



CLEVELAND CLINIC HEALTH SYSTEM

2012 United Nations Global Compact Report

■ A communication on progress to our community

2012 United Nations Global Compact Report

A communication on progress to our community

CONTENTS

Letter from our CEO	2
About This Report	3
We Are Listening	5
2011 Highlights	
Caring for Patients and Caregivers	9
Our Commitment to Community	15
Focus on the Environment: Food	21
Putting the UN Global Compact to Work	
Human Rights and Labor Standards	25
Environmental Stewardship	29
Anti-Corruption and Transparency	39
Who We Are	
Organizational Profile	43
By the Numbers: Cleveland Clinic Facts	44
Awards and Honors	45
Governance, Commitment and Engagement	46
Our Stakeholders	48
Global Reporting Initiative Indicator Index	49

Cleveland Clinic hosts weekly farmers
markets during the summer to bring fresh
produce to employees and the community.



2012 United Nations Global Compact



Dear Friends,

We are pleased to present our third Cleveland Clinic United Nations Global Compact, Communication on Progress. This is our first report using guidelines developed by the Global Reporting Initiative (GRI). These guidelines are used by more than 3,000 organizations in 60 nations. They record progress in human rights, labor, environmental, anti-corruption and corporate citizenship issues. They promote better economic, environmental and social conditions.

Cleveland Clinic has a number of achievements to report for 2011. These include being awarded an ENERGY STAR Partner of the Year by the United States Environmental Protection Agency for the second year in a row.

We remain optimistic about sustainability despite some adverse external indicators. Nationally, the economic outlook for healthcare is challenging. We face an aging demographic, rising rates of chronic disease, and falling reimbursement from all sources. To meet these challenges, we are finding ways to do things better, faster and at a lower cost. We have measurably improved the quality of our care, reduced complications and improved the patient experience.

We have near, midterm and long-term strategies to meet GRI guidelines going forward. In the present, we observe the highest standards of transparency, accountability and integrity, aggressively pursue energy conservation and comprehensive recycling, as well as provide support for local food producers. Looking ahead, we plan to strengthen our adherence to environmental guidelines, expand our use of renewable energy sources, and expand the green space around our facilities. Over the far term, we are committed to sustainable growth and the integration of human rights, environmental responsibility and corporate integrity across the full range of our activities.

We share the principles of the United Nations Global Compact. They reflect our commitment to sustainability: environmental stewardship, diversity, community engagement, fairness and integrity. They promote the exchange of best practices among enterprises, and reinforce good citizenship and responsible stewardship of the environment. In 2008, Cleveland Clinic became the first healthcare provider to sign the United Nations Global Compact. In 2012, we continue to support its goals and aspirations.

Thank you for your close and thoughtful reading of this year's United Nations Global Compact, Communication on Progress. I hope it will inspire you to improve our world.

Sincerely,

Delos M. Cosgrove, MD
CEO and President
Cleveland Clinic

About this Report

UN Global Compact and Global Reporting Initiative



This report is intended to provide a summary of Cleveland Clinic's progress in the areas of environmental sustainability, diversity, fairness and integrity. It includes information on our business, governance and management, our stakeholders and the work we are doing in advancing the 10 universal principles of the United Nations Global Compact.

This, our third consecutive Communication on Progress (COP), reflects our work in the calendar year 2011. Readers will note that this year, for the first time, we are following the Global Reporting Initiative (GRI) G3.1 guidelines. Cleveland Clinic is only the second U.S. healthcare provider to adopt this international gold-standard reporting process.

This report was compiled with the participation of stakeholders throughout the organization, with direct contributions from the following key internal structures that contribute to upholding the principles of the UN Global Compact:

- Community Outreach
- Compliance Office
- Office of Diversity
- Environmental Health and Safety
- Executive Administration
- Facilities, Construction and Real Estate
- General Counsel
- Government Relations
- Office for a Healthy Environment
- Human Resources
- Internal Audit
- Office of Patient Experience
- Quality and Patient Safety Institute
- Supply Chain Management
- Wellness Institute

Our reporting process annually identifies significant changes in reporting scope and re-evaluates inclusion of components of our operations. As in prior years, this report is limited to our North American operations that are wholly owned and operated. Affiliated, divested, partially leased and international operations are excluded from this report based on the degree of our shared control over these operations and information availability. In future years we hope to include our international operations as appropriate, following the GRI reporting scope guidelines.

Data was gained following GRI Indicator Protocols, such as measurement techniques, bases of calculations, including assumptions and techniques underlying any estimations applied to the compilation of the Indicators and other information in the report. Cleveland Clinic will not pursue an external assurance for this 2011 report; however, internal assurance may be performed.

For more information regarding this report's content, contact Cleveland Clinic's Corporate Communications Department at 216.444.0141.

About the United Nations Global Compact

The United Nations Global Compact brings together UN agencies, labor, civil society and governments to advance 10 universal principles in the areas of human rights, labor, environment and anti-corruption. Through the power of collective action, the United Nations Global Compact seeks to mainstream these 10 principles in business activities around the world and to catalyze actions in support of broader UN goals. With 5,000 stakeholders from more than 120 countries, it is the world's largest voluntary corporate citizenship initiative. For more information, please visit: www.unglobalcompact.org.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.

About the Global Reporting Initiative

The Global Reporting Initiative is the steward of the most widely used reporting framework for performance on human rights, labor, environmental, anti-corruption and other citizenship issues. The GRI G3 Guidelines offer globally recognized reporting guidance and are recommended for use by the UN Global Compact. The 10 principles of the UN Global Compact correspond to the GRI G3 performance indicators (found in the report index) and serve to enhance our communication with stakeholders, provide guidance on decisions related to reporting that enhance the rigor and quality of the Communication on Progress, and facilitate continuous improvement through an incremental approach to reporting.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5: Businesses should uphold the effective abolition of child labor.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

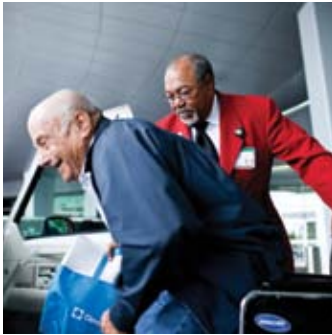
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

WE ARE LISTENING



Cleveland Clinic listens to stakeholder concerns as well as patients' hearts. Here, Maureen O'Malley MSN, RN, CNP, examines a patient in the Heart & Vascular Institute.



Who needs Cleveland Clinic? Who do we serve?
Who will be affected by our operational decisions?
These are questions we needed to answer before
moving ahead. Our first step was to identify our
stakeholders and listen to their needs.

We sought the views of patients, caregivers, community leadership and voluntary and regulatory agencies. We launched a broad, ongoing conversation with our neighbors and communities. As a result, we know more, understand more, and can do more to address the issues that are the most important, or “material,” of those we serve.

In preparation for this year’s reporting cycle, we convened a series of focus groups with stakeholders to prioritize issues of importance to them. Based on the feedback from these sessions, we determined that three key themes should be highlighted in this year’s report: patient and caregiver safety, community involvement and environmental stewardship. In coming years, we plan to use similar focus groups and other engagement strategies with stakeholders to improve our reporting. In addition to traditional focus groups, we also listened to stakeholders who participated in community advisory boards at our hospitals, contributed to patient experience focus groups or caregiver engagement surveys, provided feedback through ombudsman processes, or engaged in other hospital activities throughout the year.

Another great source of feedback comes to us from Sustainable Cleveland 2019, where a large cross-section of the Northeast Ohio community convenes and collaborates to discuss and take action on social, environmental and economic issues of local importance to develop a thriving and resilient region. We actively participate in this forum, which informs our internal decision-making and prioritization.

Together with guidance from internal stakeholders, these findings shape the content and emphasis of this report, as well as enhance our efforts to better serve our communities with initiatives and communications that are more responsive to their needs. We also invite stakeholders to meet with leaders and attend public events such as facility openings, talks, presentations and dialogues throughout the year. (A list of our stakeholder groups can be found on page 48.)

Understanding our Patients’ Experience

Through listening and responding to patient and caregiver feedback, Cleveland Clinic is progressively improving its patient satisfaction metrics. No stakeholder group is more important than our patients, for whom we strive to provide the best experience through our interactions and care. To identify opportunities for improvement, a statistically relevant 58 percent of eligible adult hospital discharges at Cleveland Clinic are randomly sampled with the standardized national Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. The survey is designed and required by the Centers for Medicare and Medicaid Services (CMS) for adult patients who are discharged from medical, surgical and obstetric hospital service lines. Patients rate their experience based on a number of dimensions, including care, communications and hospital environment. Patients also provide an overall rating and hospital recommendation.



Taussig Cancer Institute
caregivers listen as oncologist
Mikkael Sekeres, MD, MS,
discusses patients' progress
on rounds in the Bone Marrow
Transplant Unit.

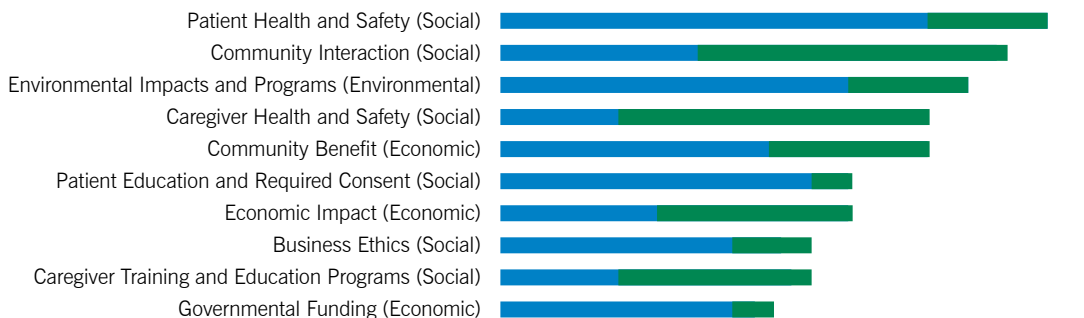
HCAHPS results from participating U.S. hospitals are posted by CMS at www.hospitalcompare.hhs.gov. Cleveland Clinic also surveys outpatients with questions related to appointment scheduling, waiting time, courtesy, care, and overall assessment and recommendation.

We value the results of these surveys and use them as learning opportunities to improve our patient services to deliver the best care possible. Patient feedback measures gathered from surveys and patient-reported care experiences are monitored through quarterly clinical institute performance reviews. These formal reviews vertically integrate from the executive level to front-line employees, which allow all parts of the care team to monitor survey scores, trends and feedback to identify priorities for improvement.

The Office of Patient Experience collaborates with physician and nursing leadership to establish best practices and implement standardized protocols that ensure our caregivers deliver patient-centered care.

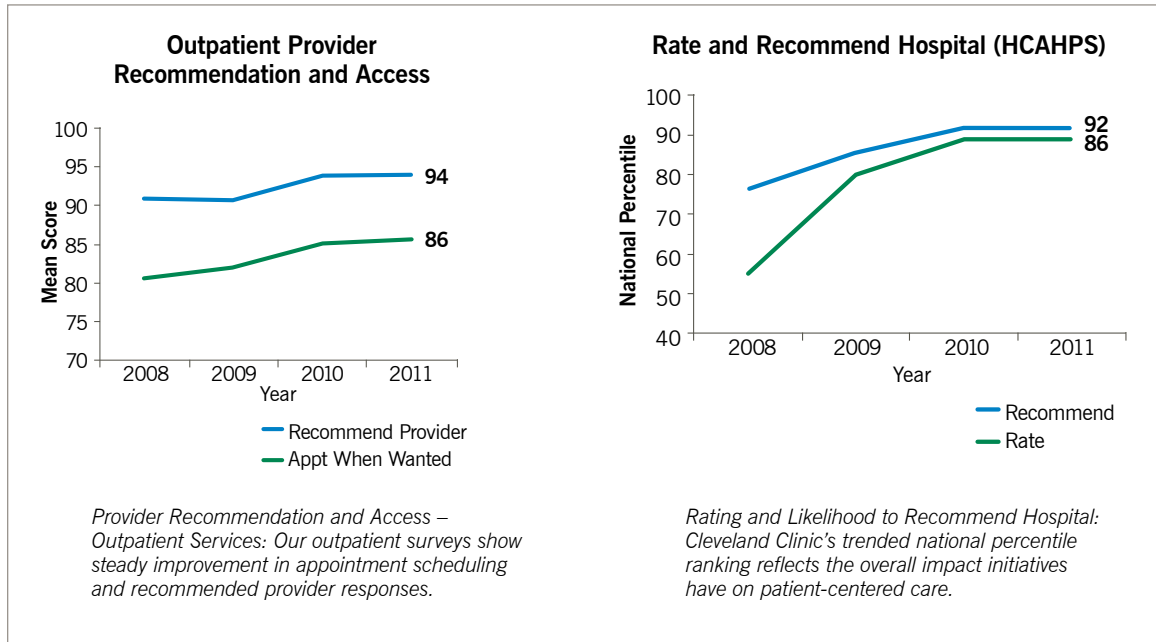
Patients and families also provide direct feedback on their experience through our Ombudsman office, which helps investigate and resolve patient concerns, and Voice of the Patient Advisory Councils, comprised of patients and families who work together with caregivers to identify opportunities for improvement. We monitor our own performance by polling our caregivers' experiences as Cleveland Clinic patients and through mystery shopper programs.

Top 10 Patient and Caregiver Priorities



** Results from 2011 Patient and Caregiver materiality testing focus groups.
Participant responses selected from among the GRI G3.1 Aspects.*

■ Patient Vote ■ Employee Vote



Cleveland Clinic's commitment to a positive patient experience extends to visitors, too. Our therapy dogs serve as a comforting distraction for all ages.

CARING FOR PATIENTS AND CAREGIVERS



Environmental services caregivers help to maintain immaculate, soothing surroundings throughout the Cleveland Clinic health system.



Patients First is the guiding principle of Cleveland Clinic. We strive to provide quality, compassionate care and service at every step. Putting patients first requires us to take care of the health and well-being of our caregivers, too.

Cleveland Clinic was the first major academic medical center to make improving the patient experience a strategic goal, the first to appoint a chief experience officer, and one of the first academic medical centers to establish an Office of Patient Experience.

Cleveland Clinic's strategic priorities leverage U.S. publicly reported data to help drive improvement to patient care and outcomes across the health system. They are:

- Patient Safety using measures that include patient safety indicators, hospital-acquired conditions, infections and nursing quality indicators.
- Quality using measures that include mortality, readmissions and core measures.
- Patient Experience using measures that include both public and marketplace patient satisfaction survey results.

These priorities are tracked on enterprise-level dashboards and regularly monitored by our executive team, leadership, clinical management and board of directors. Quarterly meetings between local teams and executive leadership supplement routine team huddles that focus on successes, challenges, opportunities and next steps around these key measures.

Quality of care is central to clinical excellence. Cleveland Clinic uses a variety of tools and methods to achieve patient care and outcomes improvements,

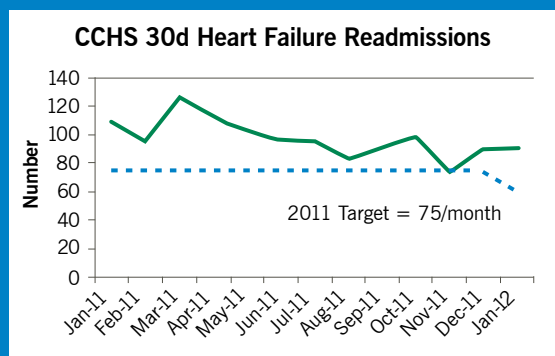
including: the deployment of local resources to work on key priorities; the partnering of local teams with central resources to drive specific changes and improvements; and a focused performance improvement infrastructure that partners clinical experts with performance improvement professionals.

A safe place to work and heal

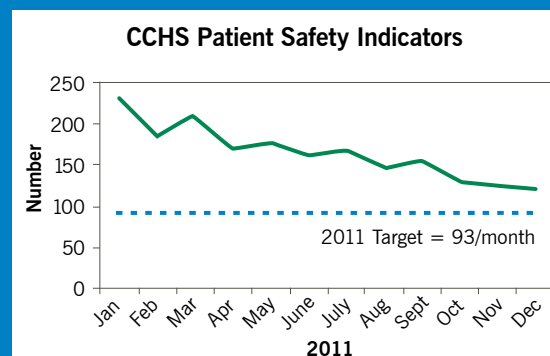
The personal safety and health of each caregiver, patient and visitor is of utmost importance to Cleveland Clinic. It is our policy to maintain an environmental health and safety program that conforms with and/or exceeds all applicable local, state and federal environmental, health and safety standards, and regulations.

Within Cleveland Clinic's Quality and Patient Safety Institute is a formal Environmental Health and Safety (EHS) team charged with the implementation and monitoring of safety management activities at the main campus and family health centers. In addition, each community hospital maintains a written Environment of Care Safety Management Plan based on its management structure and individual needs. Enterprise safety leadership regularly reviews changes in relevant regulations and standards, and assesses the need to make changes to general safety policies, equipment, procedures, training and other activities to provide a safe place to work and heal.

Measurable Quality Results from Focused Performance Improvement



Cleveland Clinic is reducing heart failure readmissions toward targeted goals.



Our Patient Safety Indicators — a set of measures that screen for adverse patient events — were significantly reduced in 2011.

The responsibility for environmental health and safety at Cleveland Clinic extends through the entire supervisory force to every caregiver on the job. The prevention of accidents and injuries requires that each member of the organization accepts a full share of responsibility for safety. Only through a cooperative effort by supervisors and caregivers can an effective accident prevention program be established and preserved.

Caring for Caregivers

Cleveland Clinic is committed to the health and overall wellness of its caregivers. Over the past seven years, we have created a comprehensive culture of wellness. Our policies and programs are designed to make healthy choices easier for our caregivers, as well as offer recovery resources for those whose well-being is compromised.

To create and maintain healthier caregivers, Cleveland Clinic was one of the first healthcare organizations to ban smoking on its campus, as well as implement a policy to hire no individuals using

tobacco products. Free tobacco cessation programs are made available to current caregivers who smoke and desire to quit and get healthier.

To encourage a healthy diet, foods with trans fats and sugared drinks are no longer offered by Cleveland Clinic cafeterias or in retail vending machines. In addition, calories are listed for all prepared food items in our cafeterias and, to the extent possible, by our retail vendors.

Cleveland Clinic also offers caregivers:

- Free use of onsite fitness centers, free memberships at Curves, and discounts at area fitness clubs. Free group exercise classes, including yoga, are held throughout the health system.
- Free access to Shape Up & Go!™, an online, team-oriented program to engage caregivers and assist in tracking healthy behaviors.
- Free nutrition counseling and Weight Watchers memberships.
- Easy access to fresh produce at Cleveland Clinic Farmers Markets, which are open to the public.





Cleveland Clinic cares for caregivers, too. Here, Yoga classes relieve stress and promote employee well-being.

- Access to spiritual care resources, caregiver assistance counselors, confidential assistance programs and CONCERN, a short-term caregiver assistance counseling resource offering referrals for longer-term treatment.
- Access to free programs such as time management, conflict resolution and other skill-building strategies to reduce stress. Access to online programs on healthy food guidelines, sleep hygiene and stress management are also available.

In addition, Cleveland Clinic offers a world of opportunity where caregivers may experience fulfilling careers with us for decades. Our career paths and development programs assure the support that caregivers will need throughout the lifecycle of their career. To help achieve our shared goals and to develop each caregiver to their full potential, we offer:

- A stratified approach to development with course tracks for each level of leadership (Center for Leadership and Learning).
- Cleveland Clinic Academy for executive and medical management training.

- A robust employee development career plan website.
- Blended learning opportunities: classroom, online and on-the-job.
- Mentoring programs.
- School at Work for Caregivers needing GED completion for college.
- Accelerated development programs for high potential caregivers.
- An Emerging Leader program for aspiring leaders.
- Technical training in all areas of clinical and technical fields.
- Tuition reimbursement for undergraduate degrees and above.

Participants may self-select into many of these programs. Participants in the accelerated development programs, however, are identified through Cleveland Clinic's Succession Planning and Individual Development Planning processes.



Safety is a priority for Cleveland Clinic employees and patients alike. Here, Mark Zenbauer follows safety protocols in the large Prototype Laboratory on our main campus.

Caregivers enrolled in the Caregiver Health Plan are encouraged to know their primary health indicators, including blood pressure, cholesterol, glucose and body mass index, and, if they qualify, participate in an appropriate chronic disease management program. As part of their participation in a management program, caregivers may be eligible for a rebate on insurance premiums, have 24-hour access to robust intranet resources, and other wellness-related education, activities and programs. Caregivers, their families and the community at large can also take advantage of the comprehensive wellness-focused programs offered by Cleveland Clinic and its community hospitals. (See Our Commitment to Community, page 16.)

Cleveland Clinic also protects its caregivers and patients through risk control efforts related to serious diseases. For example, the Center for Corporate Health promotes the health and safety of our caregivers through new hire pre-placement assessments, urine drug screenings, annual compliance and TB testing, audiograms, as well as required immunization and flu vaccinations. In addition, we established a work restriction policy for caregivers with communicable diseases, a safety event reporting system, and post-exposure guidelines and support for those exposed to blood-borne pathogens.

To minimize occupational hazards associated with the delivery of healthcare, the Department of Infection Protection influences, supports and

improves the quality of healthcare through the practice and management of infection control, education, and the application of epidemiology and research. Through our intranet site, our caregivers have access to policies and education regarding the infection protection program, including equipment cleaning guidelines, and influenza and hand hygiene protocols. Cleveland Clinic actively measures the adherence to these protocols through department-based quality rounding checklists.

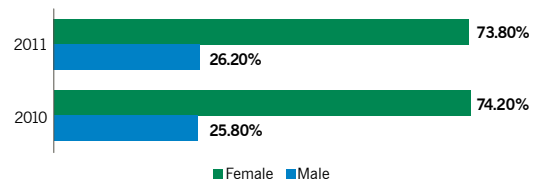
In addition to policies, the Infection Prevention intranet site includes infection prevention education courses administered by our Center for Continuing Education.

Keeping Caregivers Safe at Work

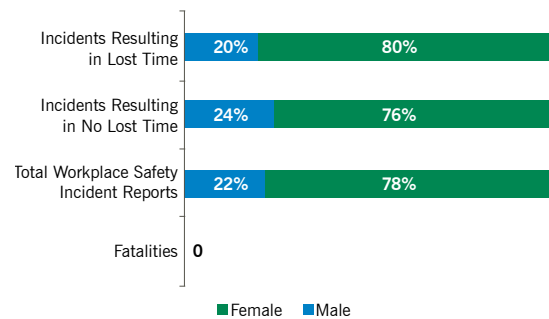
We work hard at maintaining a safe working environment for our caregivers. Cleveland Clinic's recording and reporting of accident statistics is in accordance with the requirements of the Occupational Safety and Health Administration (OSHA) and the Bureau of Labor Statistics. Our injury data represents the majority of caregivers, reflecting our Northeast Ohio enterprise. Compared with 2010, the OSHA-recordable injury rate was reduced by over 5 percent, the lost-time injury rate dropped by more than 35 percent, and the occupational disease rate declined by two thirds.

In 2011, Cleveland Clinic experienced an OSHA-recordable injury rate, 3.8 percent, and a lost-time injury rate, 0.6 percent, well below the industry average as last reported by the Bureau of Labor Statistics (BLS) in 2010. The BLS indicated the average hospital had an OSHA-recordable injury rate of 7.0 percent and a lost-time injury rate of 2.8 percent for NAICS code 6221 (general medical and surgical hospitals). In addition, Cleveland Clinic absenteeism, as measured by unscheduled paid time off (UPTO), dropped from 1 percent in 2010 to .85 percent in 2011.

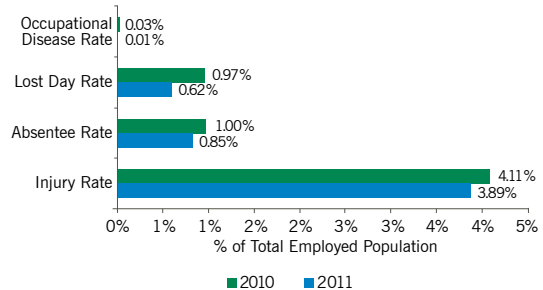
Employed Caregiver Injury Incidence by Gender and Type (2011)



Workplace Injuries by Type and Gender (2011)



Safety Indicators (2011)



Our Environmental Health and Safety department monitors several occupational safety and health metrics to assess performance as well as collects injury data to identify trends and then target corrective actions. Injury data by gender was not recorded prior to 2011.

COMMITMENT TO COMMUNITY



Cleveland Clinic volunteers paint, landscape and do repairs for low-income and elderly homeowners through a local nonprofit, Rebuilding Together Cleveland.



As one of the largest employers in the state, Cleveland Clinic is a major economic engine for the region. In addition, we are committed to the communities we serve, providing uncompensated healthcare to the poor, engaging in a broad range of medical, research, education and training programs, and sponsoring and supporting various public health initiatives and services.

We take our responsibilities as a non-profit, tax-exempt, charitable organization seriously and believe our activities incorporate our institution's mission and core values. Cleveland Clinic subscribes to the economic, environmental and social principles of the UN Global Compact, and participates in numerous membership organizations such as the U.S. Green Building Council and Practice Greenhealth, among others. Cleveland Clinic employees are engaged in their neighborhoods, serving on dozens of non-profit boards that build a vital, stronger and more collaborative community.

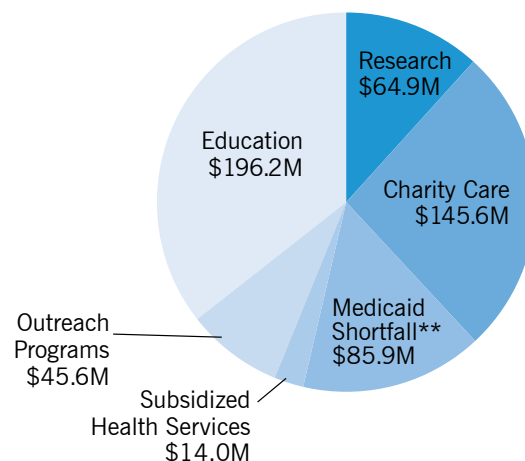
The community benefit Cleveland Clinic provides is all encompassing, from providing healthcare for the neediest among us to educating the next generation of healthcare professionals and funding medical research that leads to advanced treatments and cures. The Cleveland Clinic health system provides a breadth of benefits, all of which were developed to continue our tradition of serving others while addressing the current healthcare needs of the community at large.

In 2011, our community benefit contribution totaled \$552.2 million, including education, research and

2011 Cleveland Clinic Community Benefit Contribution (In Millions): Total \$552.2M

Includes all health system locations and Florida.

**Net of HCAP Benefit of \$17.8M



Cleveland Clinic: A Major Economic Engine

With nearly 41,000 caregivers (more than 40,000 of them permanent FTEs) on its payroll in 2011, our total operating revenues were \$6.1 billion. Directly and indirectly, Cleveland Clinic supported more than 81,000 jobs in Ohio in 2010, representing approximately \$3.9 billion in wages and earnings, and spurred nearly \$10.5 billion of total economic activity in the state. Through the direct and indirect earnings it created, Cleveland Clinic supported more than 58,000 Northeast Ohio households that paid enough school-related property taxes to cover the cost of educating almost 18,000 kindergarten through 12th-grade students. Indirectly, we supported \$2.28 billion in household-level spending on Ohio goods and services (an increase of \$580 million since 2006).

Cleveland Clinic welcomed patients and visitors from every county in Ohio, every state in the nation, and more than 100 countries around the world. These visitors spent more than \$174 million in Northeast Ohio in 2009.



Cleveland resident Earl Maske enjoys a unique birthday gift from Cleveland Clinic employees. He turned 80 the day volunteers worked on his childhood home for Rebuilding Together Cleveland.

clinical (charity care, Medicaid shortfall, subsidized services and outreach programs).

Cleveland Clinic is committed to transparency, as evidenced by our comprehensive annual community benefit report highlighting dozens of programs. Perhaps most significant is our concerted effort to move from “sick care” to “health care.” Cleveland Clinic believes the health of a city begins with the health of its people, and we have developed a model to help communities reduce the burden of disease. That’s why we’re committed to promoting nutrition, fitness and healthy habits to our community. We’re bringing neighbors, physicians and community organizations together to energize change. And, by empowering our community with the tools and education they need to take responsibility for their own health and safety, we’re making Northeast Ohio a model of wellness for the nation.

With a focus on health education, prevention and wellness programs that improve the healthcare status of our community, Cleveland Clinic Community Outreach is actively engaged in a broad array of outreach programs that include community clinics, chronic disease management programs, health screenings and resource navigation. To support



Registered dietitian Maxine Smith, RD, LD, provides hands-on learning about healthy food choices at the A.J. Rickoff School in Cleveland. This is one of many Cleveland Clinic Office of Civic Education initiatives aimed at curbing childhood obesity.

these efforts, our Community Outreach Department encourages our caregivers to participate in community service opportunities. In this way we can positively impact the neighborhoods we serve, actively engage our caregivers and, ultimately, enhance the health and wellness of our region.

Community Outreach Goals:

1. To strengthen our community life through effective, sustainable health education and outreach programs focusing on vulnerable and at-risk populations;
2. To enhance our neighborhoods through community building collaborations that facilitate caregiver engagement;
3. To make our region a better and healthier place to live.

Cleveland Clinic has developed a variety of programs and publications that help our community to make healthy choices. Community Connections, a comprehensive calendar listing free health screenings, talks and educational programs, is sent monthly to Northeast Ohio residents and made available at our locations. In addition, community

members can access health and wellness information and schedules through our Center for Consumer Health Information at www.clevelandclinic.org. A wellness-focused website at www.clevelandclinic-wellness.com offers free daily wellness tips and wellness content from Cleveland Clinic physicians. Cleveland Clinic also sponsors a highly visible “Let’s Move It” campaign that encourages healthy living and provides information at www.letsmoveit.org.

After successfully leading a five-year smoking cessation campaign in Cuyahoga County, Cleveland Clinic is currently focusing its efforts on obesity. At Cleveland Clinic facilities, numerous health-focused changes were made in the foods served to patients and caregivers, including the removal of trans fats and sugared drinks from our campuses. In addition, free exercise, healthy diet and weight management programs were made available for Cleveland Clinic caregivers.

Cleveland Clinic recently developed a Go! Foods® brand to identify healthier foods. Working with local food retailers, Go! Foods® labels are placed on foods to help consumers make healthier food choices.



On Arbor Day, Mario Cammarata, Cleveland Clinic Facilities Grounds Department Coordinator, shows students how planting trees improves the environment.

Focusing on the Next Generation

In the community, Cleveland Clinic works closely with local school districts to address the emerging childhood obesity epidemic. Cleveland Clinic's Office of Public Health and Research leads an enterprise-wide focus on the prevention of childhood obesity in collaboration with local schools called 5 to Go!™. Program components include age-specific curricula, data collection, analysis and evaluation, and recommendations for policy change. In 2011, the department partnered with the First Ring Superintendents' Collaborative to measure the BMI of nearly 20,000 kindergarteners, third, fifth and

ninth graders in 16 inner-ring school districts. In addition, Food Is Knowledge®, a nutrition curriculum for pre-kindergarten through first grade, was taught to 1,218 children. Healthy Futures, a curriculum encouraging healthier food choices and a positive attitude toward nutrition and exercise, was taught to 1,088 students in fourth through sixth grade. The Office of Public Health has also partnered with Cleveland Clinic's Center for Human Nutrition to assist schools in providing healthy foods for school meals. The Eat Right at School program utilizes USDA National School Lunch standards as well as Cleveland Clinic's Go! Foods® criteria. Four school districts, including the Cleveland Metropolitan

Changing Community Needs

In October 2011, Cleveland Clinic opened the Stephanie Tubbs Jones Health Center, which is uniquely designed to meet the needs of patients in East Cleveland and the surrounding area. This new center was created to better meet the changing needs of the community following the closing of Huron Hospital. Cleveland Clinic worked closely with more than 250 members of the community to design this facility. The center provides an easier way for patients to get preventive care and treatment for chronic diseases. Through this center, Cleveland Clinic is reaching beyond traditional healthcare services and helping to link patients with important community resources, such as healthcare, financial and social services, all in one location. The center focuses on the treatment of diabetes, hypertension, kidney failure and mental health. It includes specialized care for women and children, primary care, preventive care, health education and specialty care.

School District, will utilize Eat Right at School to make high-level changes to positively impact the health of their students.

Among Cleveland Clinic's many other community outreach programs, the East Cleveland Teen Collaborative helped enhance feelings of connectedness and decrease hopelessness for teens. Cleveland Clinic also sponsored an intensive program at the Langston Hughes Center, a community wellness center that helped 49 individuals from underserved communities to achieve optimal health and joyful living through commitment and long-term change.

Preserving a Healthy Environment

As part of our efforts to build a healthier community and preserve a healthy environment, Cleveland Clinic has developed a 35-acre Environmental Covenant Area on its Twinsburg Medical Campus in Twinsburg, Ohio. Because the property possesses substantial value in conserving and protecting the physical, biological and chemical integrity of its high quality wetlands and streams, it is protected by the Clean Water Act and the Ohio Water Pollution Control Act.

Cleveland Clinic consistently strives to act in compliance with environmental laws and regulations and will fulfill its obligation to protect the Environmental Covenant Area through certain activity limitations. For example, the covenant prohibits division, dumping or accumulation of garbage, commercial development or industrial use, as well as placement of any man-made modifications such as buildings, structures, fences, roads and parking lots, unless meeting outlined specifications and the approval of the Ohio EPA.

In order to protect groundwater resources, which are the primary source of water for the wetlands and streams located within the conservation area, natural water courses and streams may not be altered. All storm water must continue to be routed to existing retention basins, which are to be inspected and repaired annually.

The Environmental Covenant Area became operational in 2011.

FOCUS ON THE ENVIRONMENT: FOOD



Cleveland Clinic farmers markets
showcase produce from lower growers.



Only about 1 percent of the approximately \$10 billion spent on food in Northeast Ohio stays within this rich agricultural region. By some estimates, food travels an average of more than 1,500 miles to the American plate, all the while taking a toll on the environment through consuming fuel and generating emissions.

Many of the communities we serve in Cuyahoga County have limited access to fresh fruits and vegetables. Cleveland Clinic's focus on fresh, healthy, local produce makes a difference at its facilities and in the community. We've embraced local food through community farmers markets, local procurement and hospital kitchen gardens, while actively participating in our region's commitment to becoming a green city on a blue lake. In 2008, we signed the Healthy Food in Healthcare Pledge, further demonstrating our commitment to reducing the significant environmental impact of our food service operations.

Local Procurement

Buying and serving local foods in Cleveland Clinic cafeterias provides economic opportunity for our rural neighbors and a growing base of urban farmers, and helps to provide fresher, healthier foods to patients, caregivers and visitors.

In 2011, we further expanded the amount of locally sourced foods that are incorporated into the retail buffets and inpatient food service we offer at our locations. Using the Green Guide for Healthcare as guidance on local procurement, our retail food service surpassed its goal of purchasing at least 10 percent of annual food supplies from within a 200-mile radius of Cleveland Clinic. We have integrated local procurement into our operating standards, ensuring continuous improvement in the coming years. To encourage dialogue about

the importance of purchasing food locally and supporting local agribusiness, locally sourced foods in our cafeterias are marked with a local food sign stating where the food was grown and how far the food has traveled.

Community Farmers Market Program

Cleveland Clinic's Community Farmers Market program supports our local economy, provides increased access to fresh, healthy produce, encourages bio-diverse, small-scale farming, and reduces the environmental impact of food transportation. A joint project with Community Outreach, the Wellness Institute and the Office for a Healthy Environment, the program hosts several farmers markets and farm stands around the system. The main campus flagship market, operated by North Union Farmers Market, is a popular grower-certified market held weekly during the growing season. Market visitors enjoy live music, food samples and additional offerings from Cleveland Clinic's information booth, such as free health screenings, wellness education or live cooking demonstrations. Raffle prizes, surveys and reusable shopping bag giveaways are featured throughout the season.

In 2010, in an effort to provide healthy local foods for those in need, the North Union Farmers Market at Cleveland Clinic began accepting coupons from government agencies for qualifying individuals through the USDA Senior Farmers Market Nutrition Program, Cuyahoga County Women, Infant and



Cleveland Clinic supports community gardening like the Fairfax Urban Farm established by the Cleveland Botanical Garden. Local teens who participate in the Botanical Gardens' Green Corps program enjoy gardening and then sell their produce and specialty salsas at our farmers market.

Children (WIC) Program and Supplemental Nutrition Assistance Program (SNAP). To improve healthy food access in the communities that surround our main campus, we engaged our local government to issue special WIC Farmers Market coupons three times during the 2011 season, which significantly boosted neighborhood participation.

Markets or farm stands at additional Cleveland Clinic locations, including Beachwood, Independence and Strongsville family health centers, and the Stephanie Tubbs Jones Health Center, are planned in 2012.

Kitchen Gardens

Kitchen gardens are another way to encourage local food and food system empowerment with

the communities we serve. Since 2008, some Cleveland Clinic community hospitals and family health centers have built and tended on-site kitchen gardens. In 2011, Cleveland Clinic's gardening activities grew beyond the borders of our facilities. The Office for a Healthy Environment and Lutheran Hospital's Community Outreach team received grant funding to enhance their existing health education to underserved members of the Ohio City community. The program was designed to target diabetes, obesity and improve access to healthy foods. Grant activities included building and planting raised bed gardens for local Cleveland Metropolitan Housing Authority residents, providing regular health screenings, education, tools and equipment, and organizing large community events.

A Green City on a Blue Lake

In August 2009, Cleveland Mayor Frank Jackson convened the first Sustainable Cleveland 2019 Summit to bring together hundreds of people interested in applying the principles of sustainability to the design of the local economy. Cleveland Clinic is a proud participant in Northeast Ohio's commitment to its sustainable future by building an economic engine to empower a green city on a blue lake. By 2019, the 50th anniversary of the burning Cuyahoga River, we hope to realize this powerful vision and be part of a vibrant, healthy, successful community. Each year, Sustainable Cleveland 2019 has a designated focus to help our citizens and business rally around focused progress. Much of 2011 was spent laying groundwork for 2012's Year of Local Foods, in which businesses and communities are focusing on growing and supporting the local food economy.

It remains our commitment to improve the healing environment with appropriate and responsible food selection, professional preparation standards and a rigorous dedication to consistency and service. To that end, a new council was formed to author a Foodservice Charter in 2011. The charter clearly articulates our expectations for excellent service, patient-centered foodservice, environmentally responsible food procurement and operations, and support for caregiver and visitor wellness and nutritional excellence. The charter will serve as a living tool to shape all foodservice contracts and services on our campuses.





Putting the UN Global Contract to Work



HUMAN RIGHTS AND LABOR STANDARDS



A Materials Handling caregiver in our state-of-the-art service center on Cleveland Clinic's main campus. Here, robotic systems distribute supplies with impressive efficiency.



Cleveland Clinic is committed to protecting human and labor standards, directly and indirectly, through our employment and business practices and community engagement.

We respect and uphold the labor laws of the United States, including protections against workplace and employment discrimination, preserving the freedom of association, the right to organized labor, and the elimination of child and compulsory labor. As one of the largest employers in Northeast Ohio, with enterprises in Cleveland, Florida, Nevada, Canada and the Middle East, we strive to foster a healthy, respectful and inclusive workforce, and to bring its benefits to our stakeholders in every community we serve.

Our commitment to human rights and labor standards is reinforced by our Community Relations Institute, our Wellness Institute and a robust and progressive Human Relations team. Community and diversity strategies are governed by a subcommittee of the Board of Directors, chaired by CEO and President Delos M. Cosgrove, MD.

Throughout our health system, numerous caregiver-led wellness teams and diversity councils enact strategies to directly encourage and engage our workforce. Within these workgroups, our Human Resources partners provide direct support to front-line managers and help to ensure compliance with our comprehensive policies. Our contracts currently do not undergo human rights screening to address human rights concerns.

Cleveland Clinic is committed to diversity and inclusion. We provide equal opportunity across all employment practices including recruitment, selection, training, promotion, transfer and compensation, without regard to age, gender, race, national origin, religion, creed, color, citizenship status, physical or mental disability, pregnancy, sexual orientation,

gender identity or expression, marital status, genetic information, ethnicity, ancestry, veteran status, or any other characteristic protected by federal, state or local law (“protected categories”). In addition, Cleveland Clinic administers all personnel actions without regard to disability and provides reasonable accommodations for otherwise qualified disabled individuals. Local and diverse businesses are found with the support of our Supplier Diversity Council.

The Cleveland Clinic health system’s compensation system is designed to provide wages that are externally competitive and internally equitable; it includes a review process for any market-driven salary offer that has the potential to disrupt internal equity. Timekeeping systems and policies are designed to comply with applicable federal and state regulations regarding pay, including accurate calculation of overtime compensation. Hospital policies prohibit off-the-clock work for non-exempt caregivers as well as supervisory behavior that permits, encourages or requires off-the-clock work. Human Resources policies address appropriate use of independent contractors, student interns and hospital volunteers. Cleveland Clinic health system adheres to state regulations regarding working hours, duties and breaks for caregivers who are minors.

Prior to commencing employment, every minor under the age of 18 must possess a valid Age and Schooling Certificate (work permit) unless otherwise exempted as stated in Chapter 4109 of the Ohio Revised Code. Ohio law restricts the hours of work of minors and prohibits their employment in occupations that are considered hazardous to their health.

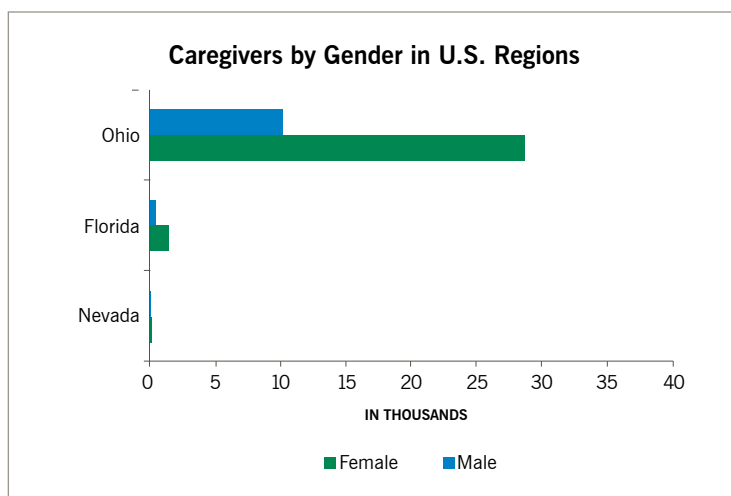


All Cleveland Clinic uniforms are embroidered in-house so that they can be delivered to caregivers on demand.

In 2011, Cleveland Clinic employed more than 40,000 caregivers in three regions of the United States. Approximately 50 percent of our caregivers were 30 to 50 years old, 16 percent were younger than 30, and 32 percent were older than 50. Cleveland Clinic offers different types of contract terms including regular, part time, temporary and student. In 2011, more than 87 percent of Cleveland Clinic caregivers were regular caregivers. Female caregivers represented 75 percent of our permanent workforce. Overall, 90 percent of all Cleveland Clinic caregivers (94 percent of female and 72 percent of male caregivers) received regular performance reviews. See graph illustration of caregivers by gender in U.S. regions.

In 2011, Cleveland Clinic had 5,567 new hires with a new hire rate of 13.6 percent. Approximately 47 percent of the new hires were younger than 30 years old; 31.2 percent were male; and 92 percent of our new hires were hired to work in Ohio. We experienced a 14.1 percent turnover rate, with 5,755 caregivers leaving the organization due to dismissal, retirement or death. Approximately 47 percent of the caregiver turnover was between 30 and 50 years old (29 percent male). Ninety-four percent of 2011 caregiver turnover occurred in Ohio, which is comparable to the proportion of regional employment.

All caregivers participate in a defined contribution plan to assist with long-term financial planning and

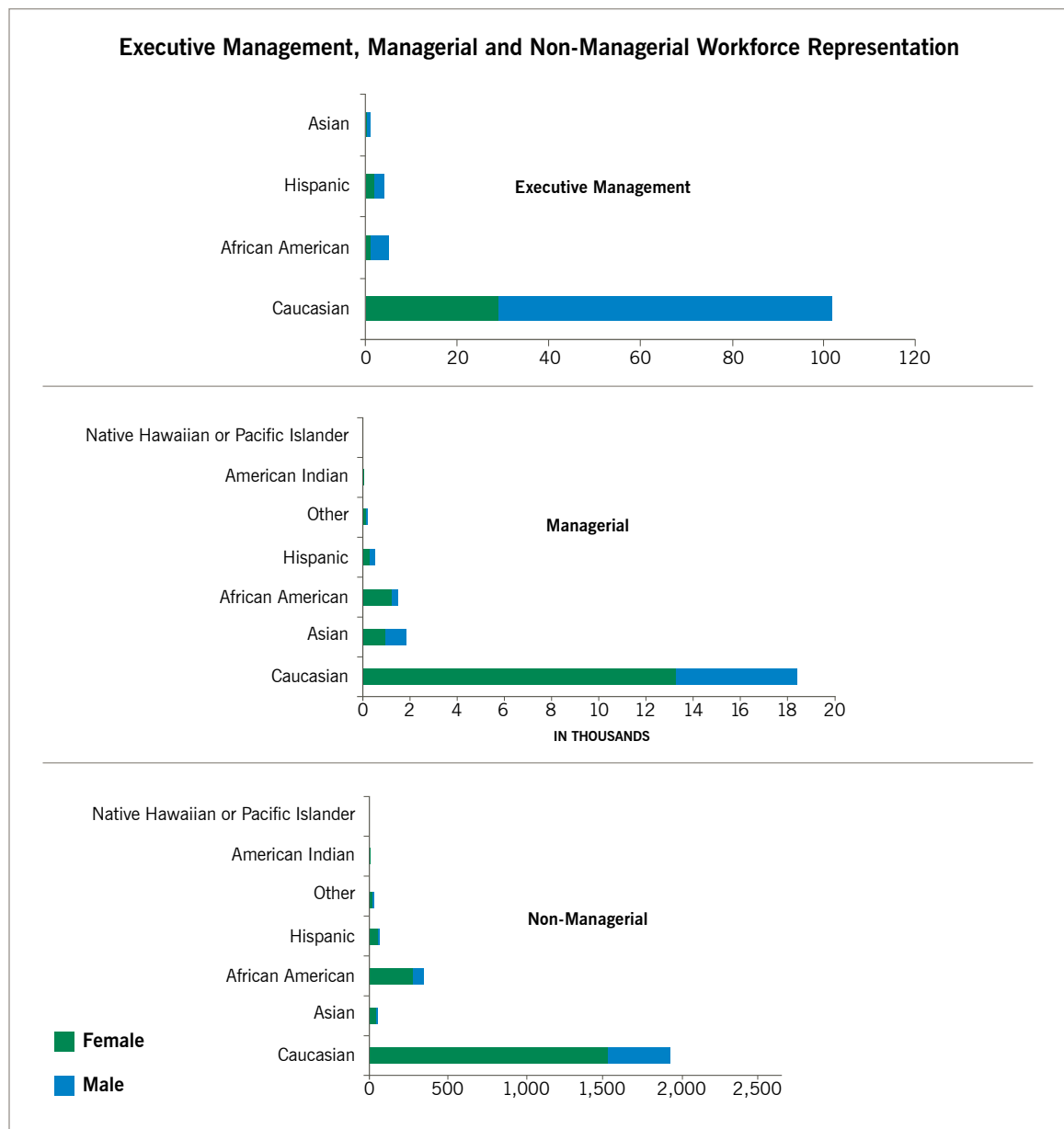


retirement. Cleveland Clinic offers caregivers access to an employee-guided investment fund (403b) and matches caregiver investments in the fund at a rate of 50 percent, up to 6 percent of employee contribution. As plans change over time, employee contributions and benefits in defunct plans are frozen and future withholdings utilize active plans. Cleveland Clinic provides short-term disability and long-term disability only to full-time caregivers. In the last four years, there was only one instance in which probable cause was found related to a caregiver with disabilities, and appropriate corrective action was

taken pursuant to Cleveland Clinic anti-discrimination policies with Corporate Compliance oversight.

Senior managers and executives are annually evaluated on their performance, during which expectations and performance toward institutional goals are reviewed and evaluated by the appropriate supervisor.

The total number of caregivers covered by collective bargaining agreements at Cleveland Clinic is 201, or 0.49 percent of total caregivers.





Putting the UN Global Contract to Work



ENVIRONMENTAL STEWARDSHIP



Cleveland Clinic celebrates Earth Day to demonstrate our commitment to a healthy environment and community. Fresh produce was on display for employees at the 2011 Earth Day expo in Glickman Tower on our main campus.



Cleveland Clinic supports healthy environments for healthy communities. We understand that environmental health and human health are linked and that we have a responsibility to take a precautionary approach to environmental stewardship through our operations and our community leadership.

Healthy Buildings We are committed to designing and building safe, green buildings using the U.S. Green Building Council's LEED system and evidence-based design, which results in healthier environments in which to work and heal.

Healthy Operations In connection with creating a healthier built environment, we strive to design and implement operational processes that reduce waste and chemical use, improve energy efficiency and promote energy independence.

Better Buying We are committed to using our buying power to help transform the healthcare sector and prevent waste at its source.

Finding Champions and Innovators We are committed to engaging and educating our workforce and our visitors in helping our region's communities become "Green Cities on a Blue Lake." We seek to pioneer sustainable healthcare on a national scale by leveraging Cleveland Clinic's standing and expertise in sustainable healthcare.

Structure for Environmental Stewardship

Cleveland Clinic's Office for a Healthy Environment (OHE) was created in response to a heightened awareness of our impact on our environment and in recognition of the link between environmental health and human health. This office sets the strategic direction for environmental stewardship at Cleveland Clinic, provides operational support and directs caregiver engagement in pursuit of improving environmental performance. The OHE is supported by caregiver-led green teams to achieve a consistent approach to sustainability at all locations. In 2011, OHE engaged our green teams in a concerted effort to drive consistency in participation and practice,

with the goal of a unified approach to sustainability across our organization. We collaboratively outlined a baseline for sustainability at Cleveland Clinic to which all sites should be held accountable. In addition, team leaders support broad-based cultural integration and caregiver engagement to drive transformative organizational change through individual ownership from each caregiver at Cleveland Clinic. Infrastructure investments in support of energy efficiency are made based on the recommendations of our enterprise-wide, multi-stakeholder Energy Committee.

Purchasing decisions are critical to sustainability and reducing our potential environmental impact. Supply Chain Management and the Office for a Healthy Environment work together to stop waste at its source while seeking out non-hazardous alternatives to conventional products and opportunities to engage caregivers in using products more efficiently. We apply the precautionary principle in the care of our patients and in our approach to minimizing chemical use, waste and emissions. For example, we are actively reducing our use of polyvinyl chloride (PVC) and its softener, DEHP, in both clinical and built environment product selection. We are confident Cleveland Clinic can continue working with suppliers to develop innovative solutions for reducing waste, cost, energy consumption and risk while improving service, transparency, patient experience and safety.

Stewardship in Action

Environmental Pressures on Healthcare Delivery

The global environmental meta-trends of climate change, natural resource constraints and increased toxicity present a series of challenges to human health and to the healthcare delivery infrastructure.



The Centers for Disease Control and Prevention has associated the decline in environmental health with respiratory disease, pulmonary disease, cancer, heatstroke, water-borne diseases, malnutrition, obesity and diabetes. As a healthcare provider, we have a responsibility to safeguard the health of our communities by addressing the environmental impact of our operations. As a recognized leader in our industry we are in a position to lead by example in the adoption of environmental best practices in the delivery of exceptional patient care.

Cleveland Clinic considers climate change and its risks as opportunities for the organization. Although financial implications of climate change are not quantitatively estimated, we have identified ways in which climate change can impact Cleveland Clinic's operations:

1. Possible population shifts could generate high demand, stressing healthcare delivery system capacity.
2. Further stresses on air quality due to deforestation and ozone density will result in increased negative health impacts.

3. Instability in climatic conditions may necessitate investment in physical facilities and perhaps influence patterns of vector-borne public health threats.
4. Reduced quantity or quality of fresh water supplies could impact community health and impact availability of physical plant water needs.

Cleveland Clinic understands that its operations need to be more efficient in energy and water usage to minimize our impact on surrounding communities and climate change. Electricity consumption constitutes about 80 percent of our annual scope 1 and scope 2 carbon emissions. Therefore, our extensive energy management efforts directly address our primary contribution to climate change. Cleveland Clinic conducted a baseline greenhouse gas inventory in 2008 of scope 1 and scope 2 emissions using The Climate Registry's General Reporting Protocol for the Voluntary Reporting Program, Version 1.1, as a guide. This baseline inventory included 307,539 MT CO₂e from electricity, 74,065 MT CO₂e from fuel combustion, 4,695 MT CO₂e from mobile sources and 957 MT CO₂e from refrigerant usage. A new environmental data management system currently

under design will allow us to report updated GHG emissions inventories in future reporting cycles. A vigorous program of accountability in refrigerant management is in place to prevent uncontrolled emissions, resulting in no incidents of leakage of an ozone-depleting substance since 2008 when a refrigerant leakage of 957 MT was reported.

Waste Minimization and Recycling

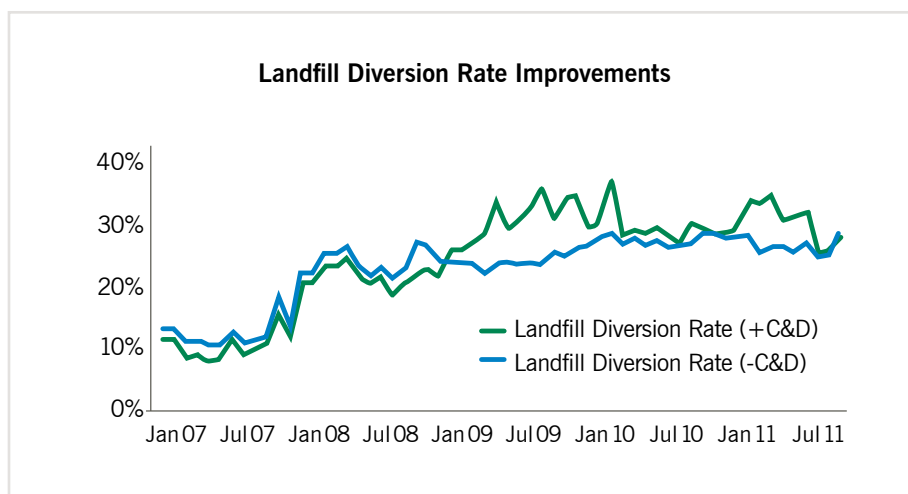
Waste management is a critical challenge in the healthcare sector, which increasingly depends on disposable supplies. Cleveland Clinic creates a significant amount of waste in its operations, and the acuity of the care we provide further increases our challenge. We continue to work collaboratively with purchasers, vendors and caregivers to reduce the amount of waste generated and disposed via landfill. Reducing landfill volume and hazardous waste is a core opportunity for improvement. Cleveland Clinic's waste management practices have significantly improved across the health system over the last five years. At our main campus, we maintained our performance and conducted waste audits to identify further opportunities for improvement. In 2011, 3,718 tons of material representing more than 30 percent of the total waste generated at main campus was diverted from landfills. This total nearly quadruples the 962 tons diverted in 2007.

In 2011, we were able to decrease our municipal solid waste volume by about 5 percent over the previous year, while increasing our overall recycling rate. Across the enterprise, we evaluated waste infrastructure and put incentives in place for increased recycling volumes via a new waste hauling vendor contract that includes financial rebates on recyclables. In fulfillment of a stated 2010 goal, we began tracking the landfill diversion rate for the entire health system in mid-2011, and we intend to share results in next year's report.

Other 2011 improvements involved room service on our main campus, which began offering a Bedside Menu Entry (BME) system that eliminates the use of paper menus and results in toner and paper savings. Also last year, our Protective Services Department hosted a series of Drug Take-Back events that more than doubled our 2010 collection. Protective Services collected and properly disposed of more than one ton of unused medications that may have otherwise polluted the water supply or environment due to improper disposal via municipal sewer or waste removal systems.

Landfill Diversion Rate Improvements

Reuse is an important component of managing waste. Cleveland Clinic's long relationship with MedWish International results in the distribution of



surplus supplies and equipment to medical missions in more than 90 countries. In 2011, we donated more than 103 tons of supplies and equipment, which represented a 42.7 percent increase over the previous year, despite changes in donation guidelines that limited collectable material. MedWish sorts and performs a quality control check on incoming donations before distributing to beneficiaries. While not all items donated to MedWish can be used as humanitarian aid, items unfit for humanitarian distribution are provided to domestic alternative uses such as a medical training program or veterinary clinics. In some cases, donated items are not fit for use and must be discarded via recycling, responsible scrap and e-waste disposal or waste. Cleveland Clinic actively engages with MedWish to ensure that appropriate and usable items are donated according to their needs and requirements.

Reducing the total amount of waste generated is the optimal method of improving waste management practices. A focused effort is being made to minimize waste through improved inventory management practices, such as minimizing expiration dates, optimizing custom surgical pack wastes and seeking opportunities to systematically redeploy equipment within the enterprise.

Energy

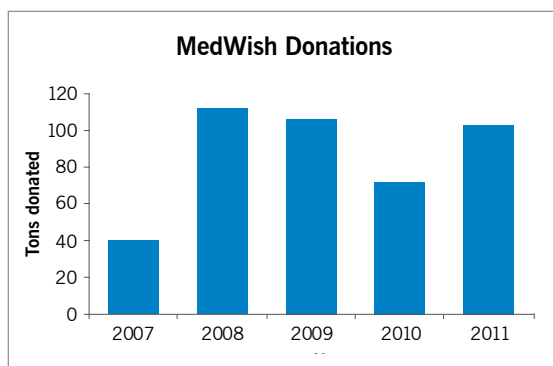
Healthcare is an energy-intensive industry, consuming more energy per square foot on average than all other commercial building types aside from food service. At Cleveland Clinic, we have gone to great

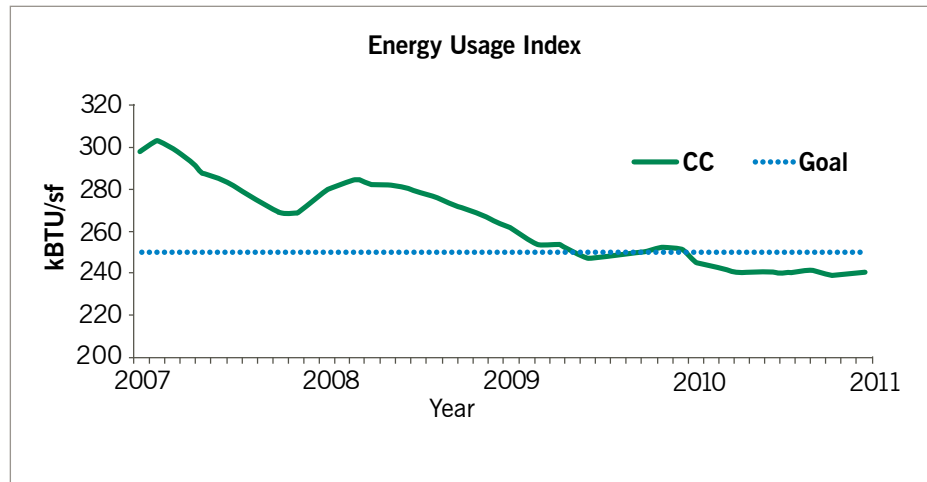
Cleveland Clinic's first solar panels were installed by employee owners of a new cooperative business based in the heart of the struggling neighborhoods surrounding our main campus. These help to power The Stanley Shalom Zielony Plaza.



lengths to reduce our energy use intensity so that we can focus our energy on patient care. In 2011, we purchased and used a total of 908,257 GJ energy, including 893,195 GJ electricity, 11,596 GJ natural gas, and 3,466 GJ diesel fuel. Cleveland Clinic focuses not only on investment in energy-efficiency improvements to infrastructure but also on educating its caregivers on energy conservation and its resulting impact on our patients and communities.

As a result of all 2011 initiatives, Cleveland Clinic managed to reduce its electric usage by 9,120,414 kilowatt-hours or 32,833 GJ while bringing on line 157,024 square feet of new footprint. Our 2011 efficiency efforts included: conversion of parking and interior lighting, efficiency upgrades and lighting control projects, initialization of a multiyear project to upgrade building automation and control systems, critical envelope upgrades, and a specific focus on HVAC improvements. In addition, we accomplished





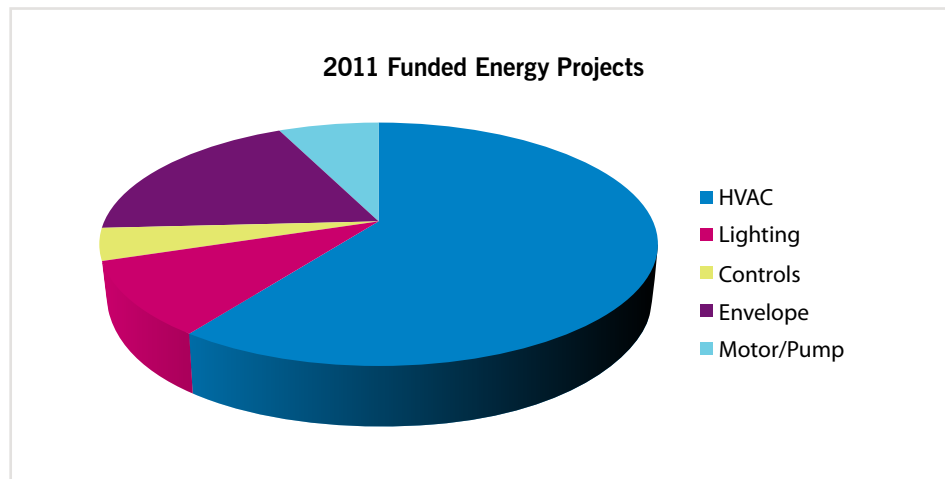
our goal to create an overarching Energy Management Standards manual in 2011. Some examples of energy efficiency initiatives and their impact include: a parking garage LED lighting project that saved 1,231,723 kWh annually; a T-12 to T-8 light fixture transition that saved 109,194 kWh annually; and installation of energy motion sensors that saved 118,000 kWh annually. Altogether, we have reduced our energy usage index by 25 percent (75,000 BTUs/sf) since our program began 2007.

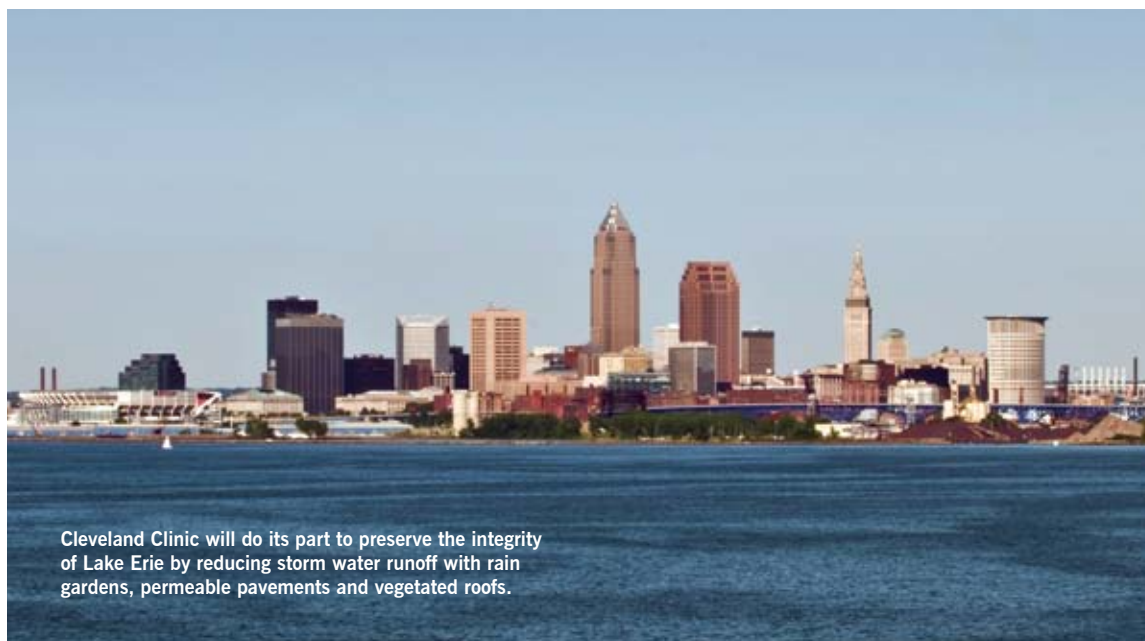
To further reduce our consumption of hydrocarbon-generated energy and to create local jobs, Cleveland Clinic is committed to adding environmentally friendly solar panels to generate renewable electricity on-site.

Evergreen Energy Solutions, formerly Ohio Cooperative Solar, recently installed our first array with 100 kW in generating capacity from 480 solar panels on main campus. In 2011, we planned and designed a second solar panel array (98 kW) atop our new Pathology and Laboratory Institute for installation in spring 2012.

Cleveland Clinic is proud to be named a 2011 and 2012 ENERGY STAR Partner of the Year. Our energy usage reduction initiatives resulted in GHG reduction of 8,200 Mt CO₂e, which is equivalent to removing approximately 1,400 cars from the road for one year.

A new initiative in 2011 was the implementation of our first zero-waste contract. After a thorough





review, Cleveland Clinic signed an agreement with a vendor to provide and maintain Canon multi-function devices (MFDs) for the system. This was a significant enhancement resulting in new copy equipment and about \$2.2 million in savings through lower lease and service costs. In addition, all new devices were ENERGY STAR products, which significantly improved the energy-efficiency profile of the installed devices. Additional savings were achieved by setting the devices to default to black-and-white and double-sided printing, reducing costly color toner and paper use. The contract also required the vendor to perform a zero-waste delivery process in which the packaging of the more than 2,000 units had to be broken down and recycled before it reached Cleveland Clinic's docks.

Water

Cleveland Clinic's Northeast Ohio enterprise mainly draws water from Lake Erie, which gains water from the upstream Great Lakes — Superior, Michigan and Huron. In 2009, the Cleveland Division of Water reported that Cleveland Clinic consumed 50,261 MCF or 376,957,500 gallons. However, ongoing concerns about the reliability of those measurements call into question the accuracy

of the water consumption data available to us. We have engaged with our public water utility to assign a dedicated account manager, which we hope will correct the water and sewer metering issues to enable us to confidently report consumption data in future reports.

All wastewater and stormwater is disposed of in public sewer systems and treated by local municipalities. No unintentional discharges have occurred during this reporting period and no water or wastewater is reused by another organization. We currently do not measure effluent water quality, as all water is appropriately disposed of via public infrastructure.

Cleveland Clinic has taken a number of measures to reduce water consumption through the reuse of water in certain processes. We recycle more than 910,800 gallons of water annually when washing service carts at our main campus, and our laundry processor treats and recycles 65.03 percent of total water used, resulting in an estimated savings of 97,100,203 gallons of water. In 2010, Cleveland Clinic's Supply Chain Management Department implemented revised linen use policies and practices resulting in a 25 percent reduction in overall laundry volume by weight.

Stormwater management is a critical issue in Northeast Ohio. Poised on the edge of Lake Erie, a critical natural asset, we have a special responsibility to consider the stormwater impacts of our facilities and infrastructure on the surrounding wetlands and watersheds. A significant public sector stormwater project is under way, which will rely on landowners to assist in reducing system burdens. To minimize water runoff, we have added stormwater best management practices in our new and existing parking lot standards, where bioswales, rain gardens and soon, permeable pavement, are becoming routine. We installed our first two vegetated roofs in 2011 – one at the Strongsville Family Health and Surgery Center and the other at our new Pathology and Laboratory Medicine building on main campus. These projects will slow and filter stormwater runoff and reduce the burden on the current and future infrastructure.

Transportation

Caregiver commutes, coupled with Cleveland Clinic's fleet of land and air vehicles, are the primary sources of our indirect and direct mobile source emissions.

Cleveland Clinic operates a fleet of 294 passenger shuttle, police, courier and other vehicles, an increase of 11 vehicles from 2010. These vehicles contributed 0.00139 tons of NO in 2011. In an effort to reduce direct mobile source emissions, Cleveland Clinic has implemented an anti-idling policy for fleet and vendor delivery vehicles; a fuel-efficient vehicle purchasing approach that includes electric, hybrid and clean diesel vehicles; and a sophisticated dock management system that reduces delivery truck idling time. To support further emissions reduction, we've invested in electric parking vehicles for parking surveillance and have recently purchased our fleet's first six hybrid vehicles; installation of two electric vehicle charging stations for our fleet and for caregivers; and automated parking management systems that reduce load in and exit idling for



No vehicles are more fuel-efficient than bicycles. Cleveland Clinic Police Officers Larry Haslem and Jim Ruma ride bikes and Segways® in warm weather to cut fuel costs and carbon dioxide emissions.

garages. Operationally, we've trained our drivers on the new policies and migrated to lower impact vehicle use, such as a bicycle- and Segway®-mounted police force during fair weather months.

As a result of these policies and practices, in 2011 we realized a 10 percent improvement in the overall fuel efficiency of this fleet, conserving more than 26,000 gallons of fuel. Our anti-idling policy resulted in 1) a reduction of average daily vehicle idle time by 85 percent; 2) a reduction in fuel usage of 9,897 gallons, from 281,980 gallons in 2010 to



A clinical plastics recycling program in Cleveland Clinic operating rooms significantly reduces the amount of plastic sent to landfills.

272,083 in 2011; and 3) reduced annualized CO₂ emissions by 3.5 percent or 88 tons. We will rely heavily on this policy as we pursue additional fuel efficiency improvements in 2012.

In addition to improving the way we manage our fleet, we are taking steps to encourage low-carbon caregiver commuting behavior, which primarily involves single occupancy vehicles today. We offer employee incentives to encourage alternative commuting, including transit passes at a pre-tax rate, a carpool matching program, a subsidy for the purchase of a home within walking distance, and access to bicycle storage, showers and support. For those who continue to drive, we encourage lower-emission incentives in the form of rebates to our caregivers who purchase qualified low-emission vehicles, and discounted parking rates to caregivers

who drive hybrid or fuel-efficient vehicles or carpool. In an effort to influence the approximately 95 percent of the 20,000 main campus caregivers who are single-occupancy commuters, in 2011 we conducted a multifaceted exploration of programs that could reduce the total number of daily commuter vehicles requiring on-site parking. Several strategies were identified for pilots in 2012 that could result in fewer single-occupancy vehicles making daily commutes, including flexible work arrangements, public transit awareness, and design of new parking fee structures to incent caregivers to find alternatives to daily parking needs and support caregivers who do.

Healthy Buildings

The Cleveland Clinic health system is committed to designing and building safe, green buildings using the U.S. Green Building Council's Leadership in Energy

and Environmental Design (LEED) green building rating system as well as evidence-based and patient-centered design, which results in healthier environments in which to work and heal. All new major construction projects must pursue LEED Certification at a minimum and Silver Certification as our target. In 2011, we were proud to achieve our first LEED-NC Gold and second new building certification for the Global Cardiovascular and Innovation Center. We also received certification in 2011 for an addition at Cleveland Clinic Strongsville Family Health and Surgery Center in Strongsville, Ohio, and for an interior renovation in West Palm Beach, Florida.

Hazardous and Regulated Materials Management

Hazardous materials such as aggressive cleaning products, sterilization and water treatment chemicals, certain pharmaceuticals, mercury-containing devices, electronic wastes, laboratory chemicals and radiological films and wastes, are an important part of the healthcare delivery model. Proper management of these materials is critical to protecting the health of our caregivers and the community at large. In addition, many wastes, such as infectious materials or sharps, are regulated to protect public health. All caregivers are trained annually on these waste regulations and other safety measures, and any caregiver who works with hazardous materials has access to Material Safety Data Sheets (MSDS) that provide detailed information about the safe use, risks and clean-up procedures for each chemical in use. Each Cleveland Clinic hospital is responsible for reporting any hazardous material spills as part of its Hazardous Materials and Waste Management Plan required by The Joint Commission. Spill reporting is triggered if there is a spill of a hazardous substance in excess of its threshold planning quantity and it leaves the premises by migrating over property lines or spilling into a sewer, or is released to the air as a gas. There were no reportable chemical spills in 2011.



Led by Cleveland Clinic, the Global Cardiovascular Innovation Center is focused on developing, incubating, and commercializing innovative cardiovascular technology for the benefit of patients worldwide and to facilitate economic development in the State of Ohio. The 50,000-square-foot GCIC building achieved LEED-NC v2.2 Gold Certification for energy use, lighting, water and material use, as well as incorporating a variety of other sustainable strategies.

Electronic wastes are managed via the Information Technology Department and minimized by the 2009 implementation of a PC lifecycle computing contract that requires the manufacturer to retain ownership and takeback assets for subsequent reuse or recycling. This implementation enabled Cleveland Clinic to achieve 55 percent reduction in the volume of electronic wastes disposed in 2011 over previous year.

The waste industry is becoming increasingly international, with recyclables and electronics routinely bought and sold around the world. None of the hazardous or regulated waste generated at Cleveland Clinic main campus is shipped internationally. The majority of hazardous substances created at Cleveland Clinic are liquid wastes reported in gallons, while some are measured in pounds. All wastes are reported in tons, so in some cases, volume-to-weight conversions are required using specific gravity or are simply converted from pounds to tons. The total weight of hazardous waste domestically disposed was 167 tons, of which 60.82 tons was RCRA hazardous waste; the rest consisted of electronics, batteries and fluorescent lamps (75.06 tons recycled), and associated scrap metal (27.84 tons recycled).



Putting the UN Global Contract to Work



ANTI-CORRUPTION AND TRANSPARENCY

Cleveland Clinic medical residents consult our secure electronic medical record. It improves caregiver communication, reduces paper consumption and enhances safety.



Cleveland Clinic is committed to an ethical, transparent business environment, discouraging corruption in all its forms. Ethical business practices support our responsibility to the health and well-being of our communities and our efforts in all areas of our UN Global Compact commitment: social, environmental and anti-corruption.

Structural Support for Anti-Corruption

The chief integrity officer, who reports directly to the Board of Directors, oversees a 20-FTE internal audit office responsible for: auditing expenses and invoicing every year; checking that Protective Services conducts background checks; ensuring Foreign Corrupt Practices Act training; and performing audits directed at detecting fraud. The officer also oversees a 12-FTE Corporate Compliance Department that ensures compliance with federal, state and local laws and regulations, and operates a whistle-blowing hotline. Cleveland Clinic conducts a formal annual risk assessment to identify risks in the health system. Significant risks, such as the impact of healthcare reform and the maintenance of a high level of clinical quality, safety and security, and the mitigating efforts, are communicated to management and the board using a risk matrix and dashboards.

In 2010, Cleveland Clinic sponsored a Northeast Ohio business ethics forum that brought together more than 200 area companies to focus on ethical business practices and pledge to act in an ethical manner. We also held two on-site forums with hundreds of Cleveland Clinic vendors in attendance that included a focus on ethical business practices.

Structural Support for Conflict of Interest

Since its founding in 1921, Cleveland Clinic has been a leading medical innovator. Discoveries made here have saved millions of patients' lives, and many innovations are standard practice in medicine today. Cleveland Clinic believes that medical innovation significantly benefits patient care. At the same time, we recognize that innovation must be managed with extraordinary sensitivity and transparency. We are

fully committed to a process that ensures integrity in innovation and places the interests of our patients first. To ensure professional and commercial integrity in all matters, Cleveland Clinic maintains a comprehensive conflict of interest program for staff physicians, other caregivers and trustees that is designed to ensure that all potential conflicts, including institutional conflicts, are transparent and properly addressed. In fact, we were the first academic medical center to openly disclose the industry ties of our physicians via our public website. Our policies require regular reporting and updating of interests that may present a conflict. These interests are then formally reviewed by one or more authorities within Cleveland Clinic, such as the Conflict of Interest committees of the Professional Staff and/or the Board of Directors. The Board of Directors promotes a culture of awareness and sensitivity at all levels to potential conflicts of interest, recognizing that it is ultimately responsible for maintaining and preserving a balance between innovation and transparency. The Conflict of Interest Committee of the Board of Trustees oversees conflict of interest matters at Cleveland Clinic. This includes having oversight of the Professional Staff Conflict of Interest Committee. The Conflict of Interest Office and the chief governance officer, through the Law Department, coordinate with these committees to administer the conflict of interest program.

Structural Support for Ethical Government Interactions

Cleveland Clinic has a chief government affairs officer who oversees a team of government relations professionals. This team collaborates with elected officials at all levels of government to promote health

Corporate Compliance Case Study: Marketing and Communications

To assure professional and commercial integrity, our conflict of interest program ensures that all potential conflicts, including institutional conflicts, are transparent and properly addressed. For example, Cleveland Clinic's Marketing and Communications Department adheres to the formal Corporate Compliance Program to ensure that its caregivers, vendors and other contractors conduct activities in full compliance with applicable federal, state and local laws, regulations, policies and ethical standards. Marketing and Communications has further reinforced these values with its own Social Media Code of Ethics for new or emerging media. This code provides requirements for Cleveland Clinic caregivers who engage in conversations on the Internet or interact with the public or fellow caregivers. These requirements include the posting of accurate and factual information on all web and social media sites. In addition, Cleveland Clinic caregivers must identify that they work for Cleveland Clinic and disclose conflicts of interest.

Cleveland Clinic's website also includes a current directory of all its physicians, listing their educational and professional backgrounds, their medical specializations and their relationships with industry.

By acting in accordance with the Corporate Compliance Program, Marketing Communications can best support Cleveland Clinic's mission to provide better care of the sick, investigation of their problems, and further education of those who serve.

and wellness, and shed light on the challenges and opportunities within our sector. As part of the development of federal healthcare reform, Cleveland Clinic management assisted government officials in understanding our medical practice model, which is recognized as a best practice. We ensure that ethical practices are maintained by completing detailed reports of contact with elected officials and government agencies, and by filing federal lobbying reports for the money and time spent on advocacy efforts by individuals from the Office of Government Relations and Cleveland Clinic.

Regulatory Compliance

Cleveland Clinic is committed to a formal Corporate Compliance program that is intended to ensure that caregivers, contractors and vendors conduct activities in full compliance with applicable federal, state and local laws, regulations, policies and ethical standards. In May 1996, the Board of Directors formally adopted

the program and, in June 1998, the Office of Corporate Compliance was established under the direction of the chief integrity officer. In January 2003, the responsibilities were expanded to include the Privacy Office, established in response to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This mature program is now a part routine hospital operations and integrated into the culture of the organization.

A Culture of Transparency

Caregivers are encouraged to hold one another and our leadership to our Code of Conduct, regulations and ethical and safe workplace policies. We operate anonymous hotlines (128 calls in 2011) and email accounts (28 emails in 2011), for a total of 156 compliance-related reports, from alleged employment practice breaches to issues of privacy and business ethics. In addition to formal hotline calls, Corporate Compliance staff directly received more than 675



Victor Matos, a Cleveland Clinic Children's Hospital equipment technician and committed caregiver, keeps things humming in the Pediatric Intensive Care Unit. He helps nurses set up rooms, and moves and services key equipment.

compliance-related inquiries in 2011, further evidence that our organization has a culture of integrity. All reports and inquiries are broken down by type and location, and responded to in a timely manner.

The entire business is included in our anti-corruption risk analysis. Code of Conduct policies and procedures education is provided for all caregivers. Specific training is only for management and foreign travelers. Caregivers involved in fraud are terminated and prosecuted. Cleveland Clinic's political/legislative activities are primarily focused in the areas of health-care reform. Specifically, we are interested in issues related to reimbursements, quality of care, wellness and patient outcomes. These activities can take many forms including support of legislation, participating in ad hoc committees, and offering testimony in state and federal legislative committee hearings. Cleveland Clinic, as an institution, does not provide donations or other support to individual legislators or political

parties. Non-profit organizations with 501(c)(3) status are strictly prohibited from supporting specific political figures or issues. However, our caregivers are free to donate to whatever organizations or legislators they choose to, but do so as private citizens exercising the rights afforded all such citizens.

In 2011, Cleveland Clinic acquired and designed a central enterprise environmental and social data management system for 2012 implementation that will assist in the reporting and management of the organization's overall sustainability performance. Facility-based reporting will allow intra-facility benchmarking and visibility, creating an open, transparent environment for facilities to strive for improvement. The collection and analysis embedded within the tool is certified by the Global Reporting Initiative (GRI) and in accordance with the UN Global Compact (UNGC) guidelines, facilitating future years' reporting processes.

Organizational Profile

WHO WE ARE



Located in Cleveland, Ohio, the Cleveland Clinic Foundation is a nonprofit, multispecialty academic medical center that integrates clinical and hospital care with research and education. Cleveland Clinic was founded in 1921 by four renowned physicians with a mission to provide better care of the sick, investigation into their problems, and further education of those who serve. We continue to live and operate by this mission, which is supported by six fundamental values: quality, innovation, teamwork, service, integrity and compassion. Our caregivers are also guided by a Code of Conduct in carrying out daily activities within appropriate ethical and legal standards. This Code of Conduct supports an environment that protects and promotes integrity and compliance, and enhances Cleveland Clinic's ability to achieve its mission, meet its goals and better serve patients.

Today, with 1,400 beds, Cleveland Clinic is one of the largest and most respected hospitals in the country. As an Ohio nonprofit corporation, the Cleveland Clinic Foundation is not owned by any

individuals or corporate entities. The Cleveland Clinic Foundation serves as a direct or indirect parent or as the "sole member" or "sole regular member" of each affiliate within the Cleveland Clinic health system (CCHS). As a public charity, Cleveland Clinic operates exclusively for charitable, educational and scientific purposes. In 2011, Cleveland Clinic, with more than 40,000 caregivers, had 4.6 million patient visits, 160,405 admissions and 187,905 surgical cases.

A world-renowned provider of healthcare services, Cleveland Clinic is a physician-led organization with an independent board. Anchored by the hospital and facilities on its main campus in the city of Cleveland, Cleveland Clinic operates nine hospitals with more than 4,400 staffed beds throughout northeast Ohio and in Florida. It also operates 18 outpatient family health centers, eight ambulatory surgery centers, as well as a large number of physician offices, all located throughout a seven-county area of northeast Ohio. In southeast Florida, Cleveland Clinic operates a hospital and a clinic in Weston, and a health and wellness center in West

By the Numbers: Cleveland Clinic Facts (2011)

Number of Caregivers	40,985	Number of Beds Systemwide	4,400
Number of Physicians and Scientists	2,857	Number of Patient Visits	4.6 million
Number of Nurses	11,000	Number of Admissions	160,405
Cleveland Clinic National Locations	30	Number of Surgical Cases	\$187,905
Cleveland Clinic International Locations	3	Total Grant and Contract Revenue	\$171 million
Number of Hospitals	9	Total Federal Revenue	\$112 million
Number of Family Health Centers	18	Residents and Fellows in Training	1,130
Number of Institutes	26	Training Programs	65
Number of Beds on Main Campus	1,400	Non-Accredited Training Programs	100

Palm Beach. Cleveland Clinic also operates a health and wellness center in Toronto, Ontario, and a specialized neurological clinical center in Las Vegas, Nevada. In addition, Cleveland Clinic provides management services for Ashtabula County Medical Center in Ashtabula, Ohio. In cooperation with Abu Dhabi Health Services Company, Cleveland Clinic also provides management services to the Sheikh Khalifa Medical City, a network of healthcare facilities in Abu Dhabi, United Arab Emirates, with approximately 760 staffed beds.

Cleveland Clinic continues to invest in its regional infrastructure through new and expanded facilities to better meet the needs of communities served. In 2011, we dedicated the new Twinsburg Family Health and Surgery Center in Twinsburg, Ohio, and the Richard E. Jacobs Health Center in Avon, Ohio. In East Cleveland, we transitioned from an older inpatient facility to the new Stephanie Tubbs Jones Health Center. We also acquired North Coast Cancer Care, Inc., and its locations in Sandusky, Clyde and Norwalk, Ohio.

On our main campus, a new building opened to house the Pathology and Laboratory Medicine Institute.

More than 90 percent of our patients come from 14 counties in Northeast Ohio. Our patients are comprised of a wide range of age groups, with more than 51 percent older than 45 years old. Approximately 42 percent of our total patients were male and 58 percent female. Patient care was paid by 67 percent private insurance, 27 percent government, and 6 percent self-paid. In 2011, the state reimbursed Cleveland Clinic an excess of \$17.8 million on HCAP payments for charity care.

Organizational Profile

AWARDS AND HONORS

The Cleveland Clinic health system has earned numerous national awards for environmental stewardship from the U.S. Environmental Protection Agency and Practice Greenhealth, a nonprofit membership organization founded on the principles of positive environmental stewardship and best practices by organizations in the healthcare community. A partial listing of our 2011 environmental awards is below. A comprehensive awards list can be found in Cleveland Clinic's 2011 Annual Report.



2012 ENERGY STAR Partner of the Year

Cleveland Clinic was named an ENERGY STAR Partner of the Year by the U.S. Environmental Protection Agency and the U.S. Department of Energy for the second consecutive year for culturally integrating energy management into its patient care mission during the 2011 reporting year. Among other accomplishments, Cleveland Clinic was cited for dedicating more than \$27 million in 2011 to fund cost-effective energy-efficiency projects and for motivating caregivers to take ownership of energy usage. Cleveland Clinic was one of 42 organizations to be named Partner of the Year from among 20,000 ENERGY STAR partners nationwide.

U.S. NEWS & WORLD REPORT (National Rankings)

1 Heart Care	6 Neurology and Neurosurgery
2 Urology	7 Geriatrics
2 Digestive Disorders	8 Ear, Nose and Throat
2 Kidney Disorders	9 Cancer
3 Rheumatology	11 Ophthalmology
3 Respiratory Disorders	17 Psychiatry
4 Orthopaedics	19 Rehabilitation
4 Gynecology	
5 Diabetes/Endocrine Disorders	

Practice Greenhealth Environmental Excellence Awards

Environmental Leadership Award

This award is the premier and most competitive award recognizing facilities that exemplify environmental excellence and set the highest standards for environmental practices and sustainability in healthcare. Our main campus was honored with this award for a third year in 2011.

Partner for Change with Distinction

Three of our hospitals are first-time recipients of this award, which recognizes healthcare facilities that have well-established environmental programs and are top performers among the Partners for Change recipients. Distinction winners have a "culture of sustainability" and are leaders in their communities and in the healthcare sector.

Partner for Change

Seven of our hospitals and nine of our family health centers received this honor, which recognizes top performers that maintain at least a 15 percent recycling rate, have significantly reduced or eliminated mercury, and have made progress toward becoming more sustainable.

Making Medicine Mercury-Free

Two of our hospitals and seven of our family health centers joined eight other Cleveland Clinic facilities in earning Making Medicine Mercury-Free status by making a commitment to and implementing mercury management and minimization best practices.

System for Change

Cleveland Clinic was recognized with this award for the fourth year for our system-level approach and structure that has generated progress at each of our facilities.

Organizational Profile

GOVERNANCE, COMMITMENT AND ENGAGEMENT

Cleveland Clinic is governed by its Members, a Board of Directors and a Board of Governors. The chair of the Cleveland Clinic Board of Directors holds the highest board position, but is not an executive officer, caregiver or staff member. The Cleveland Clinic Board of Trustees serves as an advisor to the Board of Directors.

The Cleveland Clinic Board of Directors is the primary governing body and is charged with the fiduciary duty to act on behalf of Cleveland Clinic. Directors are not compensated for their service and are required to be independent and are selected for four-year terms on the basis of their expertise and experience. A majority of the members of the Board of Directors must be independent under the Board's independence policy. Of 23 members of the Cleveland Clinic Board of Directors, four directors are female (17.4 percent) and two directors (one male and one female) are African-American. The directors range in age from the early 50s to 90 years of age. The Board of Directors, with assistance from the Governance Committee, routinely reviews its performance and the performance of its members, particularly when a director's term is about to expire and the Board has to determine whether the individual should be re-elected.

Under Cleveland Clinic Board's independence policy, an independent director is one whom the Governance Committee, after considering all relevant facts and circumstances in accordance with the policy, advice and guidance of the chief governance officer, and upon the recommendation from the Managing Innovations Committee, has affirmatively determined that he/she has met certain criteria, as defined in the policy. A director will not be determined to be independent unless certain conditions are met, including but not limited to if the director is employed by Cleveland Clinic; has received compensation from Cleveland Clinic; or is a director or executive officer of an entity with gross payments to or annual receipts from Cleveland Clinic



of more than 1 percent of the receiving entity's gross revenues for the applicable year.

The Cleveland Clinic Board of Directors Managing Innovations Committee is charged with the task of discharging the obligations of the Board of Directors related to conflict of interest issues. These obligations are set forth in Cleveland Clinic's charter and the Board's conflict of interest policy and relate to (a) determining the existence of, assessing, resolving and managing, any conflicts of interest arising from an individual interest of a director, trustee or officer of Cleveland Clinic health system or from an interest held directly or indirectly by Cleveland Clinic, in accordance with the current Board of Directors Conflict of Interest Policy and (b) supervising the Cleveland Clinic Professional Staff Conflict of Interest Committee in the performance of its responsibilities for professional staff conflicts of interest matters. The Committee conducts its duties in accordance with all applicable rules and regulations, including those applicable to nonprofit and tax-exempt charitable organizations.

On an annual basis, Cleveland Clinic distributes a questionnaire to Cleveland Clinic health system directors, trustees, officers and key caregivers to



determine independence, as defined by the U.S. Internal Revenue Service and Cleveland Clinic Conflict of Interest Policy. This questionnaire is also designed to ascertain information relating to business affiliations and transactions that might give rise to potential conflicts of interest.

Directors and trustees who are not independent are entitled to participate fully in their duties as Board members, subject to Cleveland Clinic's Conflict of Interest policies and the requirements applicable to Board members to recuse themselves from any actions that involve a personal interest. A director or trustee who is deemed not to be independent is nevertheless assumed to be always acting in the best interests of Cleveland Clinic.

Cleveland Clinic's Board of Directors, as the governing body of Cleveland Clinic, regularly evaluates its membership with a view to increasing diversity and including qualified representatives from the communities it serves. The Governance Committee of the Board of Directors regularly reviews the composition of the Board, based on various factors, so as to ensure a balanced membership that includes ethnic and gender diversity as well as business and community expertise. The Governance Committee also seeks recommendations from Board members of candidates who will add value to the Board of Directors and Board of Trustees.

Members of the Cleveland Clinic Board of Directors adhere to the principles set forth in Cleveland Clinic's Code of Conduct. Included in these principles are

standards relating to environmental protection, family and work, business ethics, conflicts of interest, fraud/waste/abuse, insider trading, antitrust and anti-kick-back laws. Additionally, directors receive an annual mailing that not only includes a questionnaire for disclosure of activities that may give rise to conflicts of interest, but also includes documentation relating to IRS regulations pertaining to intermediate sanctions provisions.

Each Board Committee is governed by a charter, which includes specific goals and responsibilities. On an annual basis, Board Committees are responsible for conducting annual self-assessment surveys to assess performance. For example, in addition to other responsibilities, the Audit Committee is charged with the task of reviewing the adequacy and effectiveness of administrative, operating and internal accounting controls, policies and procedures for the Cleveland Clinic health system. At the end of each year, the Audit Committee distributes a self-assessment survey tool to its members so that Committee members document their comments relating to the Committee's performance and effectiveness in meeting this and other goals as stated in its Committee Charter. In addition, the Board of Directors, with assistance from the Governance Committee, routinely reviews its performance and the performance of its members, particularly when a director's term is about to expire and the Board has to determine whether the individual should be re-elected.

Our Stakeholders

We define stakeholders as those who would be most interested in Cleveland Clinic's more transparent approach in reporting environmental, social and economic impacts, as well as those more directly affected by Cleveland Clinic's various operational decisions.

The stakeholder groups engaged by Cleveland Clinic include:

- Patients
- Caregivers
- Cleveland Clinic Executive Leadership
- State of Ohio Legislature
- Ohio Delegation of the U.S. Congress
- City of Cleveland Office of the Mayor
- Cleveland City Council
- City of Cleveland Department of Public Health
- City of Cleveland Department of Economic Development
- City of Cleveland Office of Sustainability
- City of Cleveland Sustainable Cleveland 2019 Stewardship Council
- Cuyahoga County Office of the County Executive
- Cuyahoga County Council
- Cuyahoga County Department of Health & Human Services
- Cuyahoga County Solid Waste District
- Fairfax Renaissance Development Corporation
- Cuyahoga County Department of Development
- Offices of the Mayor of more than 20 Greater Cleveland communities, as well as those in Las Vegas, Nevada, and Weston and West Palm Beach, Florida
- Green City Blue Lake Institute
- U.S. EPA ENERGY STAR for Healthcare
- Practice Greenhealth
- U.S. Green Building Council

Cleveland Clinic engages its stakeholders across a wide spectrum throughout the year. Degrees of engagement span from low (knowledge about decisions) to high (forming decisions), ranging from communications about its programming and partnerships through newsletters, the web and social media; community programming, such as its seasonal farmers markets and robust educational course catalogs; convening advisory groups and task forces; and third-party surveys to inform decision-making.

Stakeholders are typically contacted on a case-by-case basis, depending upon the areas affected by the issue at hand. These interactions typically involve in-person meetings for the purpose of discussing the issues and exchanging the views of each party. We also perform periodic proactive outreach to these groups, inviting them to attend facility openings, addresses by Cleveland Clinic executives, and other Cleveland Clinic-hosted events open to the public and other officials.

Memberships

Cleveland Clinic is a dues-paying member of the Ohio Hospital Association, the Association of American Medical Colleges, the American Medical Group Association, the Healthcare Leadership Council and the American Hospital Association. We provide guidance to these organizations on their healthcare policy positions, and by extension benefit from their lobbying activities (as do their other member organizations). In addition, our individual physicians and researchers participate as individual members of organizations related to their specific areas of practice or interest, such as the American College of Radiology and the American College of Surgeons. Cleveland Clinic's membership associations include Diversity Inc., Society for Human Resource Management (SHRM), Association for Community Health Improvement, International Society for Health, Society of Black Academic Surgeons (SBAS) and Northern Ohio Minority Supplier Development.

Global Reporting Initiative Indicator Index

The summary table below shows where Cleveland Clinic's information and data corresponding to the Global Reporting Initiative's Guidelines can be found. Page numbers refer to pages in this Communications on Progress report unless otherwise noted.

INDICATOR	DESCRIPTION	PAGE
1.1	Statement from the most senior decision-maker	2
1.2	Description of key impacts, risks, and opportunities	2
3.1	Reporting period	3
3.2	Date of most recent previous report	3
3.3	Reporting cycle	3
3.4	Contact point for questions	3
3.5	Process for defining report content	6
3.6	Boundary of the report	3
3.7	State any specific limitations on the scope or boundary of the report	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	3
3.9	Data measurement techniques	3
3.10	Explanation of the effect of any re-statements of information provided in earlier	3
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	3
3.12	Table identifying the location of the Standard Disclosures	49, 50
3.13	Policy and current practice with regard to seeking external assurance	3
4.1	Governance structure of the organization	46
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	46
4.3	For organizations that have a unitary board structure the number and gender of members of the highest governance body that are independent or non-executive members	46
4.4	Mechanisms for shareholders and caregivers to provide recommendations	48
4.5	Linkage between compensation for members of the highest governance body and the organization's performance	28
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	47
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees	47
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	43
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed-upon standards, codes of conduct, and principles	47
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	47
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	30
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	16
4.13	Memberships in associations such as industry associations and/or national/international advocacy organizations	48
4.14	List of stakeholder groups engaged by the organization	48

INDICATOR	DESCRIPTION	PAGE
4.15	Basis for identification and selection of stakeholders with whom to engage	48
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	48
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	6, 7
	Environment Management Approach	20, 30, 31, 32, 33, 34, 37
EN3	Direct energy consumption by primary energy source	33
EN4	Indirect energy consumption by primary source	34
EN5	Energy saved due to conservation and efficiency improvements	33
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	34
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	35
EN8	Total water withdrawal by source	35
EN9	Water sources significantly affected by withdrawal of water	35
EN10	Percentage and total volume of water recycled and reused	35
EN13	Habitats protected or restored	20
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	20
EN16	Total direct and indirect greenhouse gas emissions by weight	31
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	34, 37
EN19	Emissions of ozone-depleting substances by weight	32
EN20	NO, SO, and other significant air emissions by type and weight	36
EN21	Total water discharge by quality and destination	35
EN22	Total weight of waste by type and disposal method	32
EN23	Total number and volume of significant spills	38
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	38
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	34, 35, 38
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	20
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	31, 37
	Human Rights Management Approach	26
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	26

INDICATOR	DESCRIPTION	PAGE
HR4	Total number of incidents of discrimination and corrective actions taken	28
	Labor Management Approach	10, 11, 26
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	27
LA2	Total number and rate of new caregiver hires and caregiver turnover by age group, gender, and region	27
LA3	Benefits provided to full-time caregivers that are not provided to temporary or part-time caregivers, by significant locations of operation	28
LA4	Percentage of caregivers covered by collective bargaining agreements	28
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	14
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	11, 12
LA11	Programs for skills management and lifelong learning that support the continued employability of caregivers and assist them in managing career endings	12
LA12	Percentage of caregivers receiving regular performance and career development reviews, by gender	27
LA13	Composition of governance bodies and breakdown of caregivers per caregiver category according to gender, age group, minority group membership, and other indicators of diversity	27, 28, 46
	Society Management Approach	16, 40, 42
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	18, 19, 20
SO2	Percentage and total number of business units analyzed for risks related to corruption	42
SO3	Percentage of caregivers trained in organization's anti-corruption policies and procedures	42

INDICATOR	DESCRIPTION	PAGE
SO4	Actions taken in response to incidents of corruption	42
SO5	Public policy positions and participation in public policy development and lobbying	42
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	42
	Product Responsibility Management Approach	6, 10, 41
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	10, 11
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	41
	Economic Management Approach	16, 43
EC1	Understanding and describing significant indirect economic impacts, including the extent of impacts	17
	Direct economic value generated and distributed, including revenues, operating costs, caregiver compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	17
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	31
EC3	Coverage of the organization's defined benefit plan obligations	28
EC4	Significant financial assistance received from government	44
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	22
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	17
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	17

PRINCIPLE	INDICATORS
Principle 1: Support and respect protection of internationally proclaimed human rights	EC5, LA4, LA6- 9; LA13-14, HR1-9, SO5, PR1 -2, PR8
Principle 2: Make sure business is not complicit in human rights abuses	HR1-9, SO5
Principle 3: Uphold freedom of association and right to collective bargaining	LA4-5, HR1-3, HR5, SO5
Principle 4: Support elimination of all forms of forced and compulsory labor	HR1-3, HR7, SO5
Principle 5: Support effective abolition of child labor	HR1-3, HR6, SO5
Principle 6: Eliminate discrimination in employment and occupation 36–39	EC7, LA2, LA13-14, HR1-4, SO5
Principle 7: Support a precautionary approach to environmental challenges	EC2, EN18, EN26, EN30, SO5
Principle 8: Undertake initiatives to promote greater environmental responsibility	EN1-30, SO5, PR3-4
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	EN2, EN 5-7, EN 10, EN 18, EN 26- 27, EN30, SO5
Principle 10: Work against all forms of corruption, including extortion and bribery	SO2-6



Supporting and more detailed documentation is available on the web at:

clevelandclinic.org/about

clevelandclinic.org/wellness

clevelandclinic.org/diversity

clevelandclinic.org/community

clevelandclinic.org/annual_reports

clevelandclinic.org/sustainability



Every life deserves world class care.

9500 Euclid Avenue, Cleveland, OH 44195

Cleveland Clinic is an integrated healthcare delivery system with a main campus, 18 family health centers, eight community hospitals and locations in Ohio, Florida, Nevada, Toronto and Abu Dhabi. It is a not-for-profit group practice where nearly 3,000 staff physicians and scientists in 120 medical specialties collaborate to give every patient the best outcome and experience. Cleveland Clinic is ranked among America's top hospitals overall, and among the nation's leaders in every major medical specialty (*U.S. News & World Report*).
clevelandclinic.org

© The Cleveland Clinic Foundation 2012