In Service to Our Common Home

Healing our planet, our patients, and our communities.

Dignity Health FY 2018 Sustainability Report

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This report is designed to be read electronically to facilitate navigation, ease of readability, and to support ecological sustainability.

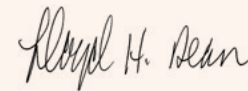# A Message from our CEO

At Dignity Health, we believe that humanity and kindness are at the heart of our healing mission, creating something that this world – not just this industry – needs. Dignity Health has long understood that our health and the health of our planet are intricately connected. We have always felt a special responsibility toward the communities we serve and the environment we are called to protect knowing that the decisions we make as an industry can either harm or benefit the safety and well-being of the families in our care. How Dignity Health contributes to the local environment and its quality of life will continue to be a key measure of our organization's success. During FY 2018, we experienced both successes and challenges in promoting the health of our common home. As a system, we:

- Led in the formation of a climate and health alliance comprised of five leading health care systems in California in collaboration with Health Care Without Harm, the Office of the Governor Jerry Brown, and California Hospital Association to further develop our voice and influence in the legislative and regulatory arenas.

- Reduced our use of plastic through the elimination of straws in food service areas and the purchase of selected OR supplies made from the waste of sugar cane.

- Partnered with Greenhealth Exchange to advocate for better, safer, and more environmentally friendly products and integrate this purchasing concept into our sourcing strategy.

- Invested $1 million in Health Care Without Harm to help further the organization's efforts to achieve its mission of transforming health care worldwide so that it reduces its environmental footprint and becomes a community anchor for sustainability and a leader in the global movement for environmental health and justice.

- Continued to advance climate and energy initiatives at the state, federal, and global levels, and at annual shareholder meetings of companies in which we own stock.

- Made little progress in increasing our rate of recycling due in part to the turmoil in the global recycling markets which have greatly disrupted the attractiveness and pricing for the purchase of recycled materials.

The magnitude of the changes and the challenges that the health care industry faces is abundantly clear; so are the opportunities. We will continue to value that which sustains life, including our environment. It is imperative that we measure, manage, and report our efforts on our interlocking environmental, social, and economic/governance (ESG) initiatives in a manner that allows all of us to see our true impacts on our world and our people. Dignity Health will continue modernizing our delivery system, making higher quality care easier to access at a lower cost, with a special focus on prevention and public health – all areas that we are uniquely equipped to address. We will need to look out from our hospitals, care centers, and clinics to the communities we serve and consider the effects of the social and environmental determinants of health on the people we care for. I want to acknowledge the vibrant, selfless women and men who are leading the transition to a more resilient, equitable, and sustainable world, and look forward to working with all of you to advance our healing ministry in the year to come

Lloyd H. Dean

Lloyd H. Dean
President/CEO
Dignity Health

About Dignity Health

Dignity Health, one of the nation's largest non-profit health care systems, is a multi-state network of 10,000 physicians, more than 60,000 employees, 40 acute care hospitals and 400-plus care-centers, including neighborhood hospitals, urgent care, surgery and imaging centers, home health, and primary care clinics. Headquartered in San Francisco, Dignity Health is dedicated to providing compassionate, high-quality and affordable patient-centered care with special attention to those who are poor and underserved. During FY 2018 we continued in negotiations with Catholic Health Initiatives to bring our ministries together in service of our communities.

Statistics: Fiscal Year 2018

Assets: $18.1 billion

Net Operating Revenue: $14.2 billion

General Acute Patient Care Days: 1.7 million
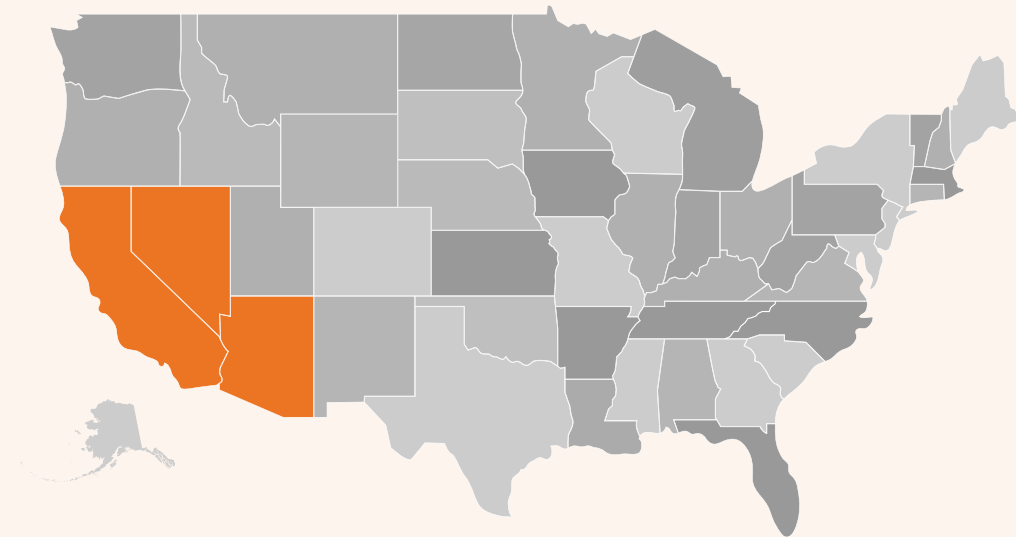
Community Benefit: $889 million

Unpaid costs of Medicare: $1.2 billion

Acute Care Beds: 8,300

Skilled Nursing Beds: 600

See **Dignity Health/Investor Relations** for our most recent audited financial statements, quarterly reports, and bond ratings.

See **Dignity Health/Our Locations** for our regions of care.

(102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-10)

Our Mission

We are committed to furthering the healing ministry of Jesus. We dedicate our resources to:

- Delivering compassionate, high-quality, affordable health services;

- Serving and advocating for our sisters and brothers who are poor and disenfranchised; and

- Partnering with others in the community to improve the quality of life.

Our Values

Dignity: Respecting the inherent value and worth of each person.

Collaboration: Working together with people who support common values and vision to achieve shared goals.

Justice: Advocating for social change and acting in ways that promote respect for all persons and demonstrate compassion for our sisters and brothers who are powerless.

Stewardship: Cultivating the resources entrusted to us to promote healing and wholeness.

Excellence: Exceeding expectations through teamwork and innovation.

Our Vision

A vibrant, national health care system known for service, chosen for clinical excellence, standing in partnership with patients, employees and physicians to improve the health of all communities served.

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Our Strategic Priorities

Dignity Health wants to provide excellent care to patients now and in the future. To help ensure that, we developed our strategic plan called Horizon 2020 and, to make sure we got there even faster, we decided to accelerate our efforts. We now have distinct Horizon 2020 Acceleration goals related to quality, patient experience, and financial performance, and the good news is, we continue to get closer to our goals (see attached graphic). Heightened acceleration in these strategic areas is imperative in light of the challenges and opportunities we are currently facing – as an industry and as an organization. Our strategic plan and goals guide us in bringing our mission, vision, and values alive. We have the opportunity to define our future so that we ensure the long-term viability of the special ministry that has been entrusted to us.

Performance Improvement Tracker

	Quality Metrics	Patient Experience	EBITDA Margin	Operating Margin
Our Horizon 2020 Acceleration Goals	**75%**	**75%**	**9%**	**2%**
Our Performance Against Goals (through June 2018)	**56%**	**65%**	**7.1%**	**1.7%**

Beyond Horizon 2020

As our alignment with Catholic Health Initiatives progresses, we will continue to develop long term goals and strategies that will help shape our combined ministry as a catalyst for transformative change.

Dignity Health has established several bold sustainability goals. This Sustainability Dashboard displays eight priority metrics, showing how we are doing and how much further we have to go in each area.

Greenhouse Gas Emissions

GOAL: 40% decrease in emissions from base year 2010 levels by 2020.

ACHIEVEMENT: As of calendar year 2016, we have achieved a 31% reduction.

Energy Efficiency

GOAL: 20% decrease in energy use from base year 2010 levels by 2020.

ACHIEVEMENT: As of calendar year 2016, energy use has dropped by 16%.

Renewable Energy Sources

GOAL: Increase renewable energy sources to 35% of energy consumed by 2020.

ACHIEVEMENT: Currently, we are using 27% renewables for our electricity needs and 13% for our overall energy usage (electricity and natural gas.)

Water Consumption and Efficiency

GOAL: Decrease water use by 20% from base year 2013 levels by 2020.

ACHIEVEMENT: Currently, Dignity Health has reduced its water use by 2% from the 2013 baseline.

Supply and Services Resource Management

GOAL: Increase the rate of reprocessing by 5%.

ACHIEVEMENT: Reprocessing collection increased 5% overall from 82% FY 2017 to 87% FY 2018.

Public Advocacy

GOAL: Mobilize 100% of Dignity Health facilities to successfully advocate on sustainability and/or climate legislation.

ACHIEVEMENT: 100% of system and hospital leadership and Policy Advocacy Liaisons (PALs) engaged in passage of SB 258, The Cleaning Product Right to Know Act.

Environmental Leadership

GOAL: Increase the number of hospitals recognized for their sustainability achievements to fifteen hospitals.

ACHIEVEMENT: Fourteen hospitals recognized for their achievement in sustainability by receiving a Practice Greenhealth Environmental Excellence Award.

Waste Diversion

GOAL: Divert 40% of our waste from the landfill by 2018.

ACHIEVEMENT: Dignity Health's waste diversion (recycling) rate is 34%.

Reporting and Materiality

Dignity Health has been reporting on its environmental, social, and economic/governance (ESG) performance for two decades, using the format developed by the Global Reporting Initiative (GRI). We have prepared this report in accordance with the core GRI Sustainability Reporting Standards. At Dignity Health, sustainability encompasses all elements of our operations. This report highlights the sustainability initiatives of our 39 acute care facilities serving communities in California, Arizona, and Nevada for the period of July 1, 2017 to June 30, 2018. With the exception of the audited financial statements, we have not submitted the report for external assurance.

We regularly review the universe of issues we could report on in order to focus on those most important to our organization, our stakeholders, and society at large. We strive to report on those issues that are material from a sustainability perspective and over which we have a reasonable level of influence or control. In our sustainability reporting, we define materiality by the degree to which an issue is significant to our organization, our industry, society, and our interested stakeholders, and the degree to which it is relevant to our scope of operations and ethical commitments. The topics covered in this report represent our ESG priorities identified through our ESG assessment.

For questions and/or comments about this report contact
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MaryEllen.Leciejewski@DignityHealth.org

(102-45, 102-47, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56)

ESG Materiality Assessment

In 2014, Dignity Health engaged an independent third party (BrownFlynn) to conduct an environmental/social/governance (ESG) materiality assessment.

The assessment:

• Systematically engaged Dignity Health's cross-functional leaders to identify the organization's most significant environmental, social, and economic opportunities, with specificity around:

   WHAT the issue, risk, and/or opportunity is.

   WHERE the issue, risk, or opportunity exists in the value chain.

   HOW actionable the issue is.

• Developed a value chain map through a sustainability lens that:

   Highlighted topics that may impact Dignity Health which may have been overlooked due to a focus on our own operations.

   Clarified each topic to a greater level of specificity.

   Validated existing strategies, suggested changes when they were needed, and identified areas of opportunity or risk that had not been previously identified.

• Identified seven competitors and/or industry peers and three aspirational peers against which to benchmark the organizations' material topics to judge our performance and reveal any gaps.

• Identified, prioritized, and surveyed/interviewed key stakeholders (both internally and externally) to unveil the issues most material to these groups, as well as potential opportunities and risks.

• Enabled Dignity Health to determine how actionable each of the material topics is in the short term, and how to use the findings to inform Dignity Health's strategy and commitments for the next sustainability strategic planning and GRI reporting period.

• ESG is periodically reviewed and updated as needed.

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ESG Materiality Process

BrownFlynn collects and analyzes the information needed to conduct a materiality assessment aligned with the GRI guidelines. Steps include identification of possible topics, prioritization of material topics, senior leader validation, and adoption.

IDENTIFICATION		**PRIORITIZATION**		**VALIDATION**	**ADOPTION**
Research & Benchmarking	Impact Mapping	Stakeholder Engagement	Synthesis & Analysis	Workshop	Strategic Integration
Analyze possible topics using: • Peer benchmarking • Industry Standards • CR Standards • Research conducted by Dignity Health • Research gathered through third party resources	Create a high-level value chain map used to identify sustainability: • Impacts • Risks • Opportunities • Boundary	Gather internal and external perceptions of Dignity Health sustainability practices and future opportunities via interviews and surveys	Create a materiality matrix reflecting: • Feedback from stakeholders • Peer benchmarking • Relevant industry standards and studies (e.g. SASB)	Validate the materiality matrix through discussion with key leaders about prioritized material topics, associated boundaries, and opportunities	Align organizational goals with material topics, and action plan to engage employees

(103-1)

ESG Materiality Matrix

This matrix plots the relative priority of the issues identified from the perspective of both internal and external stakeholders.

RELATIVE PRIORITY OF SUSTAINABILITY TOPICS

SIGNIFICANCE TO STAKEHOLDERS

SIGNIFICANCE TO DIGNITY HEALTH

Waste Management & Reduction
Healthy Food
Materials Stewardship
Energy Consumption & Efficiency
Community Health
Ethics & Compliance
Environmentally Preferable Purchasing
Access for Low-income Patients
Emissions Reduction
Innovation
Employment Recruitment, Development, & Retention
Public Policy
Workplace Health & Safety
Patient Experience & Safety
Supplier Environmental Practices
Eco-friendly Products & Services
Water Consumption & Efficiency
Patient Privacy
Shareholder Advocacy
Diversity & Inclusion
Economic Performance
Human Rights/Supplier Labor Practices
Market Presence
Labor Relations & Collective Bargaining
Physician/Partner Integration

TOPICS TO MANAGE & SET GOALS

TOPICS TO MANAGE, SET GOALS, & PROVIDE ROBUST DISCUSSION IN REPORTING

TOPICS TO MANAGE

● Environmental   ■ Governance/Economic   ▲ Social

(103-2, 103-3)

ESG Materiality Priorities and Boundaries

After reviewing the ESG Matrix, our Sustainability Council identified the following priorities for Dignity Health's sustainability initiatives and reporting. The impact(s) of each is considered within the control of the organization and/or the result of our business relationships. This report highlights our progress in each of these priorities with the exception of physician/partner alignment. Currently we do not have capacity to gather data on its ESG impacts. We hope to address this issue in future reports.

Environmental	Social	Governance/Economic
Climate Resilience • Energy efficiency • GHG emissions reductions • Renewable energy sources • Water consumption and efficiency **Materials Stewardship** • Safer chemical alternatives • Healthy food • Environmentally preferable purchasing • Waste reduction and management	**Access to Health Care** • Quality of Care • Patient experience and safety • Patient Privacy • Innovation **Healthy Communities** • Assessment of community health needs • Access for vulnerable and underserved populations • Grants and investments • Human trafficking **Employees** • Recruitment, development and retention • Employee experience and engagement • Diversity and inclusion • Wage equity • Workplace health, safety and wellness • Labor relations	**Governance** • Ethics and compliance • Advocacy • Physician/partner integration **Economic** • Market presence/growth • Economic impact • Vendor diversity and inclusion

(102-46)

Governance and Leadership

Governance and Leadership Structure

The governance and leadership of Dignity Health is provided by our board of directors, executive leadership team, and sponsorship council. The board of directors is responsible for approving major decisions affecting our health care ministry, including long-range strategic plans, the allocation of capital, joint ventures, and major acquisitions and sales. The executive leadership team is charged by the board of directors to provide leadership and organizational management in the areas of operations, mission integration, finance, and support services, as well as leadership over the strategic direction of the organization. The sponsorship council oversees and acts upon issues of Catholic identity for our Catholic-sponsored health facilities including mission integration, ministry leadership, education, and formation, and preservation of the sponsors' legacy.

The board has chartered the following standing committees:
Audit and Compliance, Executive, Finance, Human Resources and Compensation, Innovation, Mission Integrity, Quality, and Technology.

• The board is **46.1% female** and **30.7% diverse.**

• The executive leadership team is **30% female** and **50% diverse.**

• Members of Dignity Health's governance and management make conflict of interest declarations on an annual basis.

(102-18, 405-1)

Governance and Management Practice

The board, in consultation with the executive leadership team, determines the critical issues facing the organization and sets annual, mid-term, and longer-term goals for patient care, employee engagement, social, and financial performance. Achievement of those goals informs management's incentive compensation. Horizon 2020 established the long term goals and strategies considered fundamental to the organization's continued viability. The board and management adjust annual targets based on the previous year's performance. Annually the board reviews long-term goals for patient care and safety as well as financial performance, and sets targets for measuring progress. The appropriate functional departments set short and long term goals related to sustainability priorities.

The Sustainability Council, which was established by the executive leadership team in FY 2015, ensures the integration of sustainability (environmental, social, and governance/economic (ESG) performance) across the organization. The Council, which is chaired by the EVP of Sponsorship and Mission Integration, is comprised of a multidisciplinary team that meets regularly to guide and promote the development, implementation, and reporting of goals, strategies, and metrics for advancing sustainability initiatives across all functional areas and for engaging employees, business partners, and other stakeholders. The Sustainability Council is accountable to the Mission Integrity Committee of the Board.

Precautionary Principle

Dignity Health has applied the precautionary principle (seeking alternatives when reasonable scientific studies indicate an ingredient or product could pose significant human health or environmental risks) in many of our actions. Dignity Health has proactively moved to eliminate mercury, phase out PVC in medical supplies, reduce energy use and greenhouse gases, reduce the volume and the toxicity of our waste, and improve the sustainability of our buildings and food supply.

Dignity Health Definition of Sustainability

At Dignity Health sustainability means managing our social, environmental and governance/economic impacts to promote health and the common good by consciously using resources efficiently and in ways that meet current needs without compromising the ability of future generations to meet their needs.

Our commitment to sustainability is:

• Guided by our mission and our commitment to deliver care in a way that demonstrates humankindness and ensures a financially stable organization;

• Reflective of our core values especially that of stewardship – the protective care we give our treasures in order to pass them on to the next generation; and

• Rooted in the inextricable link between the health of the person, the community and the planet.

Ethics and Integrity

Ethics and Integrity

Ethics and Integrity Highlights

• Ensured compliance with the Corporate Integrity Agreement and streamlined process and procedures to improve overall effectiveness and efficiency of the program.

• Conducted and oversaw more than 1,450 audits of physician and non-physician practitioners, including 42,504 patient encounters.

• Collaborated with Finance, Health Information Management, Care Coordination, Legal and Cybersecurity on creating a standard Operating Procedure for third party access to the electronic health record.

The Dignity Health compliance function promotes the prevention, detection, and resolution of actions that do not conform to ethical, legal, policy, or Dignity Health standards. This responsibility includes the obligation to develop policies and procedures that provide employees guidance, the creation of incentives to promote employee compliance, the development of plans to improve or sustain compliance, the development of metrics to measure execution (particularly by management) of the programs, the implementation of corrective actions, and the development of reports and dashboards that help management and the Board evaluate the effectiveness of the program.

Dignity Health has successfully met and exceeded these important obligations and, over the last year, improved processes and procedures which continue to help Dignity Health fulfill its fundamental care-giving mission to our patients and the community.

(102-16, 102-17)

Foundational Principles and Documents

At Dignity Health, our Statement of Common Values is the foundation for all our ethics and compliance programs. Respect for the dignity of the person shapes all we do for patients and our interactions with their families. As an organization founded by Catholic religious women, we bring our values to all the work we do, whether it is at the bedside or in the business office. The Catholic tradition of using the gift of reason to think our way through our ethical obligations is strong at Dignity Health. We take our responsibility to ask the right questions and to promote integrity both in patient care and business practices very seriously. Our Standards for Mission Integration make that responsibility clear.

Ethics Committees at each hospital meet regularly to educate and provide consultation services to caregivers, and patients or families who identify an ethical conflict in their care.

Because the health care environment is complex and changing, sometimes there are situations requiring resolution that seem to (or actually) place Dignity Health's core values in conflict—the closing of a program or the anticipated use of a new technology, for example. At those times, we use a structured, reflective process for deliberating that allows time to consider the various options in light of our values, and make a decision that supports them.

Dignity Health is committed to making all of our business decisions based upon ethical principles, values, and integrity. This careful attention to business ethics, in turn, supports the quality of our patient care by providing the right mechanisms for investigating any concerns employees or patients may have, and for identifying potential weaknesses in internal systems and management. Dignity Health has created a pioneer compliance program which continues to be recognized as best practice within the health care industry. Further-more, Dignity Health increasingly utilizes the Values Based Discernment Process, an aid for evaluating the right course of action when a business decision is difficult. This process ensures that our values explicitly guide decisions when a large number of employees, our financial integrity, or our reputation may be affected.

Compliance FY 2018 Goals

Our Compliance department helps Dignity Health fulfill its fundamental care-giving mission to patients and the community. Our program is designed to identify weaknesses in our systems, processes, and management and to correct those weaknesses once identified. Importantly, the compliance function helps employees understand their roles and responsibility, encourages employees and others to report potential problems, and demonstrates to employees and the community Dignity Health's commitment to honest and ethical conduct in the work-place. We have a defined procedure that encourages employees to come forward with issues without being concerned that the organization would retaliate against them for doing so. Moreover, the program includes monitoring and auditing processes designed to measure our compliance, a commitment to promptly remediate non-compliance and regular reports to senior management and the Audit & Compliance Committee of Dignity Health's board on our progress in executing the programs.

Compliance Hotline

Dignity Health has established a Compliance Hotline for use by employees to ask questions or report potential or suspected violations of the Standards, Dignity Health policy, or applicable laws and regulations when employees are not comfortable communicating these matters within their usual organizational structures. The hotline is accessible 24 hours per day, seven days a week. All reports will be taken seriously, reviewed and investigated promptly, result in appropriate corrective action and, to the extent possible, be treated in a confidential manner. An employee has the option to make a hotline report anonymously. In that event, employees should understand that in a follow-up review or investigation, the reporter's identity may be learned as a natural consequence of the review or investigation. Retaliation against any employee who, in good faith, reports potential or suspected violations is unlawful and will not be tolerated.

Reviews and investigations of potential or suspected violations of the Standards, Dignity Health policy, or applicable laws and regulations will be conducted under the direction of the Dignity Health Compliance department, Human Resources department, or Dignity Health Legal Counsel. It is Dignity Health's policy to cooperate in all governmental audits and investigations and for employees to do so as well, subject to guidelines set forth in the Standards of Conduct and Dignity Health policies.

All employees of Dignity Health receive training at the time of hire and annually thereafter regarding our compliance program, including how to report concerns through the Dignity Health hotline.

During FY 2018 (7/1/17 – 6/30/18), a total of 877 hotline calls were received, compared to a total of 898 during FY 2017 and 922 for FY 2016.

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Compliance Hotline *continued*

The following table shows hotline calls by allegation class:

TOTAL CALLS

922 — FY 2016
898 — FY 2017
877 — FY 2018
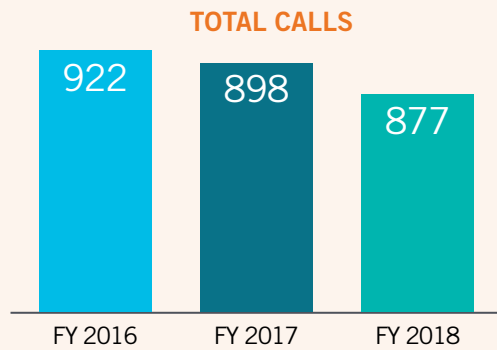
Allegation Class	FY 2016		FY 2017		FY 2018	
	#	%	#	%	#	%
Americans with Disabilities	3	0%	5	1%	13	1%
Billing and Coding					1	0.1%
Compliance Ethics	240	26%	241	27%	213	24%
EEO/Diversity Issues	71	8%	51	6%	59	7%
Human Resources	555	60%	526	59%	509	58%
Misuse or Misappropriation of Assets or information	53	6%	75	8%	52	6%
Patient Care					5	0.6%
Privacy					25	3%
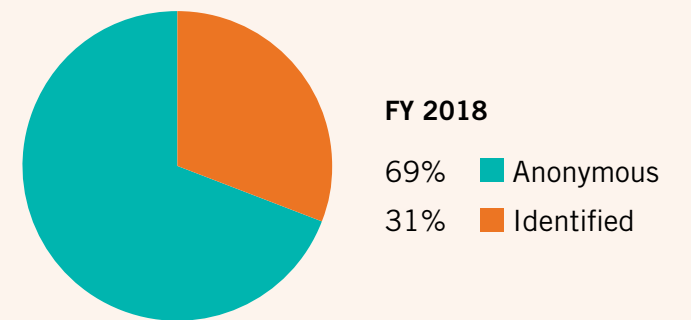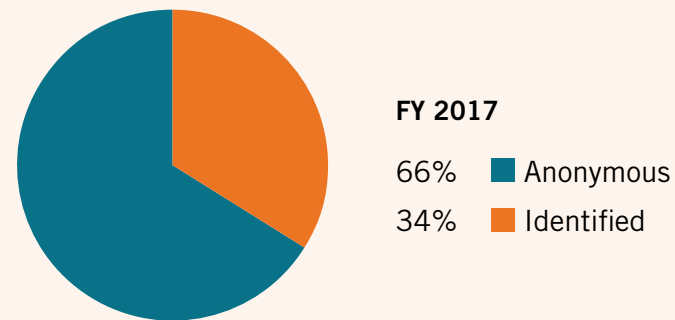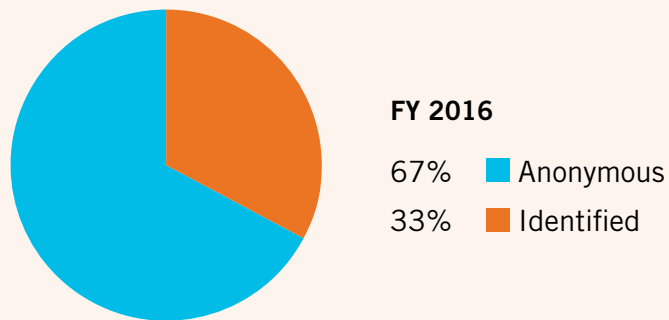
FY 2016

67% Anonymous
33% Identified

FY 2017

66% Anonymous
34% Identified

FY 2018

69% Anonymous
31% Identified

(102-17)

Compliance and New Business Models

With the dramatic shift in health care delivery models, we have been active in supporting innovative business models to position Dignity Health for success in this new environment. Compliance has partnered with business leaders working with physician integration, practice acquisitions, Bundled Payments of Care Initiative (BPCI), Clinical Integrated Networks, and technology advancements including electronic health records and telehealth services. These partnerships will help Dignity Health ensure that compliance and ethics are key elements of the design, implementation, and operation of these new care models.

Compliance Work Plan

Each year, the Compliance department, in collaboration with key system leaders, identifies and evaluates various compliance and ethics risks to which Dignity Health may be vulnerable. From this assessment, a work plan is developed to serve as the road map for compliance activities for the year. The FY 2018 Work Plan included initiatives related to new strategies as well as emerging risks in the traditional health care space. Projects covered both structural and substantive elements. The structural projects were designed to improve the effectiveness and efficiency of the compliance program such as developing better documentation, reporting, and communication tools and processes. The substantive elements included projects to address medical record documentation, care coordination, coding, billing, and claims submission. Additional projects were completed to address weaknesses in controls related to privacy and physician transactions. The compliance department, working with many others, was successful in completing most initiatives, while also managing the requirements of the Corporate Integrity Agreement with the Centers of Medicare and Medicaid Services (CMS) and other risks identified by external scrutiny or in the normal course of business.

FY 2018 Ethics and Integrity Goals	FY 2018 Ethics and Integrity Results
Create, publish, and execute annual compliance education plan.	Training plan fully implemented. Training completed for the Board of Directors, Audit and Compliance Committee members, high risk employees, and entire workforce (over 60,000 employees).
Conduct routine audits for compliance with Dignity Health policies specific to payments to physicians or physician owned entities.	Audited more than 1,000 physician payments to determine if the payments were supported by a fully executed contract and that fair market value documentation was maintained by the hospitals consistent with Dignity Health policies.
Participate in multi-disciplinary team to identify and document Hospital Acquired Conditions.	Continued collaboration with Quality, Coding, and CDI teams to improve identification and documentation of Hospital Acquired Conditions and Patient Safety Indicators. The scope was expanded in FY 2018 to include wound care, tissue, and cardiovascular documentation.
Implement and maintain all requirements of the Corporate Integrity Agreement.	Successfully completed all Corporate Integrity Agreement obligations as determined by the Health and Human Services Office of Inspector General.

FY 2019 and FY 2020 Ethics and Integrity Goals
Evaluate compliance oversight at all types of joint ventures and determine if additional structure around compliance oversight within the joint ventures is necessary.
Evaluate process for medical record requests to ensure documentation is provided accurately and timely to requesting agency.
Create and implement mechanisms to assist new entities in assimilating to Dignity Health's culture of compliance.
Within Dignity Health and in compliance with all regulations, develop governance and oversight structure to address data use requests including research.

Challenges

While FY 2018 was a very successful year for the Dignity Health compliance department there were, of course, challenges. Notably, it was difficult to replace individuals who left the department during the year due to retirement, relocation, or promotional opportunities. Experienced compliance professionals are difficult to find in the market and Dignity Health experienced a number of significant positions vacant during the course of the year. This resulted in a few work plan items being postponed until FY 2019.

Communicating Concerns

Dignity Health encourages all stakeholders to communicate concerns as they arise. Employees voice concerns and opinions in regular meetings with their supervisors, through the anonymous employee survey, and/or the dedicated hotline. Patients and their families register their concerns in direct conversations with care givers and through anonymous surveys following each care episode. Additionally, the public can communicate with the hospital through the "Contact Us" page of the hospital website and through our social media accounts.

Economic Value and Impact

(102-17)

Economic Value and Impact

Economic Impact	Economic Value
Salary and Benefits	$6,972,014,000
Supply Spend	$1,958,084,000
Service Spend	$4,020,159,000
Community Benefit	
Unreimbursed cost of Medicaid	$555,935,000
Unreimbursed cost of other means-tested government programs	$13,971,000
Charity Care	$108,592,000
Community Health Improvement Services	$35,733,000
Other Community Benefits and Community Building	$174,389,000
Community Investments	$92,900,000
Unreimbursed cost of Medicare	$1,213,419,000

(102-17 , 201-16)

Stakeholders and Community

Dignity Health has a long standing commitment to stakeholder engagement. We work closely with a broad range of community partners who are knowledgeable, interested, and passionate about the critical issues facing our industry and our world. Engaging clearly identified stakeholders in our healing mission improves our decision making, and invites accountability, creativity, and a fuller participation in our healing mission. The breadth of their experience and expertise serves to assist us in providing quality health care and in developing effective strategies that keep people and planet safe. These relationships are key to achieving our goals and creating transformational change. We appreciate their contribution to our efforts.

Community Partners

Ceres and BICEP

ceres.org

ceres.org/networks/ceres-policy-network

Health Care Without Harm

noharm.org

Practice Greenhealth and HHI

practicegreenhealth.org

healthierhospitals.org

Health Care Climate Council

noharm-uscanada.org/healthcareclimatecouncil

Greenhealth Exchange

greenhealthexchange.com

Catholic Health Association

chausa.org

American Hospital Association

aha.org

California Hospital Association

calhospital.org

Alliance of Catholic Health Care

thealliance.net

Clean Production Action/BizNGO/Chemical Footprint Project

cleanproduction.org

bizngo.org

chemicalfootprint.org

Center for Environmental Health

ceh.org

NETWORK

networklobby.org

The Climate Registry

theclimateregistry.org

Interfaith Center on Corporate Responsibility

iccr.org

Investor Environmental Health Network

iehn.org/home.php

Investor Network on Climate Risk

ceres.org/networks/ceres-investor-network

(102-12, 102-13)

Stakeholder Engagement

Dignity Health values its relationships with a wide range of stakeholders and invites their engagement in a variety of ways:

• Patients receive a written survey following every inpatient or outpatient visit. Results are used to calculate patient experience rankings comparing hospitals nationally and to develop action plans for improvement. See Patients

• Employees participate in online surveys twice each year. Results are used to calculate employee engagement and to drive specific plans to address concerns identified. See Employees

• Community stakeholders in each hospital service area, such as public health officers and other government officials, non-profit organization leaders, and members or representatives of medically underserved, low-income, and minority populations, participate in Community Health Needs Assessments every three years. Identified community health needs are prioritized and form the basis of each hospital's Community Health Implementation Strategy.

• Ceres, a non-profit organization which promotes investment policies that are environmentally, socially, and financially sound, typically convenes a stake holder group of sustainability experts to review and provide input to our sustainability report. Results are incorporated into the current report prior to publication and/or used to enhance future reports. Recommendations typically include requests for expanded disclosure in specific areas, especially the role of the Board in sustainability, and development of and reporting on rigorous short and long term goals for all sustainability priorities.

(102-12, 102-42, 102-43)

In Our Communities Highlight

Community Health advanced its focus on addressing the social determinants of health in conjunction with other Dignity Health departments and functional areas, with a wide range of community partners inside and outside of health care, and by using and adapting all of the tools in our program portfolio.

Community health is rooted in our mission, notably as an expression of "serving and advocating for our sisters and brothers who are poor and disenfranchised, and partnering with others in the community to improve the quality of life." Community health is an increasingly vital component of Dignity Health's services to improve and maintain health, working ever more closely with population health and care coordination in caring for patients, and also engaging in new ways with community partners on prevention and to address health-related social needs.

Additionally, our efforts to prevent and reduce the impact of climate change (detailed in the Climate Resilience section of this report) speak to our dedication to our communities. Climate change will bring to our communities new health challenges, such as an increased number of heat days, different diseases, and more significant and damaging natural disasters. We hope to do our part to minimize these impacts, and adapt to the impacts that do occur.

Consistent with changes in health care nationally that focus increasingly on "value-based care" and "accountable care," community health initiatives now play a vital role in the care continuum that begins with community-based support and prevention, includes acute care when necessary, and extends back into the community to maintain health and well-being. Community health initiatives contribute to achievement of our Horizon 2020 strategies by improving quality and reducing acute care cost, growing evidence-based prevention programs, engaging with clinical integration and population health, connecting health-related social needs to electronic medical records, and leading with innovation in community health and community benefit practices.

We achieve this with a strategic portfolio of interventions across a continuum, from addressing community social and economic conditions, to prevention and health education, to direct services delivered by Dignity Health and partner agencies. These initiatives respond to priorities in the hospitals' community health needs assessments, conducted with community stakeholder input:

• **Community Investment Program** – Loans made at below-market interest rates for non-profit organizations working to improve health and quality of life.

• **Social Innovation Partnership Grants Program** – Funds new models of service delivery and transformative approaches to increase access and improve outcomes.

• **Community Grants Program** – Funds collaborating non-profit organizations meeting the significant health needs of vulnerable and underserved populations in our hospitals' local communities.

• **Community Health Improvement Services** – Community-based programs to help people prevent illness and regain or maintain health.

• **Connected Community Network** – Addresses social determinants of health within the clinical setting, identifying patients' health-related social needs and referring them to networks of Dignity Health and community partner agencies' programs to serve a range of health and social support needs.

FY 2018 Community Health Goals	FY 2018 Community Health Results
Community Health Needs Assessment Streamlining: Innovate to streamline community health needs assessments that will be conducted by all hospitals in FY 2018 – FY 2019.	Dignity Health migrated all hospitals to conduct their CHNAs on the same triennial cycle, and introduced indicators and data tools to enhance consistency across our service areas.
Community Health Diabetes Self-Management: Expand evidence-based diabetes prevention and self-management programming.	Three diabetes prevention and self-management programs were expanded throughout Dignity Health with improved outreach to vulnerable populations.
Connected Community Network: Implement innovative technology solution to include social determinants of health network in care coordination.	Connected Community Network was implemented in 17 facilities throughout Dignity Health.
Social Innovation Partnership Grant Program: Further establish collaborative care networks to reduce readmission and improve chronic disease management for persons who frequently use health services.	Social Innovation Partnership Grants (SIPG) promoted cross-sector partnerships to develop and/or extend creative solutions to address prevention, social determinants of health, and health equity across vulnerable patient populations and communities.

FY 2019 Community Health Goals
Increase access to preventive resources and chronic disease management programs by developing internal and external networks of community resources and enhancing community partnerships.
Promote the importance of addressing health-related social needs in traditional and innovative ways to provide holistic care across the continuum for all patients.
Align community-based diabetes prevention and self-management programs with our health care services, to provide greater access for patients as well as the broader community.

Beyond FY 2020 Goals
Community Health advances community-based efforts that address the social, economic, and environmental conditions influencing the health and health equity of vulnerable populations through capacity building, grant giving, investments, innovative partnerships, and collaborative health programs that improve population health.
Community Health extends these efforts in our service areas and influences health care systems across the nation and around the world to serve communities with compassion and prioritize the needs of those who are vulnerable.

(102-12)

Challenges

The challenges to achieving system-wide community health goals are frequently related to the diversity of and variation among Dignity Health's many hospitals and the communities they serve. Approaches to improving community health must blend system-level standards and support with the flexibility to draw on unique local resources to meet needs. For instance, our hospitals in urban areas typically conduct community health needs assessments in conjunction with several partner hospitals and paid consultants, while those in rural areas may need to take the lead mostly with internal staff support. Flexibility, creativity, and relationships are keys to achieving aligned goals together.

How does Dignity Health's performance compare to industry benchmarks in key areas?

Community Health is not a functional area with many benchmarks that are widely used throughout the country. Dignity Health is a leading health system in the areas of innovation in aligning community health with population health, and in employing creative solutions to helping address the social determinants of health outside of the care delivery system.

Dignity Health is participating in innovative networks of health systems nationally to advance community and population health practice, including:

• Healthcare Anchor Network of health systems working to improve community health and well-being by leveraging all their assets, including hiring, purchasing, and investment for equitable, local economic impact;

• Medicaid Transformation Project, a national effort to transform health care and related social needs for the most vulnerable by implementing innovative solutions that address challenges like behavioral health and substance use disorder to improve health for underserved individuals and families.

FY 2018 Community Benefit Expense ($ in Thousands)

$108,592 ■ Patient Financial Assistance

$555,935 ■ Unpaid Costs of Medicaid

$13,971 ■ Unpaid Costs of other Means-tested Programs

$210,122 ■ Community Health Improvement Services, Health Professions Education, Subsidized Health Services, Other Benefits, and Community Building

Highlights

• Provided national leadership in the health care field for human trafficking response through training and mentorship.

• Expanded the Medical Safe Haven clinic, providing primary care with integrated medical and mental health services to over 140 survivors of human trafficking.

Strengthening Victim Response Program: The PEARR tool was developed to provide guidance for health care personnel in responding to victims of human trafficking. The tool, which was created in partnership with HEAL Trafficking and the Pacific Survivor Center, provides an evidence-based approach. It incorporates the best practice of universal education in a manner that is responsive to a patient's traumatic experiences.

National Leadership: Dignity Health provided training and technical assistance to the U.S. Office for Victims of Crime and Department of Health and Human Services. Dignity Health was also invited to participate on an expert panel event hosted by UNICEF-USA and an event hosted by Polaris, which operates the U.S. National Human Trafficking Hotline.

Human Trafficking 101: Dispelling the Myths online training module was made available to the public. This module is narrated, includes video clips of survivors, and provides a certificate of completion. This course is being used by a multitude of health care organizations for training their staff on how to identify and treat patients who are victims of human trafficking.

Training Other Health Care Systems: Dignity Health hosted its second annual Shared Learnings conference and presented at additional regional and national health care conferences. Dignity Health presented a webinar series in partnership with the American Hospital Association, which included education on human trafficking and a trauma-informed care model for patient care and services.

Preventing Labor Trafficking in the Supply Chain: Dignity Health is implementing procedures to work with vendors to prevent the use of forced labor. A standard operating procedure has been created and two training modules on human trafficking in the supply chain are being provided to staff that work with contracting and purchasing.

Global Impact: Health care organizations in other countries are requesting guidance from Dignity Health on implementing a victim response program in their area. A team of Dignity Health volunteer physicians and nurses provided training to health care personnel in India regarding trauma-informed care and medical documentation to support victims.

(412-2)

As awareness about human trafficking has grown, people from many different fields are stepping forward to do their part in addressing the need. In 2014, Dignity Health took the initiative to be one of the first health systems with a program to respond to victims who come to emergency departments and hospitals. Leaders and staff from across the system are responding to this call with compassion and are assisting victims with kindness and services. As different departments consider their role in the work to address human trafficking, the work has expanded into many new areas.

The Human Trafficking Medical Safe Haven was launched in May 2016. Since that time, the team of physicians and medical staff have provided trauma informed, victim-centered care for over 140 survivors of human trafficking. In addition, the clinic is well connected with local agencies and provides ongoing referrals to community resources. A patient who is a survivor of human trafficking is never turned away, even if uninsured. Because of the community collaborative nature of the program, various forms of assistance are available to help create health care access that remains supported and sustainable. Efforts are underway to support the creation of medical safe havens within residency programs throughout Dignity Health, and to provide trauma-informed, victim-centered patient care education for providers.

Supply Chain

Treating patients who have been victims of human trafficking produces a strong desire to prevent this from happening to others. For labor trafficking cases, one of the primary tools for prevention is to ensure that companies are not contracting for any services or purchasing any products that were produced by forced labor. This is a difficult task to accomplish, as traffickers will often hide the use of forced labor through contracting with larger suppliers. Dignity Health is implementing a number of procedures to work with vendors to prevent the use of forced labor.

India Project

Dignity Health is responding to requests for consulting across the country as well as internationally. One of the areas of greatest need is in India, where there are more victims of human trafficking than in any other country in the world. Dignity Health is partnering with Indian hospitals and community based organizations, providing training on how to respond to victims in a health care setting and building the capacity of the rural hospitals to provide access to care, thereby preventing health care debt, a major driver of human trafficking. The first volunteer team of two physicians and two nurses went to India in April to provide training for Indian health care professionals on trauma-informed care and how to conduct forensic exams. In addition, several medical residents from the Graduate Medical Education programs plan to participate in a month-long rotation with the rural hospitals in India.

In developing standards for this work, we are referencing the UN Guiding Principles on Business and Human Rights. Across all our service areas, we collaborate with government agencies and community based organizations. These groups are the key resources available for responding to the needs of our patients who are victims of human trafficking.

Advocacy | Case Study

Highlights

- In FY 2018, Dignity Health remained steadfast in its support for the Paris Climate Agreement and was a leading health care voice in the "We're Still In" campaign and a faithful partner and collaborator with various organizations including Health Care Without Harm, Ceres/Business for Innovative Climate and Energy Policy (BICEP), the American Lung Association, and Catholic Climate Covenant.

- Dignity Health was a Global Green and Health Hospitals (GGHH) 2020 Gold Award recipient for climate leadership.

- Dignity Health organized and was a key speaker at the Health Care Climate Council's first congressional briefing on health care and climate in Washington, DC to the Offices of the Bipartisan Climate Solutions Caucus, demonstrating our leadership on mitigation and other climate resilient health care solutions.

- Dignity Health was featured in the publication, Safe Haven in the Storm: Protecting Lives and Margins with Climate-Smart Health Care.

Dignity Health Board of Directors approved the following priorities:

Health System Transformation: Transform the delivery of care and improve the health of individuals and populations by promoting a designed delivery system that improves access to compassionate, high-quality, patient-centered care.

Fiscal Solvency: Protect Dignity Health's healing ministry by advocating for sustainable payment models, adequate funding of government programs, and maintaining a balanced regulatory environment to uphold our ability to provide the highest quality of care in each of our communities.

Foundational Expectations: Elevate Dignity Health's leadership commitment to justice and the communities we serve by reducing health disparities, improving community well-being, and building common ground to address social and ecological concerns.

Advocacy strategies specific to addressing climate change include:

• Advancing health care's leadership in environmental and sustainability efforts; building awareness regarding the connection between human health, the health of the planet, and its connection to the transformation of health care.

• Advancing the health care platform on climate change; blocking attempts to roll back efforts to improve clean air and clean water laws; supporting international efforts to implement the Paris Climate Agreement.

• Supporting initiatives that drive clean energy and the promotion of a low carbon future.

Advocacy is an explicit component of the Dignity Health mission and has been a significant expression of the health care ministry's call to serve the poor, vulnerable, and disenfranchised since the organization's founding. Dignity Health recognizes public policy activities have a direct correlation to the viability of its healing mission and the organization's ability to provide critical health services and help improve the overall quality of life in the communities we serve.

U.S. health care is in a precarious place. Attempts to repeal the Affordable Care Act (ACA) threaten the health of our communities and call us to immediate action to protect the coverage gained by more than 20 million people, safeguard the Medicaid and Medicare programs that serve our most vulnerable brothers and sisters, and lead on key policies that allow us to reach into communities to strategically advance health equity and address social and environmental determinants of health.

At Dignity Health, we are passionate about advocacy. We are health care leaders responsible for advancing transformation. As we work to build the health care system of the future, we are mindful to protect the ecosystem within our hospital walls and outside of it. Stewardship of Earth is integral to our healing mission. We know that the health care voice is vital to addressing the most pressing public health issue of our time: climate change.

We believe our voice can cut through the political partisanship and deadlock to command authority, foster awareness, and help build common ground. Earth cannot wait. The health of individuals, communities, and economies hang in the balance. Our health care story has the power to create the change we want to see at home and in the world. We are the voice that connects the dots between disease, such as asthma, and air quality; between super pollutants and the warming of Earth; between people's access to insurance coverage and health care's ability to provide high-quality, patient centered-care to those impacted by extreme weather events; between the cost to the entire global community if nothing is done and the lives protected when we act boldly. In partnering with others, we are supported, and challenged, and we are better able to raise our collective voice for the common good.

Patients

Patient Care, Quality, and Safety Highlights

• Significantly reduced hospital acquired conditions reducing harm to 2,000 patients and contributing $15 million.

• On the forefront of adopting the system wide use of electronic triggers to identify harm and improve patient outcomes.

• In the final stages of system wide adoption of CANDOR – Communication and Optimal Resolution – for the management of serious adverse events.

Creating a consistent and positive patient experience that assures quality care delivered in ways that protect patient and employee safety is foundational to our mission and brand at Dignity Health. We are committed to delivering compassionate health services and know that systematic efforts to measure and improve the patient experience can increase the effectiveness of clinical care, improve patient outcomes, and control costs.

Humankindness is the lens through which Dignity Health views our decisions and behaviors to create a unified culture of kindness, dignity, and respect. Permeating all experiences that individuals have with our organization, humankindness represents a promise to patients, their families, caregivers, and the communities we serve.

(416-1)

FY 2018 Patient Care, Quality, and Safety Goals	FY 2018 Patient Care, Quality, and Safety Results
Emergency Services: Create a seamless process to identify and locate culture results on ED discharged patients; provide additional treatment if necessary.	Initiated POOL process across Emergency Services/System for the management of blood/urine/CSF cultures for ED discharged patients.
Infection Prevention: Initiate a pilot for centralized surveillance of hospital acquired infections.	Initiated a successful pilot for centralized surveillance of hospital acquired infections to reduce reporting variability, increase productivity, and decrease cost as part of Horizon 2020. This pilot will expand in FY 2019 and move forward for full adoption.
Medication Safety – Opioid Stewardship: Implement Multimodal Pain order sets.	Implemented evidenced based practice of a combination of non-opioid medications that allow for a lower dosage of prn (as-needed) opioids, with the net results of lower incidence of over-sedation.
Perinatal Safety: Integrate Risk Trigger Monitoring (RTM) with Perinatal Services.	Perinatal Reviewer training completed for Perinatal Safety Specialists, or designee, for earlier identification of harm events, standardized event review and harm severity designation.
Risk Trigger Monitoring: Expand RTM to an additional 10 sites.	Added a total of 17 sites to monitor all cause harm; it is now at 25 sites.
Regulatory Readiness: Achieve accreditation by The Joint Commission.	100% (35/35) Dignity Health organizations are TJC accredited.

FY 2019 Patient Care, Quality, and Safety Goals
100% adoption of CANDOR (Communication AND Optimal Resolution) by AHRQ (Agency for Healthcare Research and Quality).
Create a dashboard on key quality and safety measures (reflecting patient outcomes) for posting on each hospital's public website.
Reduce identified harm to patients through the new technology allowing harm identification through triggers.

(416-1)

No Harm Campaign Results

Measures achieving ≥ 10%, July 2017 – May 2018

Measure	# of Lives Unharmed	Cost Saving	% Improvement from Baseline
ADE Hypoglycemic Rate	800	$4,001,574	36%
C.difficile*	227	$1,138,518	27%
Severe Sepsis or Septic Shock Mortality	580	$9,867,582	15%
SSI - Colon Surgeries**	12	$252,661	11%
SSI - Total Hip Replacements**	9	$180,485	20%
SSI - Total Knee Replacements**	7	$142,453	17%
VTE - 6	1	$11,082	12%
VAE PVAP	9	$196,519	24%
Total	**1,645**	**$15,790,874**	

 * C.difficile period is July 2017 – March 2018
** SSI period is July 2017 – April 2018

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
PARTNERSHIP FOR PATIENTS
HealthCare.gov

Positively impacting **2,700 patient lives** with a **20% improvement of care** saving **$23 Million**

Patient Experience Highlights

- Achieved close to 100% improvement in the selected measures across 10 service lines, ensuring that more than 140,000 individual episodes of care (some individuals had more than 1 episode improved as a result of efforts).

- Increased the overall hospital ranking in the HCAHPS survey by 12% over baseline performance (FY 2016).

- Demonstrated increases in all 10 HCAHPS composites that assess how well we communicate with our patients.

- Decreased variation and improved clinical care across the organization using a number of evidence-based strategies. Results have been highlighted at a number of national conferences and in one research publication.

FY 2018 Service Line Quality/Safety Goal	FY 2018 Service Line Quality/Safety Result
Achieve a 43% improvement in Service Line Quality (SLQ) composite performance that assesses 10 clinical measures across 10 different service lines (Jan18-June18).	Doubled performance (100%) across all 10 service line goals.
FY 2019 Service Line Quality/Safety Goal	
Achieve a 40% improvement in Service Line Quality Composite that assesses 10 new clinical measures across 10 different service lines.	
Horizon 2020 Quality Goal	
Achieve 75th percentile across 5 dimensions of publicly reported measures.	Progress in FY 2018: Performance improved 6% over baseline with FY 2018 performance at the 53rd percentile (Jan18-June18).

(416-1)

FY 2018 Patient Experience Goal	FY 2018 Patient Experience Result
Demonstrate a 6 percentile improvement in the average percentile ranking across 10 CMS HCAHPS patient experience composites (Aug17-May18)	Achieved a 9 percentile (22%) improvement in the average percentile ranking, exceeding the stretch goal for this measure (Aug17-May18)
FY 2019 Patient Experience Goal	
Demonstrate a 10 percentile improvement in the average percentile ranking across 9 CMS HCAHPS patient experience composites (Aug17-May18)	
Horizon 2020 Patient Experience Goal	
Achieve 75th percentile in Willingness to Recommend HCAHPS Composite	Progress in FY 2018: Performance increased from the 54th percentile at baseline to the 63rd percentile in FY 2018 (Aug17-May18)

Dignity Health HCAHPS Three-Year Goal Progress
(FY 2017/2018/2019)

Communication with Nurses	Communication with Physicians	Responsiveness of Hospital Staff	Discharge Information	Communication about Medicines	Hospital Care Transition	Quietness	Cleanliness	Overall Hospital Rating	Willingness to Recommend
44th percentile	37th percentile	32nd percentile	60th percentile	62nd percentile	63rd percentile	19th percentile	42nd percentile	58th percentile	63rd percentile
↑19 percentile increase from FY16	↑14 percentile increase from FY16	↑10 percentile increase from FY16	↑4 percentile increase from FY16	↑10 percentile increase from FY16	↑1 percentile increase from FY16	↑4 percentile increase from FY16	↑8 percentile increase from FY16	↑12 percentile increase from FY16	↑9 percentile increase from FY16

(416-1)

Improving Patient Care Across Dignity Health
(FY 2018)

Service line quality composites are showing improvement. In aggregate, Dignity Health has improved 100 percent over baseline performance. This has resulted in improved care for more than 144,315 patients. Following are the improvements for each of the composites.

ABCDEF Bundle
93% more patients received daily SAT & SBT

Do you know your ABCDEF bundle?

137% Improvement over baseline

It takes a team to C. a DIFFerence.

Clostridium Difficile Reduction

35% reduction in infections

Healthy Moms. Healthy Babies. Healthy Families.

Maternal Mental Health Screening

22% Improvement over baseline

21,000 patients were referred to social services

Sepsis Bundle (Sep-1)

Treat Timely
STOP Sepsis in its Tracks
Recognize · Save Lives

44% Improvement over baseline

Pediatric Timely Fluid Administration

Rapid Hydration Saves Kids' Lives.
0-15 years

88% Improvement over baseline

Stay Within the Range

Glycemic Management

17% reduction in hypoglycemic days

Daily Mobility

Mobility is Medicine
Have You Had Your Daily Dose?

32% Improvement over baseline

30,000 additional patients mobilized every day of their hospital stay

Percutaneous Coronary Intervention using Radial Access

Think Coronary Act Radially

63% Improvement over baseline

Savings of **$897K**

Early Nutrition

Early Nutrition. Early Recovery.
☑ Clear Liquids
☑ Full Liquids
☑ Solid Diet

6% Improvement over baseline

(416-1)

Patient Privacy

Protecting patient privacy is fundamental to our respecting the dignity of each person we treat. We have instituted regular and rigorous training to ensure we safeguard personal health information. However, in a business where nearly every piece of paper associated with a patient is subject to privacy controls, we do have instances of noncompliance.

The following represents the number of calendar year patient privacy breaches we have experienced and substantiated through 12/31/18:

Privacy Breach Law Reporting Summary (excluding non-routine)				
	CY 2015	**CY 2016**	**CY 2017**	**CY 2018**
Substantiated Reports	380	320	337	274
Patients Notified	703	1,102	1,473	1,704

The vast majority of the breaches we have experienced affected only a single patient per event and were generally the result of misdirected faxes or providing the patient with the incorrect discharge instructions. These types of events are individually investigated and generally corrected with re-education and training. We have had a couple of more significant non-routine events affecting over 500 patients. In one case, a vendor misaligned a mailing list causing individuals to see other patient email addresses and physician names, affecting 53,084 patients. In another case, a business associate was provided patient specific information after its business associate agreement had expired, affecting 6,036 patients. We had a vendor lose two hard drives from lab analyzers, affecting 4,948 patients. We also had an employee snooping in 623 patient records without a business need to do so.

Most privacy breaches were identified through the routine compliance monitoring done by Dignity Health or from reports/concerns from patients or their family members. In one case, the Office for Civil Rights investigated a matter that we had not identified internally.

In all cases, Dignity Health conducted aggressive investigations, made all appropriate notifications (both to the regulatory bodies and to the patients involved), and implemented corrective actions to minimize the possibility of re-occurrence. Additional information is available upon request.

Innovation Highlights

- Became a founding partner in the Medicaid Transformation Project, a partnership of 17 health systems and Andy Slavitt (former Director of Centers for Medicare and Medicaid Services).

- Served as the business lead in the establishment and operationalization of the Precision Medicine Alliance between CHI and Dignity Health, which provides precision medicine tools to community physicians at point of care.

Dignity Health's ability to innovate and leverage technology supports our Horizon 2020 strategic goals. Our innovation practice and our commitment to collaborate/partner with others allows our health system to efficiently test and scale solutions – processes, technologies, services, or a combination of the three – that support our strategic growth and performance targets.

Evaluating potential strategic partners on their ability to improve health care delivery and access, as well as on their mission and values alignment, is critical to successful collaborations. We have created an initial set of "Company Values" criteria to use in these evaluations. Example metrics include diversity of the company's leadership and workforce, job creation, charitable contributions, and community investments. By including these metrics in our partnership evaluation and performance reports, Dignity Health can influence and support partnerships with companies who are mission aligned and invested in improving the communities we serve.

(102-12)

Innovation | Goals

FY 2018 Innovation Goals	FY 2018 Innovation Results
Complete transportation theme development and system policy, and put ride share partnerships into operations.	Dignity Health was able to revise its systemic policies for transportation to include ride share as an option for patients. Several service areas are now working with ride share organizations to improve transportation options and a systemic negotiation is underway with a leading ride share company to become a preferred partner.
Establish a leadership position in Medicaid Innovation collaborating on nationally recognized programs and/or activities.	Dignity Health has become a founding partner in the Medicaid Transformation Project, a partnership with 17 health systems and Andy Slavitt (former Director of CMS). The group will work on five distinct themes to address opportunities to better serve the Medicaid population through shared best practices and the growth of new entrepreneurial opportunities to address challenges using novel technology and personalized service methods.
Establish digital transformation capability/company offering to allow other health systems to leverage the work completed by Dignity Health's Office of Digital to date.	An agreement with UCSF was executed for the use of the Office of Digital's digital transformation offering.

FY 2019 Innovation Goals	FY 2020 Innovation Goals
Launch an intelligent automation project which supports operations through enhanced prediction and anticipation of care issues, simplifies administrative processes, and/or better contemporizes services in a digital age.	Develop robust companies in leading areas of care which do not exist today (digital care delivery, personalized medicine, etc.)
In collaboration with the Precision Medicine Alliance, establish a precision medicine based product pilot in a CHI or Dignity Health market/service area and additionally, introduce at least one life sciences innovation in a service area of the organization.	Effectively protect and commercialize Dignity Health intellectual property.

Beyond FY 2020 Innovation Goals
To be recognized as a robust, effective, and purpose-driven innovation function that supports the mission of the larger organization.

Challenges

One of the largest challenges is the sheer number of innovative opportunities being presented to the organization, especially as it relates to the amount of new entrants (including large organizations such as Apple and Amazon).

The innovation team is working with local operating leaders and hosted a presentation at the recent operations conference illustrating the imperative to respond creatively to external changes and better support community need. As a result, the innovation team continues to work deeper and deeper in the units (digital, IT, physician integration, etc.) that are most likely to be immediately impacted.

How does Dignity Health's performance compare to industry benchmarks in key areas?

Dignity Health continues to be considered one of the leaders in innovation by various stakeholders across health care including other health systems. Our focus to truly scale three to five innovations across our health system annually sets us apart from the status quo, including how we bring innovation to all patients and payer mixes.

Employee Highlights

- Achieved five years of increased employee engagement scores as well as an all-time high in employee participation in our annual Employee Experience Survey. 76 percent of the engagement questions were answered favorably in the 2018 survey, which puts Dignity Health at the 66th percentile of engagement from our survey vendor's health care benchmark.

- Reduced our carbon footprint with the implementation of a new onboarding (preboarding) software. Specifically, we reduced from 150+ unique documents to 10 by moving the process online. This reflects a savings of over 43,000 sheets of paper, or 5.17 trees last year.

Dignity Health recognizes the undeniable link between the care our patients receive and how employees feel about their jobs and their ability to contribute to our healing ministry. Consistent with our values and goals, we are committed to creating a positive environment for our patients and our employees, 58 percent of whom are represented by a range of unions. Our people drive the delivery of our mission and its promise of humankindness. When we create a positive employee experience, our employees can more fully devote themselves to that mission and to our patients. When we foster an environment of employee engagement, we become a better organization by drawing inspiration from the best ideas, skills, and people.

(102-8)

FY 2018 Employee Goals	FY 2018 Employee Results
Develop Employee Listing in order to better connect data from our employee surveys to how it impacts outcomes.	Increased engagement score from 75 percent to 76 percent.
	Increased participation from 90 percent to 91 percent.
	Linked employee engagement to patient satisfaction (HCAHPs) to show how top performing units on engagement have up to 17 percentile points increase on HCAHPs performance.
Improve our candidate experience.	Won Glassdoor's Best Place to Interview as ranked by candidates.
	Reduced time to apply from more than 15 minutes to 2.4 minutes.
Reduce our carbon foot print.	By implementing a consistent and virtual onboarding process, the Talent Acquisition team eliminated over 43,000 sheets of paper and, as a result, it is estimated that we saved 5.17 trees.
	By employing virtual workers and allowing the Talent Acquisition team to work a remote work rotation as well has hosting virtual job fairs, it is estimated that we took 20.1 cars off the road saving 120.6 tons of carbon dioxide.
Conduct targeted and comprehensive leadership development programs.	Conducted both an Emerging Leader (director level) and Ascend (bedside nursing level) leadership development cohort.
Pilot an organizational health and culture dashboard as well as an accountability process at Dignity Health.	Service areas that were early and eager adopters of this work realized a reduction in voluntary turnover that was not seen in other service areas. Reductions in resignation rates beyond anticipated levels resulted in over $7M in turnover cost savings.
Assess the interest and potential value of a system wide Diversity and Inclusion program.	Created a Diversity, Inclusion, and Belonging (DIBs) council made up of a cross functional set of leaders.

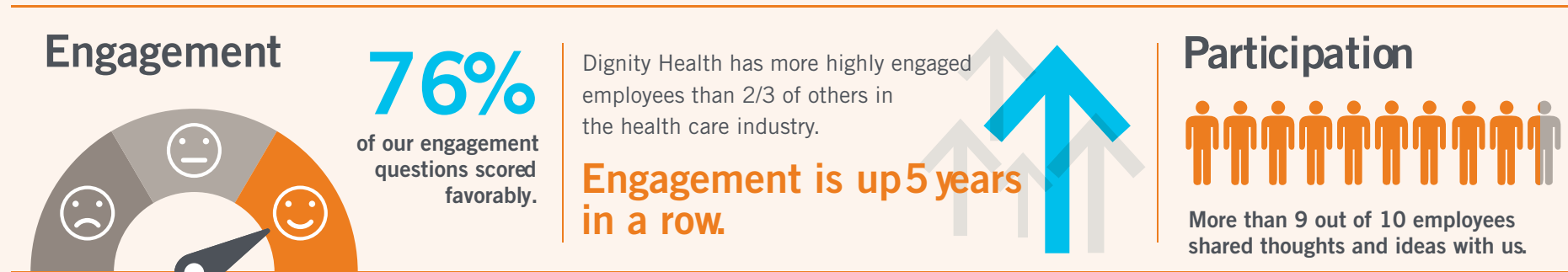| FY 2019 Employee Goals |
|---|
| Develop an integrated approach to employee engagement as part of our alignment work with CHI. |
| Reach agreements with Teamsters, ESC, AFSCME, NUHW, CHEU, and SEIU 121RN that include dependent care premium cost sharing. |
| Implement a system wide Diversity, Inclusion, and Belonging program. |
| Fully implement the MyCulture Index (culture accountability) across the organization and partner with senior leaders to improve workplace culture. |

(102-8, 102-41)

Challenges

- **Recruitment and development:** Dignity Health continues to struggle with identifying quality staff nurses and specialty nurses (including leadership) in our critical care areas as well as care coordination, clinical lab scientists, and pharmacy.

- **Engagement and retention:** Benefits cost sharing with employees that began in 2018 as well as continued focus on cost reductions in operations were challenges for our workforce this year.

- **Diversity and inclusion:** The leaders who volunteer their time on the DIBs Council are doing this work because of their passion to create a more inclusive culture for our employees. Personal capacity is an issue for most of the team. Focused work in this area needs to consider other competing initiatives so that we don't create unintended consequences as we move through the implementation for a system wide program.

- **Wage equity:** With standard structures now in place in all service areas, we are better able to focus on and refine our approach to proactively monitor our pay practices for wage equity across all populations.

- **Health, safety, and wellness:** We continued to implement medical benefit plans that support our strategy of re-directing employees to Dignity Health providers for their health care while at the same time are financially sustainable and provide employees with valuable benefits packages.

- **Labor Relations:** While CNA represented nurses, a half dozen other unions, and Dignity Health's non-represented employees are either currently contributing towards dependent health care coverage or soon will be, we were not able to reach a similar agreement with the 15,000-member SEIU-UHW. We will revisit this issue with them in the future and will continue to pursue this objective with the remaining four to five unions in FY 2019.

(102-8, 102-41, 405-2)

How does Dignity Health's performance compare to industry benchmarks in key areas?

- **Recruitment and development:** No benchmark data available.

- **Engagement and retention:** Overall Dignity Health engagement score (76 percent favorable) is at Strategic Management Decision's (SMD's) 66th percentile benchmark of other health systems and independent hospitals.

- **Diversity and inclusion:** This past fiscal year there were 54 VP and above hires - 41 percent of our external hires were women and 24 percent were minorities or people of color.

- **Wage equity:** Overall, across our non-represented employee populations, Dignity Health pays about 5 percent above the market median. Overall, across our represented employee population, pay is about 12 percent above the market median.

- **Health, safety, and wellness:** Dignity Health's health and welfare benefit programs are significantly above benchmark. We provide a fully employer-paid medical plan option for all employees, which is very unusual in the general employer landscape.

- **Labor Relations:** No benchmark data available.

Engagement

76%

of our engagement questions scored favorably.

Dignity Health has more highly engaged employees than 2/3 of others in the health care industry.

Engagement is up 5 years in a row.

Participation

More than 9 out of 10 employees shared thoughts and ideas with us.

Strong as a System:
- Mission/Values
- Tools for Success
- Patient Safety
- Work/Life Balance
- Workplace Safety
- Career Development

System Opportunities to Improve:
- Senior Leadership
- Clinical Teamwork
- Management
- Inclusion

(102-8, 405-2)

Employees

In addition, some portion of the organization's activities are performed by workers who are not employees.

These include:

• Contract managers who manage employees and functions within our care centers.

• Travelers and contract nurses who support flexible nurse staffing needs.

• Other types of professional contractors.

• Hospitalists – contract physicians working in our hospitals.

An explanation of how the data used in this section is provided as follows:

• Data is collected from source employee systems and then aggregated into an integrated reporting and analytics system.

• Minor data quality issues may exist but impact is negligible.

• Data only includes regular employees on the Dignity Health payroll and does not include non-employed physicians, or other subsidiaries and partnerships.

• Data does not include contingent labor.

Total number of employees by employment contract (permanent and temporary), by gender.

JUNE of FY 2018	
Grand Total	58,168
Regular Employee	54,441
Female	40,528
Male	13,913
Temporary Employee	3,727
Female	2,738
Male	989

Total number of employees by employment contract (permanent and temporary), by region.

JUNE of FY 2018	
Grand Total	58,168
Regular Employee	54,441
Arizona	10,334
California	40,467
Nevada	3,640
Temporary Employee	3,727
Arizona	894
California	2,817
Nevada	16

Total number of employees by employment type (full-time and part-time), by gender. (Does not include temps.)

JUNE of FY 2018	
Grand Total	54,441
Part Time Employee	11,807
Female	9,389
Male	2,418
Full Time Employee	42,634
Female	31,139
Male	11,495

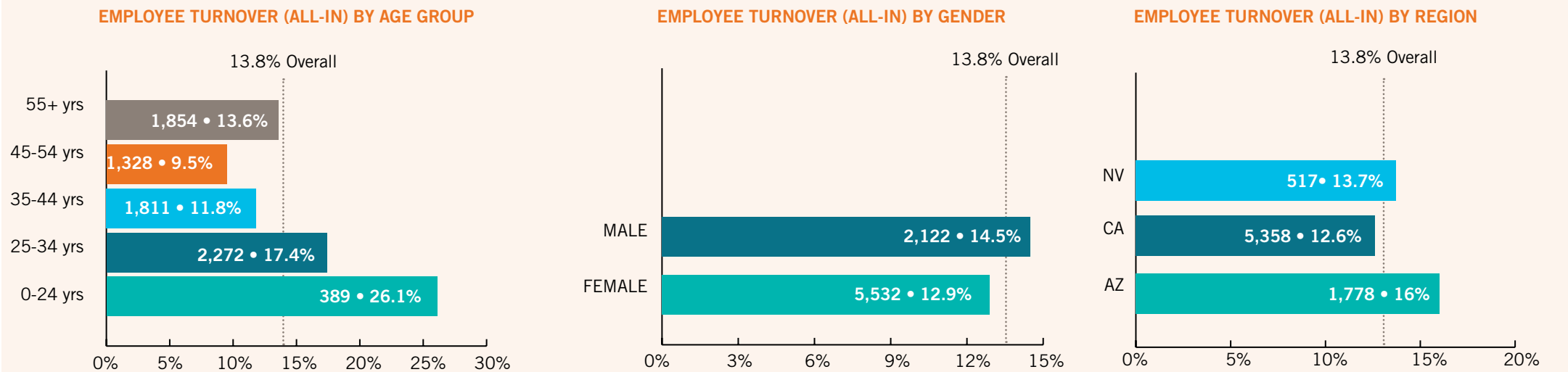**Percentage of total employees covered by collective bargaining agreements.**

58.3% Union Representation Status

(102-8, 102-41)

Employees

Total number and rate of **new employee hires** during the reporting period, by age group, gender and region.

NEW HIRES BY AGE GROUP

15.4% Overall

Age group	Value
55+ yrs	**718 • 5.3%**
45-54 yrs	**1,261 • 9.1%**
35-44 yrs	**1,993 • 13%**
25-34 yrs	**3,496 • 26.7%**
0-24 yrs	**1094 • 73.4%**

NEW HIRES BY GENDER

15.4% Overall

Gender	Value
MALE	**2,539 • 17.4%**
FEMALE	**6,023 • 14.1%**

NEW HIRES BY REGION

15.4% Overall

Region	Value
NV	**297 • 7.9%**
CA	**6,393 • 15%**
AZ	**1,836 • 16.5%**
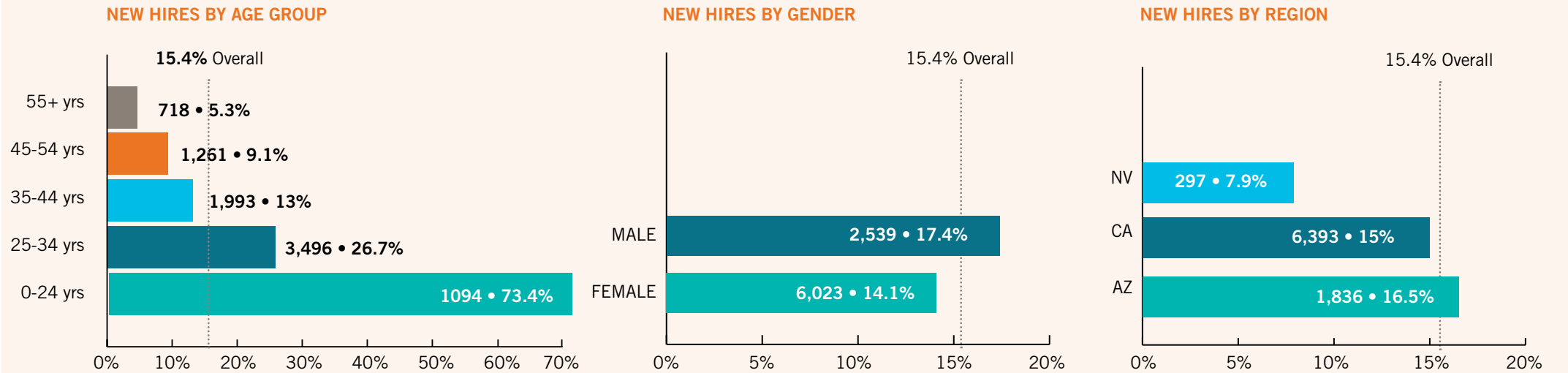
Total number and rate of **employee turnover** during the reporting period, by age group, gender, and region.

EMPLOYEE TURNOVER (ALL-IN) BY AGE GROUP

13.8% Overall

Age group	Value
55+ yrs	**1,854 • 13.6%**
45-54 yrs	**1,328 • 9.5%**
35-44 yrs	**1,811 • 11.8%**
25-34 yrs	**2,272 • 17.4%**
0-24 yrs	**389 • 26.1%**

EMPLOYEE TURNOVER (ALL-IN) BY GENDER

13.8% Overall

Gender	Value
MALE	**2,122 • 14.5%**
FEMALE	**5,532 • 12.9%**

EMPLOYEE TURNOVER (ALL-IN) BY REGION

13.8% Overall

Region	Value
NV	**517 • 13.7%**
CA	**5,358 • 12.6%**
AZ	**1,778 • 16%**

The percentages listed in each table reflect the change within that group. For instance, in the first table, in the 55+ age range, 718 people were hired, which represent 5.3% of that total age group within Dignity Health.

(102-8, 401-1, 405-1)

Workers' Compensation – Employee Safety FY 2018 Highlights

• Collaboration on the Safe Patient Handling & Mobility Program, including integration with patient safety and worker safety, and implementation of technology to support the program.

• Workplace Violence awareness and training to employees system wide, and technology to track events.

System wide efforts to improve employee health and safety and injury prevention are key components of the Dignity Health workers' compensation program. Facilities are committed to improving workplace safety and injury rate results.

During FY 2018, each facility was tasked to implement and develop safety promotion programs and conduct safety walk-arounds, as well as develop safety initiatives to reduce the frequency of employee injuries. The health care environment presents increasing challenges in terms of safe patient handling. Collaborative efforts on the safe patient handling program integrates a hospital culture of safety and fully links patient safety with worker safety, as well as reporting workplace violence against hospital employees. The implementation of the Safe Patient Handling & Mobility Program provides greater focus on the safe care of patients and safe practices of our valued caregivers while performing direct patient care. An improved reporting system, standardized policy, and electronic learning program in MyJourney provide the necessary tools to support training to employees. In addition, the Bedside Mobility Tool (BMAT) was implemented in Cerner to assess if patient lift equipment or devices are needed. An elevated Workplace Violence Tier training was developed and assigned to staff about the implementation of the workplace violence event reporting system.

Since FY 2003, the program has reduced the system wide indemnity injury rate of 4.76 per 100 FTE to 1.286 per 100 FTE in FY 2018.

Risk Services provides ongoing system wide program support and resources to improve safety initiatives and to reduce costs to the program.

(102-8, 403-2)

State/OSHPD	Ratio (F/M)	Female	Male	Total
Arizona				
000-Mgmt & Supervision	85.0%	519	320	839
100-Tech & Specialist	89.5%	2,258	1,338	3,596
200-Registered Nurse	104.8%	3,128	441	3,569
300-Licensed Voc Nurse	N/A	6	0	6
400-Aides & Orderlies	98.3%	410	135	545
500-Clerical & Admin	113.4%	972	204	1,176
600-Environ & Food Svcs	70.8%	338	313	651
700-Physicians	73.8%	86	146	232
800-Non-Phys Med Pract	100.6%	97	19	116
900-Salary Other	87.7%	268	203	471

State/OSHPD	Ratio (F/M)	Female	Male	Total
Nevada				
000-Mgmt & Supervision	88.7%	220	76	296
100-Tech & Specialist	94.8%	658	372	1,030
200-Registered Nurse	102.2%	1,117	181	1,298
300-Licensed Voc Nurse	N/A	3	2	5
400-Aides & Orderlies	100.7%	148	39	187
500-Clerical & Admin	107.5%	317	67	384
600-Environ & Food Svcs	97.1%	164	165	329
700-Physicians	85.2%	16	12	28
800-Non-Phys Med Pract	N/A	12	1	13
900-Salary Other	111.0%	58	23	81

State/OSHPD	Ratio (F/M)	Female	Male	Total
California				
000-Mgmt & Supervision	91.4%	2,210	1,009	3,219
100-Tech & Specialist	90.5%	8,057	3,682	11,739
200-Registered Nurse	101.1%	12,058	2,213	14,271
300-Licensed Voc Nurse	97.7%	568	94	662
400-Aides & Orderlies	88.5%	1,685	644	2,329
500-Clerical & Admin	102.5%	5,183	841	6,024
600-Environ & Food Svcs	85.6%	1,632	1,758	3,390
700-Physicians	79.2%	47	82	129
800-Non-Phys Med Pract	96.7%	118	38	156
900-Salary Other	100.4%	843	407	1,250

(102-8, 405-2)

Climate Resilience

"The impulse to address climate change, to protect people, and to seek justice also reflects the beauty of community, the gift of health, and the majesty of the natural world."

Journal of American Medical Association
April 2018

Climate Resilience Highlights

- Installed two major solar plants that went on line May 2018. Both plants are located in Nevada – 2.1 MW at St. Rose Dominican – San Martin in Las Vegas and 1.7 MW at St. Rose Dominican – Siena in Henderson.

- Increased the use of renewable electricity to 35 percent, which translates to 16 percent of total energy consumed (electricity + natural gas).

- Midway through the installation of Light Emitting Diode (LED) lamps in the interior spaces at all of our hospitals to replace fluorescent lamps. The project is currently resulting in 5 - 14 percent annual savings per hospital.

The most pressing global health threat of our time is climate change. It not only has severe and detrimental impacts on human health and the natural world that sustains life, but also threatens the delivery and sustainability of health care.

Energy production and use account for two thirds of the world's greenhouse gas (GHG) emissions. The health care industry is among the major energy consumers in any given region. U.S. health care buildings constitute the second most energy-intensive U.S. building sector (consuming energy at an average of twice the intensity of commercial office buildings). These buildings operate continuously, 365 days per year, with multiple back-up and redundant mechanical and electrical systems, and they only increase in energy intensity as medical diagnostic equipment with large heat loads continue to enter the marketplace.

Dignity Health is committed to reducing the impacts of climate change and improving the resilience of the communities we serve. We are taking steps to build and operate our buildings in a way that promotes the health of our patients, employees, and communities. Energy reduction strategies include lighting upgrades, retro-commissioning, continuous commissioning, new building automation systems, variable frequency drives, boiler and central plant chiller replacements, and installation of solar plants. We also are planning on installing solar parking and fuel cells as soon as the Time-of-Use and accompanying new rate structures for Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) are settled with the California Public Utilities Commission so we can perform accurate economic analyses.

(302-1, 302-3, 302-4, 303-1, 305-1, 305-5)

CY 2017 Energy and Water Goals	CY 2017 Energy and Water Results
Energy Efficiency: 2.2% reduction from CY 2016	1% Energy Reduction in CY 2017.
Greenhouse Gas Emissions: Reduce greenhouse gas emissions by 4% from CY 2016.	1% Increase in greenhouse gas emissions in CY 2017.
Renewable Energy Sources: Increase renewable energy resources by 2.8% from CY 2016.	3% Increase in Renewables in CY 2017.
Water Consumption and Efficiency: Reduce potable water consumption by 5% from CY 2016.	1% Water Reduction in CY 2017

CY 2018 Energy and Water Goals	CY 2019 Energy and Water Goals
2.2% Energy Reduction; 5% reduction in GHGs; 5% Renewables Increase; 2.2% Water Reduction	2.2% Energy Reduction; 5% reduction in GHGs; 5% Renewables Increase; 2.2% Water Reduction. This should ensure we meet all our Horizon 2020 Goals with the exception of reducing water by 20%. We will persist in reducing water beyond 2020.

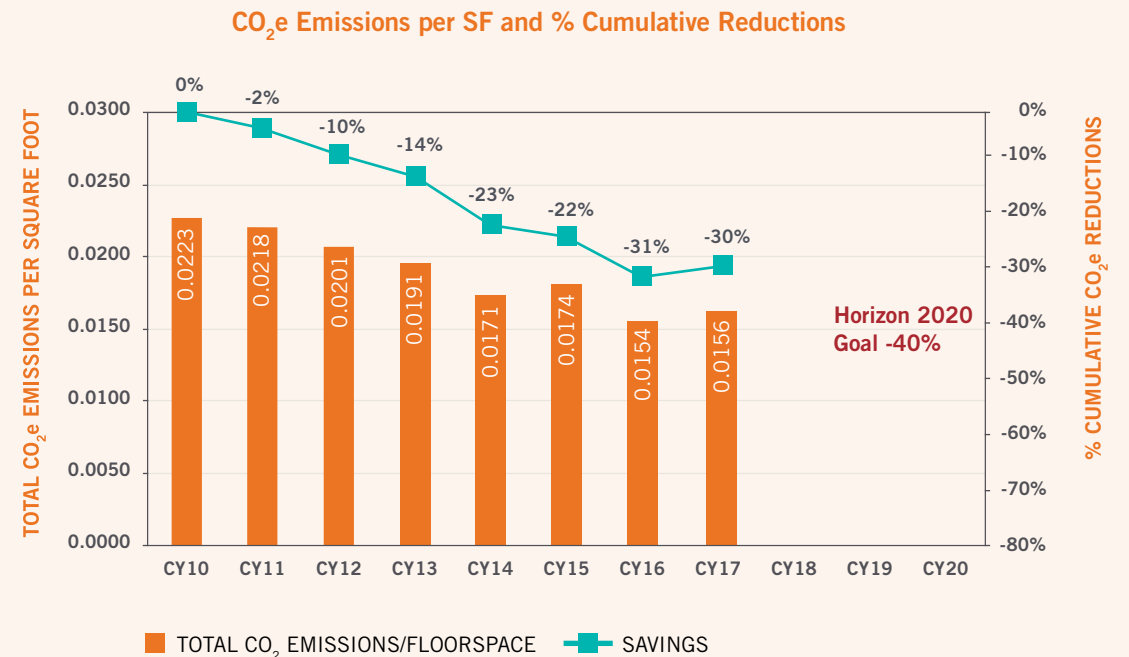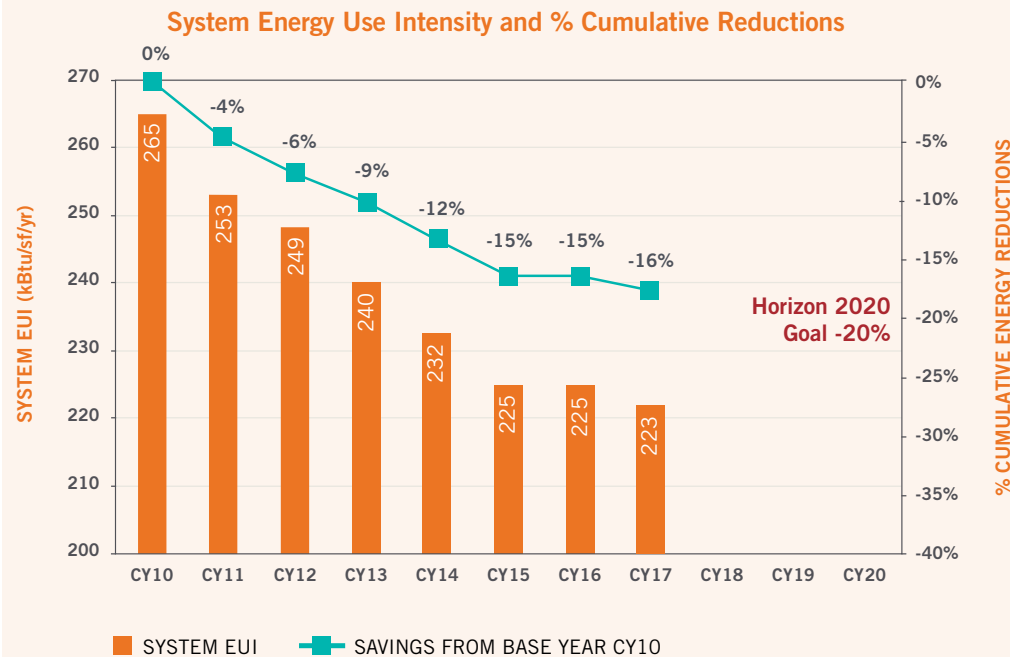| Beyond FY 2020 Energy and Water Goals |
|---|
| Our biggest concern is the reduction of water usage. That is why we are getting the infrastructure in place to monitor water usage from irrigation and cooling towers. The Governor of the State of California issued an Executive Order two years ago asking Californians to reduce their water usage by 35 percent. After yet another dry winter, Dignity Health sees water as becoming a bigger issue in everyone's efforts to reduce utility usage, with water costs potentially surpassing energy costs at some point. |

(302-1, 302-3, 302-4, 303-1, 305-1, 305-5)

Energy

In 2017, we engaged in a lot of "set up" work, where we did our homework by implementing traditional retro-commissioning studies, worked intensively with IT to figure out how to deploy continuous commissioning, and got contracting together for dozens of LED lamp installations at numerous hospitals. All of this was in preparation to begin execution in CY 2018 to begin realizing the fruits of our labor in late CY 2018, and in CY 2019 fully. Hence, although we did not meet all the CY 2017 goals set, we finished the groundwork necessary to install energy and water efficient measures in CY 2018 and CY 2019. Additionally, new processes were put in place to ensure adequate capital dollars are allocated to energy efficient measures such as retro and continuous commissioning, interior lighting upgrades, and replacement of energy intensive equipment.

Energy: Although the addition of 21 percent more acute care square footage over the last several years has resulted in higher total energy consumption, energy intensity as measured in kBtu/ft2/year continues to trend downward.
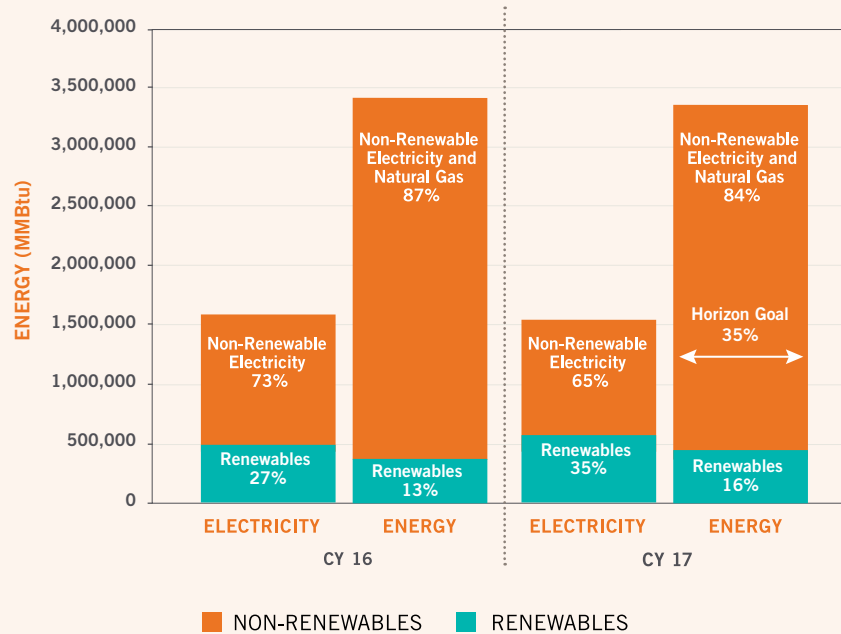
GHG: In CY 2017, GHG emissions had a 1 percent uptick, which may be the result of new construction. GHG reduction is a by-product of our energy usage reduction.

System Energy Use Intensity and % Cumulative Reductions

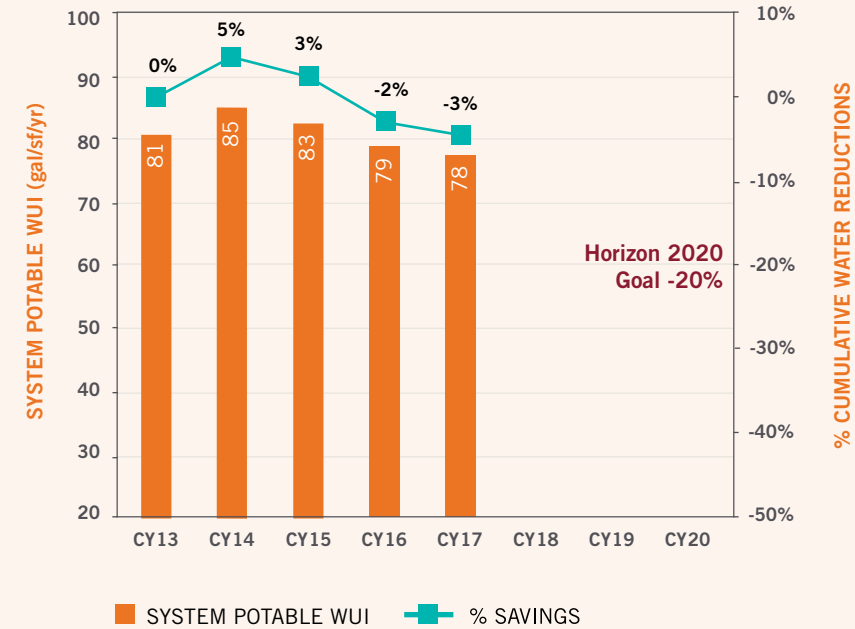### CO_2e Emissions per SF and % Cumulative Reductions

Renewables: We have made headway in using more renewables in CY 2017 as compared to CY 2016. Renewable energy sources include: wind, solar, hydroelectric, geothermal and biomass.

Water: The greatest challenge is bringing potable water demand down. The main problem is that water is very inexpensive, causing few projects to make economic sense, with most paybacks exceeding 15-18 years. Here is our current progress with water conservation.

CY 2017 % Renewables for Electricity and Total Energy

ENERGY (MMBtu)

CY 16
- ELECTRICITY: Non-Renewable Electricity 73%, Renewables 27%
- ENERGY: Non-Renewable Electricity and Natural Gas 87%, Renewables 13%

CY 17
- ELECTRICITY: Non-Renewable Electricity 65%, Renewables 35%
- ENERGY: Non-Renewable Electricity and Natural Gas 84%, Renewables 16%, Horizon Goal 35%

NON-RENEWABLES   RENEWABLES

System Potable Water Usage Index and % Cumulative Reductions

SYSTEM POTABLE WUI (gal/sf/yr)   % CUMULATIVE WATER REDUCTIONS

CY	WUI	% Savings
CY13	81	0%
CY14	85	5%
CY15	83	3%
CY16	79	-2%
CY17	78	-3%

Horizon 2020
Goal -20%

SYSTEM POTABLE WUI   % SAVINGS

Additionally, we have come to realize that a tremendous amount of water is going towards irrigation at many hospitals where there are no separate irrigation meters. Installing water purveyor irrigation meters on every irrigation loop is cost prohibitive, so we are installing irrigation sub-meters that will report usage to the new Building Automation Systems (BASs) so we can measure, and therefore manage, our potable water consumption.

How does Dignity Health's performance compare to industry benchmarks in key areas?

Energy efficiency: 23 of our 37 acute care hospitals are within 10 percent of the CY 2017 energy usage of our Practice Greenhealth (PGH) peers, which is a negative trend compared to CY 2016 when 28 of our hospitals exceeded Practice Greenhealth peers. As a result, we are building in mandatory low energy use indices (kBtu/sf/yr <= 165) in our new construction contracts, so new hospital construction will be much more energy efficient and all our other projects mentioned in Section 2 should have a very positive impact in CY 2019 and forward.

Dignity Health reports to The Climate Registry annually. In CY 2017 the total Scope 1 emissions were 98,372 metric tonnes of CO2e (MT = metric tonnes) for all 37 hospitals. Scope 2 reported emissions were 137,426 MTCO2e, and 1,932 MTCO2e for biomass emissions. The total MTCO2e emissions were 237,730 MTCO2e.

Renewable energy sources: Based on the 2017 Practice Greenhealth Benchmark Report, only 48 percent of all PGH hospitals reported using some form of renewable power. 100 percent of Dignity Health hospitals are using renewables in their utility mix or alternatives such as co-generation and landfill gas. In CY 2017, 16 percent of energy consumed by Dignity Health came from renewable sources. This will increase in CY 2019 as soon as the 2.1 and 1.7 MW solar plants come online.

Dignity Health is a winner of the 2020 Challenge Climate Champion Awards. The 2020 Health Care Climate Challenge is a Global Green and Healthy Hospitals (GGHH) initiative to mobilize health care institutions around the globe to protect public health from climate change.

Our awards include:

• **SILVER** - GHG Reduction (Energy)

• **SILVER** - Renewable Energy

• **GOLD** - Climate Resiliency

• **GOLD** - Climate Leadership

Water consumption and efficiency: 26 of our 37 acute care hospitals (70 percent) are using more than 62 gal/sf/yr more water than our Practice Greenhealth peers. Twelve acute care hospitals are using less water than our Practice Greenhealth peers. The vast majority of Dignity Health water is sourced via municipal systems, though one of our facilities uses well water for irrigation and one is using recycled water in its main power plant.

Materials Stewardship – Purchasing Highlights

• Eliminated plastic straws from non-clinical areas in order to reduce the amount of plastic waste from entering our landfills and environment.

• Planted 1,398 trees in collaboration with the Stryker program "Pulse Ox for the Planet."

• Established human trafficking Standard of Practice for Supply and Services Resource Management.

Healing is at the heart of what we do at Dignity Health. A core component of the healing process is the products and services that help to make the process as fast and safe as possible. We seek to use the most efficient and cost-effective materials and supplies available that will keep our patients and communities healthy. By paying close attention to our purchases on the front end, we can pay less attention to the impacts of those materials once they are released to the environment and people are exposed to them. Our purchasing decisions contribute to our Horizon 2020 cost and quality goals and connect us to our all our core values but especially stewardship —cultivating the resources entrusted to us to promote healing and wholeness.

Dignity Health's supply chain engages over 19,000 vendors across the United States and the world. These vendors provide both medical and non-medical supplies and services. Our overall spend is approximately $4 billion. The majority of our suppliers, old and new, are screened for environmental criteria during RF(x) processes. We are communicating our commitment to the elimination of human trafficking by implement-ing a human trafficking education program for staff, a screening process for vendors, and adding language to our vendor contracts that address the problem.

Materials stewardship is the driving force behind our participation in such initiatives as the Chemical Footprint Project, which measures corporate progress toward safer chemicals and overall chemicals management performance and the Greenhealth Exchange, which aims to accelerate the development and adoption of new and more environmentally-friendly products. It underlies our efforts to integrate the concept of environmentally preferable purchasing into our sourcing strategy. It inspired us to implement Key Green Solutions, a comprehensive third party data management and reporting system, to ensure that high quality energy, water, food, chemical, and waste data is collected, used, and reported for decision making. Dignity Health will continue to integrate sustainability into our procurement strategies and to explore opportunities for further growth and innovation.

(102-9, 308-1, 308-2)

FY 2018 Purchasing Goals	FY 2018 Purchasing Results
Eliminate antimicrobial soaps.	All facilities have eliminated antimicrobial soaps.
Pilot Key Green Solutions purchasing module.	Launched purchasing module for more complete sustainability program tracking at facility and system levels.
Incorporate human trafficking standards into supply chain contract language.	Human trafficking Standard of Practice established for Supply and Services Resource Management.
Eliminate plastics straws from non-clinical areas.	Reduced four million plastic straws and stir sticks from entering our waste streams and negatively impacting marine and wildlife.
Plant 1,000 trees in collaboration with Stryker's *Pulse Ox for the Planet* program.	Planted 1,398 trees as of Sept. 14, 2018.

FY 2019 Purchasing Goals	FY 2020 Purchasing Goals
Launch SSRM staff education module on human trafficking in MyJourney; incorporate language on human trafficking in new contracts, renewals, and extensions.	Increase facility adoption and reprocessing rates compared to baseline.
Increase purchase of organic produce by 20 percent.	Increase vendor participation in the Chemical Footprint Project survey.
Increase collection rate of pulse-oxymeters to earn a total of 1,500 trees as part of the *Pulse Ox for the Planet* program.	Increase purchase of organic and locally sourced produce by 100 percent.
Launch Greenhealth Exchange contracts for needle counters and skin staplers (NewGen) and anesthesia circuits and masks (Wilmarc).	Continue to move from sterilization wrap and filtered rigid sterilization containers to filter-less rigid containers.
Establish plan/timeline for reduction of plastic sterilization wrap and filter usage in Sterile Processing departments.	
Increase the rate of reprocessing by 2%	

Beyond FY 2020 Purchasing Goals	
Increase vendor participation in the Chemical Footprint Project survey.	Complete project for rigid sterilization container adoption by FY 2021.
Complete Human Trafficking contract modifications by FY 2022.	

(102-9, 308-1, 308-2)

Challenges

Getting all our facilities to equally participate in any contract, including those related to sustainability, is one of our biggest challenges. For instance, while participation in the sterilization wrap recycling program is increasing, it is a challenge to ensure that no contaminated products are collected. Tracking the sustainability performance of supply chain over time in a manner that can be communicated to internal and external audiences remains a challenge. While implementing the Chemical Footprint survey, it is often difficult to find the appropriate contact within the supplier company to initiate the survey. Often, vendors don't respond because they may not know how and/or may not know the answers to questions addressed in the survey. It is also an ongoing challenge to ensure that suppliers are in full compliance with the required legal, environmental, and social standards.

How does Dignity Health's performance compare to industry benchmarks in key areas?

We are a proud leader in the movement toward added transparency regarding safer chemicals. We're committed to working with our vendor partners to explore newer, safer alternatives to chemicals in health care and to share the improved impacts on our patients, their families, and our communities. We are an active member in this community through Practice Greenhealth, Health Care Without Harm, Greenhealth Exchange, and the Chemical Footprint Project. Additionally, using the Key Green Solutions purchasing module has allowed Supply and Services Resource Management (SSRM) to benchmark Dignity Health against industry standards to uncover opportunities for more sustainable purchasing practices.

(102-9)

Materials Stewardship – Waste Highlights

- Became an early adopter of the Small Change, Big Impact program launched by NewGen Surgical manufacturer of medical devices that are able to decompose, free of toxic chemicals, and use less energy for production. Coming in at the Pioneer Level, reserved for early adopters of sustainable products in the OR, we aim to reduce the plastic waste generated in that department.

- Some sites ensure that fresh produce is delivered in RPC's (recycled plastic containers) in place of single-use cardboard boxes in order to reduce cardboard waste, improve inventory control and organization, and simplify produce rotation.

FY 2018 Waste Goals	FY 2018 Waste Results
Reduce total waste to as far below the industry average (42 lbs./APD) as practical.	Total waste volume averaged 28.5 lbs./APD.
Maintain regulated medical waste (RMW) below 10% of total waste volume.	Maintained RMW at 6.2% of total waste volume.
Achieve a system wide 40% recycling rate.	Recycled 32.3% of our waste.
Ensure that 100% of our electronic waste (computers and associated devices) is donated, reused, or disposed of with a certified recycler.	100% of e-waste disposed of through certified recyclers.

FY 2019 Waste Goals
Participate in the Small Change Big Impact plastic reduction program reducing OR plastic waste by 3.5 tons.
Achieve a system wide 37% recycling rate.

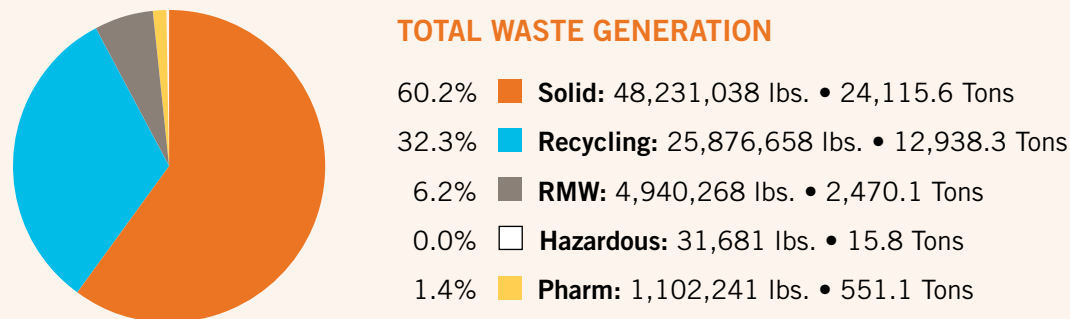| Beyond FY 2020 Waste Goals |
| --- |
| Eliminate 15 tons of plastic from our OR's by 2022. |

Challenges

While much has been achieved, we still face many challenges. For example, a few of our largest facilities are located in Nevada and Arizona, where the recycling infrastructure is not as robust as it is in California, resulting in lower recycling rates than we would prefer in those facilities. Even in California, turmoil in global recycling markets, due in part to decisions made by the Chinese government, have greatly disrupted the attractiveness and pricing for the purchase of recycled materials, thus making recycling much more difficult. Dignity Health is supportive of the efforts being made by the State of California to create more local markets for recycled materials and to reduce the need for shipping recycled materials overseas.

In FY 2018 Dignity Health was able to reduce the amount of solid waste we generated to 24,115.6 tons as compared to 24,488.1 tons the year before. We were also able to reduce the amount of waste we generated per adjusted patient day (our measure of efficiency adjusted for workload) to 28.5#/ADP from 30.1#/APD. However, as noted above, we have faced challenge with recycling, resulting in our percentage of recycling compared to our total waste dropping to 32.3% from 34.3% last year.

How does Dignity Health's performance compare to industry benchmarks in key areas?

We are a proud leader in the movement toward added transparency regarding safer chemicals. We're committed to working with our vendor partners to explore newer, safer alternatives to chemicals in health care and to share the improved impacts on our patients, their families, and our communities. We are an active member in this community through Practice Greenhealth, Health Care Without Harm, Greenhealth Exchange, and the Chemical Footprint Project. Additionally, using the Key Green Solutions purchasing module has allowed Supply and Services Resource Management (SSRM) to benchmark Dignity Health against industry standards to uncover opportunities for more sustainable purchasing practices.

Fourteen hospitals received 17 Practice Greenhealth Environmental Excellence Awards at the CleanMed Awards ceremony in San Diego. Practice Greenhealth promotes environmental solutions in the health care sector and lends support to create better, safer, and greener workplaces and communities.

TOTAL WASTE GENERATION

60.2%	🟧	**Solid:** 48,231,038 lbs. • 24,115.6 Tons
32.3%	🟦	**Recycling:** 25,876,658 lbs. • 12,938.3 Tons
6.2%	⬛	**RMW:** 4,940,268 lbs. • 2,470.1 Tons
0.0%	⬜	**Hazardous:** 31,681 lbs. • 15.8 Tons
1.4%	🟨	**Pharm:** 1,102,241 lbs. • 551.1 Tons

GRI Content Index

GRI Content Index

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