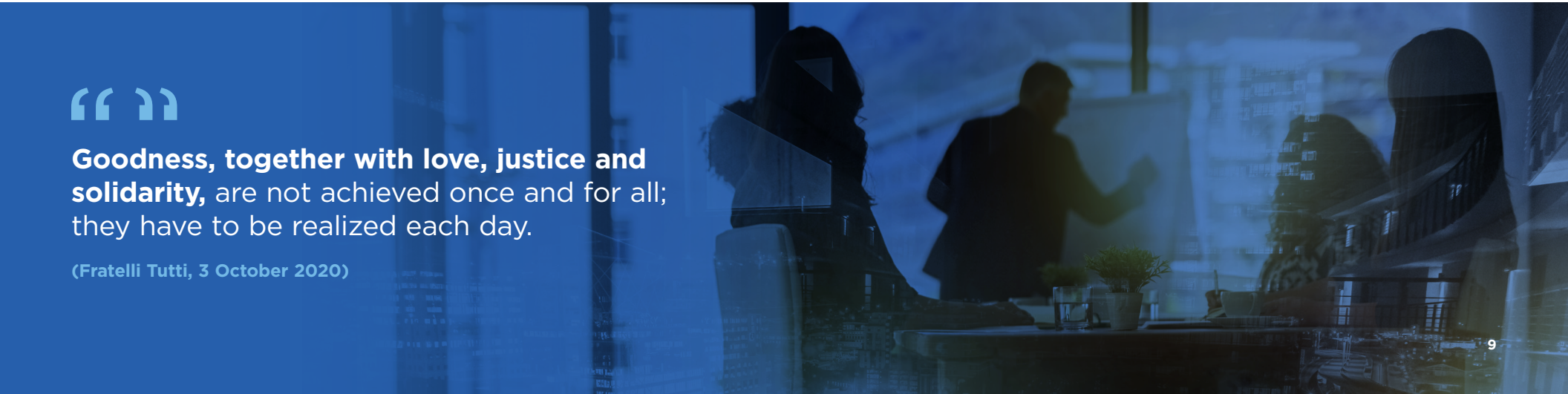
An innovative, comprehensive compliance program strives to achieve integrity in all we do and supports the ministry’s risk management framework through activities such as risk assessments, auditing and monitoring, reporting through the Bon Secours Mercy Health Ethics Helpline, our policies, training and communications, and management of third-party relationships.

We respect and value the privacy of our patients and only collect and use 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. Our ongoing efforts in privacy underscore our dedication to protecting our patient information in compliance with regulatory requirements.



**Goodness, together with love, justice and solidarity,** are not achieved once and for all; they have to be realized each day.

(Fratelli Tutti, 3 October 2020)





## Cybersecurity

Our Cybersecurity Risk Oversight Committee — chaired by the Chief Information Security Officer — includes clinical and operational leaders and provides oversight for the ministry’s cybersecurity risk framework and policies, showing how they are applied to people, processes, procedures, system implementation and third-party services. The committee is focused on expediency in cyber-risk response (Avoid, Transfer, Mitigate, Accept) with a pragmatic approach, which integrates operational needs with broad stakeholder consideration.

## Cybersecurity threats

Cybersecurity threats continue to escalate, presenting significant risks to patient data, ministry intellectual property and continuity of operations. As these threats become more sophisticated, our commitment to safeguarding sensitive information has never been more crucial. By implementing advanced security measures and rigorous protocols, we strive to protect our systems from unauthorized access. Prioritizing the security of patient records and ministry assets ensures we can maintain trust with our patients and compliance with regulatory standards. Our ongoing efforts in cybersecurity underscore our dedication to provide a safe and secure environment for all stakeholders.

While we are well-prepared for cyber-attacks, we acknowledge that no system is entirely risk-free. Despite our best efforts, the rapidly evolving nature of cybersecurity threats means we must continually adapt and improve. We are committed to staying vigilant and proactive, understanding that achieving best-in-class security is an ongoing journey – not a final destination. Our focus is minimizing risks and responding swiftly to any potential threats to ensure the continued protection of patient and ministry information.

## Independent assurance

Independent assurance supports governance in risk management and helps provide financial transparency to key stakeholders. This includes:

- The use of external auditors to conduct annual audits of the ministry’s financial results to ensure accuracy and financial transparency to key stakeholders.
- A robust internal audit function 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.



# BON SECOURS MERCY HEALTH

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

