

Priority Health/Corewell Health Climate Survey

Governance

Corewell Health is a Michigan-based not-for-profit integrated health system with a team of 60,000+ dedicated people including more than 11,500 physicians and advanced practice providers and more than 15,000 nurses providing care and services in 22 hospitals, 300+ outpatient locations and several post-acute facilities. In addition, as an integrated health system, Corewell Health includes Priority Health, a health plan that insures more than 1.2 million lives. Corewell Health is not only Michigan's largest health system, but also Michigan's largest private employer. Through experience and collaboration, we are reimagining a better, more equitable model of health and wellness.

To deliver on our mission to improve health, instill humanity and inspire hope, we must purposefully choose actions that make a positive, sustainable impact on people, our environment, and the economic health of the communities we serve: People, Planet and Prosperity. Our goal is to be able to meet our needs without compromising the ability to fulfill the needs of future generations. As an organization, we view sustainability holistically, taking into consideration all potential influential aspects, from product procurement to patient treatment and customer service.

Upon identification of specific climate-related risks, the Senior Leadership Team (SLT) of Corewell Health is in place to review Environment, Social and Governance (ESG) Program KPIs and KRIs. Environmental Sustainability is overseen by the Director of Supplier Performance Management and Sustainability Analyst who report to the SVP of Supply Chain, the Executive Sponsor for Sustainability, and the CFO for Corewell Health. Social Sustainability rolls up to the Chief DEI and Sustainability Officer. The Governance portion of our ESG Program is yet to be determined.

We have deployed sustainability initiatives broadly across the Corewell Health system at an entity level, with goals touching various departments and teams. There is a sustainability policy in place to provide shared ownership and accountability over sustainability goals. In addition, we have partnered with the Healthcare Anchor Network on four of our sustainability goals which are included in the following:

❖ Corewell Health Sustainability Goals

- **By 2025:**
 - Recycle, compost or reprocess 40% of waste.
 - Purchase 20% of total food products from local, diverse and sustainable sources.
 - Reduce carbon emissions from energy consumption by 15%.
 - Transition five clinical product categories from disposable to reusable in our ORs.
 - Reduce GHG emissions specific to anesthetic gas by 50% from FY2020 baseline.
- **Beginning in 2025:**
 - 50% of newly purchased or leased fleet vehicles will be electric, hybrid or other alternative fuel vehicles.
- **By 2040:**
 - All Corewell Health facilities carbon neutral.

Strategy

Climate-related risk strategy is to be determined for inclusion in future years' Climate Survey response.

To date, Corewell Health has committed to the Impact Purchasing Commitment (IPC) through the [Healthcare Anchor Network \(HAN\)](#), which is an organization that catalyzes health systems to build inclusive local economies to address economic and racial inequities in community conditions that create poor health. By signing the IPC, we have committed to aligning our purchasing power to improve societal health and well-being and to catalyze prosperity for all, particularly those impacted by a legacy of divestment and discrimination. Below is a list of sustainability initiatives we have accomplished to date:

- Priority Health recycled more than 45,000 lbs. of waste in 2022 and continue to compost team member food waste at one of our Priority Health campuses.
- In May of each year, the Greater Grand Rapids Bicycle Coalition organizes a week in which the goal is to walk, run, ride a bike, or carpool to work called Active Commute Week. Priority Health takes a prominent role in helping to promote and sponsor this weeklong event.
- Installation of a rain garden at a Priority Health parking lot. Impermeable urban surfaces encourage flooding and lead to the degradation of water quality. Rain gardens help to slow the flow of water and encourage percolation. Deep rooted native plants help to filter pollutants that would otherwise enter directly into the watershed.
- In the last year the organization made strides in its goals by building a 2.35-acre solar array on the Leffingwell Continuing Care campus in Grand Rapids which will provide 16% of the facility's energy needs—the equivalent of powering 76 homes year-round.
- Constructing a 5-megawatt co-generation facility at Corewell Health Butterworth Hospital which went live in June 2023 and generates an average of 72% of the hospital's annual electric usage or 42,000 megawatt hours of electricity per year plus will recover heat from the engine's exhaust to generate steam required for sterile processing and humidification and generates hot water for heating the building.
- Initiating an engineering assessment for installation of EV level 2 chargers at all 22 acute care facilities and large off-site facilities statewide to determine what infrastructure is needed to begin installing in 2024.
- Since 2020, Priority Health and Corewell Health have completed energy savings projects, including building performance optimization and infrastructure upgrades, that have resulted in over 10,000,000 kWh in electricity savings and 800,000 therms in natural gas savings. These projects have resulted in over \$1 million in reduced costs for the organization, all of which is invested back into patient care.
- Corewell Health's goal to be carbon neutral by 2040 represents a long-term investment in improving the local, regional, and global environment that reflects the organization's longstanding commitment to improving community health.

Risk Management

Corewell Health's Enterprise Risk Management program includes design of metrics - KPIs and KRIs – related to Operational, Financial, Strategic, Reputational, Compliance and Legal risk domains. Environmental, Social and Governance (ESG) metrics that align with recommended principles in widely adopted ESG frameworks, i.e., materiality assessments of climate risks and other environmental challenges to Corewell Health, will be established in partnership with business owners to track our exposure to environmental risk as part of our annual risk assessment process.

Metrics and Targets

Climate risk related metrics and targets are to be determined. Measurement of Scope 1 and 2 GHG emissions is underway. As of 2020, our total site CO₂ emissions from energy consumption (electric and natural gas) was estimated to be 420,000 metric tons of CO₂e.

In line with the Healthcare Anchor Network, the metrics we use to measure progress towards sustainability related goals include various qualitative and quantitative KPIs respective to each goal.