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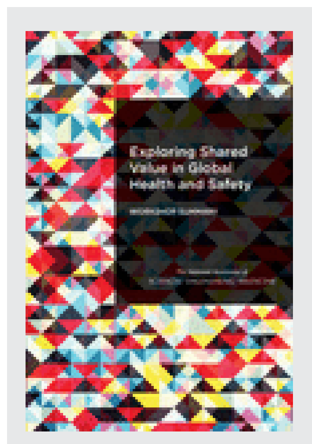

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Exploring Shared Value in Global Health and Safety

WORKSHOP SUMMARY

Rachel M. Taylor and Francis Amankwah, *Rapporteurs*

Forum on Public–Private Partnerships for Global Health and Safety

Board on Global Health

Health and Medicine Division

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Reviewers

This workshop summary has been reviewed in draft form by individuals chosen for their diverse perspectives and technical expertise. The purpose of this independent review is to provide candid and critical comments that will assist the institution in making its published workshop summary as sound as possible and to ensure that the workshop summary meets institutional standards for objectivity, evidence, and responsiveness to the study charge. The review comments and draft manuscript remain confidential to protect the integrity of the process. We wish to thank the following individuals for their review of this workshop summary:

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Although the reviewers listed above have provided many constructive comments and suggestions, they did not see the final draft of the workshop summary before its release. The review of this workshop summary was overseen by **Harold C. Sox,** Dartmouth Medical School. He was responsible for making certain that an independent examination of this workshop summary was carried out in accordance with institutional procedures and that all review comments were carefully considered. Responsibility for the final content of this workshop summary rests entirely with the rapporteurs and the institution.

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1

Introduction[1]

Companies today are operating in a more complex and competitive environment where traditional models for doing business are no longer sufficient and expectations of business are growing both internally and externally. In her opening remarks at the National Academies of Sciences, Engineering, and Medicine's workshop, *Exploring Shared Value in Global Health and Safety*, Brenda Colatrella from Merck emphasized this evolving context for businesses and pointed to the expectations of the role of the private sector in achieving the Sustainable Development Goals as evidence.

Elaborating on the current environment in which companies operate, Colatrella noted that many companies have long and robust histories of contributing to their communities as well as to more global societal needs, but this has been done primarily and historically through philanthropy and more traditional corporate social responsibility. These mechanisms, which are not part of the core business, are still meaningful and useful, and Colatrella believes they do play and will continue to play an important role in how companies contribute to society. However, companies are increasingly seeking greater alignment of these activities with their

[1] The planning committee's role was limited to planning the workshop. The workshop summary has been prepared by the rapporteurs as a factual account of what occurred at the workshop. Statements, recommendations, and opinions expressed are those of individual presenters and participants and are not necessarily endorsed or verified by the National Academies of Sciences, Engineering, and Medicine. They should not be construed as reflecting any group consensus.

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business interests in order to increase their value proposition. These same companies are also under increased pressure to build their business in a sustainable manner through innovative approaches.

Given this context, companies are looking for new methods to both contribute to society and build their business. Such opportunities and their benefits were articulated in 2011 by Michael Porter and Mark Kramer as *creating shared value* (Porter and Kramer, 2011). Some organizations have embraced the shared value methodology wholeheartedly, while others are in the process of evaluating its value and what it means for their particular company or sector. Some have decided to go in a different direction, and still others have put their own twist on shared value. Many have chosen a portfolio approach, having a mix of philanthropic, socially responsible, and shared value initiatives. Those who continue to engage through philanthropic or corporate social responsibility frameworks often acknowledge that the shared value methodology is influencing aspects of their engagement strategies. As illuminated by many of the workshop speakers and captured in this report, how shared value is being defined and applied is emergent and contextual, and the journey toward it is long and complex.

Efforts have been made and continue to document specific examples and case studies of shared value creation in health, documenting both business and social outcomes of such initiatives. Harvard Business School has published case studies and the global consulting firm FSG has documented and disseminated many of these cases as well. Some of these examples are mentioned briefly in this report to highlight challenges and opportunities discussed at the workshop. However, the intention of this workshop was to explore the several dimensions of shared value initiatives in depth, and not to systematically document the impacts of shared value initiatives. The text uses case studies, which include measures of impact, to illustrate these dimensions, but they are ancillary to the main purpose of the workshop. The workshop and the resulting report serve to illuminate the evolution of private sector in engagement in global health since the Porter and Kramer's 2011 article "Creating Shared Value," and explore its current and potential impacts on global health stakeholders and the field broadly (see Box 1-1). The workshop examined this evolution and impacts through the perspectives of companies as well as other implementers of global health initiatives, such as nonprofit organizations, foundations, and development agencies. The workshop and the resulting report document these perspectives included at the workshop. It does not serve as comprehensive review of the topic and its impacts. Notably, based on decisions to narrow the focus of the workshop to allow for in-depth exploration on selected issues related to shared value creation, the impacts on and perceptions of communities that are recipients of shared

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value based initiatives are not included in depth in this report. This does not represent a prioritization of the issues related to shared value but rather a strategic focus for the 2-day workshop agenda.

During the 2-day workshop, participants considered potential opportunities for creating shared value for all organizations, specifically the creation and impact of shared value through an organization's core products and services, through employee health and wellness programs, and through community or population health investments. Organizations that are creating true shared value are using their core capabilities and competitive advantages to address a wider range of social challenges. Colatrella suggested that the application of shared value to improve global health may seem to be a natural fit for health care–sector companies with health as a core component of their business, where one could argue that these companies are creating shared value almost inherently by the nature of their business. However, one of the questions explored in the workshop was whether opportunities existed for all companies to positively impact health through their core products and services as well as through investments in employee and community health programs. For example, all companies, regardless of their core business, have the opportunity to implement programs that address the health and well-being of their employees. If done well, these steps could result in improved employee health, enhanced productivity, and reduced health costs over the long term, thus leading to improved financial performance. Community and population health can also be improved, particularly in areas where these organizations operate. The result could be healthier communities as well as greater value to the companies, perhaps in the form of enhanced reputations or improved community relationships. Exploring the potential for shared value includes not only examining the results achieved through a shared value approach, but also the journey to shared value creation, including the limits and challenges. Beyond the opportunities for and journey to shared value in global health, the workshop also examined how to measure the impact of these efforts. Most sustainability and integrated reporting efforts do not currently include health and health metrics, and the workshop explored whether they should.

The workshop was organized as an activity of the Academies' Forum on Public–Private Partnerships for Global Health and Safety (PPP Forum). The PPP Forum was launched in late 2013 with the objective to foster a collaborative community of multisectoral health and safety leaders to leverage the strengths of multiple sectors and disciplines to yield benefits for global health and safety. The Academies provides a neutral platform to convene the forum. By regularly gathering and learning from leaders of diverse, exemplary, and innovative entities, the PPP Forum explores more effective global health initiatives that capitalize on the complemen-

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BOX 1-1
Statement of Task

An ad hoc committee will be appointed to plan a 2-day public workshop to explore the concept of shared value for global health and safety stakeholders in both the public and private sectors; roles, responsibilities, incentives, and opportunities for different stakeholders engaging in global health and safety initiatives in low- and middle-income countries; and the potential of partnerships and collaboration for improved outcomes for all stakeholders, including the communities they serve. The workshop will feature invited presentations and discussions to examine the following:

1. Shared value is a business concept defined as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates." How are global health and safety stakeholders across the private and public sectors defining and creating shared value for themselves and others? In addition to shared value, what other value propositions are there for companies and other stakeholders to address and improve health and safety conditions in low- and middle-income countries?
2. Partnerships and collaboration can be mechanisms to leverage the resources of different sectors and/or competitors to maximize both economic and societal value. Through partnerships, how can sectors create and enhance shared value for themselves, each other, and the communities they serve?
3. Shared value initiatives provide an opportunity to address the unmet health and safety needs and wants of communities in low-resource settings while also expanding economic opportunity. However, to do so effectively, the community's needs and wants must be identified and the benefits of the initiatives realized. What can be learned from initiatives that have shown

tary assets and motivations of the sectors involved. The concept of PPPs to advance global health is well established, and various other groups offer convening activities to develop and share relevant knowledge. This forum, however, seeks to uniquely add value to complement many of those efforts. The membership is committed to engaging the expertise of its members and broader groups of stakeholders, its resources, and its networks to identify opportunities to catalyze partnerships; to elaborate norms that protect the interests of those partnered and those served; to capture and share insights, evidence, and practices for decision making

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success or failure in meeting the needs and wants of communities and creating value for the implementing companies and other stakeholders?

4. Not all identified health and safety needs and wants of communities provide a shared value opportunity for companies. What is the responsibility of companies and other global health and safety stakeholders to address unmet needs and wants that do not provide shared value opportunity? Are there opportunities to apply the principles of value creation that underpin shared value initiatives to improve the efficiency and effectiveness of initiatives that are not based on shared value opportunity?
5. The local environment in which health and safety initiatives are implemented affects the efficiency and effectiveness of the initiative and the potential for shared value creation. What incentives and opportunities are there for companies and other stakeholders to engage in strengthening capacity and addressing broader determinants of health within the local environment? Are there lessons learned from previous and ongoing efforts to strengthen capacity and/or address determinants of health that have provided or improved shared value opportunity?
6. The Sustainable Development Goals (SDGs) will guide priorities and decision making in global health and safety for the next 15 years. What incentives and opportunities are there for companies and other global health and safety stakeholders to align their shared value and other initiatives with advancing the SDGs?

The committee, supported by the staff of the Forum on Public–Private Partnerships for Global Health and Safety, will develop the workshop agenda, select and invite speakers and discussants, and moderate the discussions. Experts will be drawn from the public and private sectors as well as academic institutions to allow for multilateral, evidence-based discussions. A summary of the presentations and discussions at the workshop will be prepared by a designated rapporteur in accordance with institutional guidelines.

and resource allocation for partnerships; and to foster innovations that may increase efficiencies and equitable access to effective care.

The PPP Forum workshops are an opportunity to share lessons learned and promising approaches, and to discuss how to improve future efforts in areas of global health and safety promotion that have been prioritized by Forum members. Held on December 3–4, 2015, *Exploring Shared Value in Global Health and Safety* was the fourth public workshop of the PPP Forum and it reflects the growing impact of shared value creation on the work and activities of the PPP Forum members and, more broadly, the global health community.

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ORGANIZATION OF THE REPORT

This report provides a summary account of the presentations and discussions at the workshop. Opinions expressed within this summary are not those of the Academies, the PPP Forum, or their agents, but rather of the presenters themselves. Such statements are the views of the speakers and do not reflect conclusions or recommendations of a formally appointed committee. This summary was authored by designated rapporteurs based on the workshop presentations and discussions and does not represent the views of the institution, nor does it constitute a full or exhaustive overview of the field. The summary report is complemented by a background paper on shared value in global health that was prepared in advance of the workshop and is included as Appendix A. The workshop agenda and biographical sketches of workshop speakers are included as Appendixes B and C, respectively.

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2

Shared Value: Understanding Its Evolution and Opportunities to Improve Global Health

In 2011, Michael Porter and Mark Kramer published the article "Creating Shared Value," accelerating a global debate on the role of business in society and the alignment of core business strategies with the needs of society. At the workshop, Mark Kramer shared his perspective on how the concept of shared value has been received, how the approach to shared value creation has evolved as the movement has grown, and some examples of shared value creation in global health. Derek Yach and Ali Mokdad expanded on the potential for creating shared value in global health by identifying where there is the greatest need and opportunity for increased corporate-sector engagement to address the current and future major contributors to the global burden of disease. This chapter summarizes their presentations. Key messages are included in Box 2-1.

THE EVOLUTION OF SHARED VALUE

Since workshop speaker Mark Kramer, co-founder and managing director of FSG, and his colleague Michael Porter first began writing about creating shared value 5 years ago, the concept on which it is based—enhancing competitiveness by aligning core business strategies with the needs of society—has gained attention from companies around the world. As interest in the idea and global momentum has expanded, so has the amount of research being done to better understand it, revealing the complexity of embracing shared value. According to Kramer, during this

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BOX 2-1
Shared Value: Understanding Its Evolution and Opportunities to Improve Global Health: Key Messages Identified by Individual Speakers

- Shared value creation is reinventing business as usual through innovation and strategy. (Kramer)
- Health is a fundamental driver of a successful business model. (Yach)
- All companies impact health and there is the potential for companies across sectors to positively improve it. (Kramer, Yach)
- Employee health needs to shift from being considered a cost to be controlled to being viewed as an investment in workforce productivity and morale. (Yach)
- Shared value opportunities that address risk factors for preventable death and disability have significant potential to reduce the global burden of disease. (Mokdad, Yach)

growth and evolution in the understanding of the concept, shared value creation has been seen to rest on two things: innovation and strategy.

Innovation is central to shared value creation, Kramer stressed, emphasizing that to meet the needs of new and emerging markets and to operate business in a way that aligns with the needs of society is a very different exercise from traditional business strategy. Kramer provided examples of companies founded on shared value innovation, including the company VisionSpring, which has developed a new approach to marketing eyeglasses in communities that lack access to optometrists. VisionSpring invented an eyeglass design in which two lenses can be adjusted by a small dial on the side to provide a range of prescriptions. This innovation created a new market of 700 million eyeglass consumers who are without access to an optometrist, but now have the potential to earn a better living and lead a fuller life because of the ability to improve their vision.

The other side of shared value creation is about strategy. Kramer provided the example of the South African insurance provider Discovery, which has reinvented the insurance business by developing a sophisticated set of incentives designed to lead their members to engage in healthier behaviors, resulting in lower health care costs, longer life expectancy, and greater profits for Discovery (Porter et al., 2014). Another example of shared value strategy is the fertilizer company Yara and its infrastructure investments in Tanzania to develop an agricultural corridor that extended

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from the port to inland farmers, reaching new consumers of their product and increasing agricultural yields and incomes for hundreds of thousands of subsistence farmers.

Kramer contrasted two examples of initiatives focused on micronutrient fortification to illuminate the potential for scale and impact when business is engaged through a shared value framework. The first example is from Nestlé, which started working with the World Health Organization (WHO) to address specific nutritional deficiencies, first in West Africa, then in other parts of Africa, Latin America, and India. Through this initiative, Nestlé developed specific products, designed to provide necessary micronutrients, to be used by families on a weekly basis. These products are affordable to low-income populations, but still profitable for the company. Nestlé is now selling nearly 200 billion servings of these products a year.

The second example was an initiative between the company Danone and Grameen Bank to develop micronutrient-fortified yogurt. This initiative was based on a social enterprise model that generates revenue and income, but does not distribute profit. Rather, any profit is reinvested in the business and its mission. It was a successful venture that has been able to distribute about 36 million cups of the nutritional fortified yogurt per year. However, the initiative was not able to scale it beyond the initial factory because of the lack of profit and limited access to the capital that was essential to reach scale. The second example engaged business, met a social need, and was considered a success, but only the first which engaged business through a profitable shared value framework went to scale.

Returning to the example of Yara in Tanzania, Kramer pointed out that questions sometimes arise about why a private-sector company should be making investments in areas like infrastructure instead of the government. He explained that, at times, governments are constrained in their ability to look to the future or respond to the needs of poor or disenfrachised citizens. Government also is not always able to convene all of the stakeholders and exert the necessary leadership to build and lead a coalition. These are roles that companies can take on in a very powerful way. With this growing realization other sectors such as nongovernmental organizations (NGOs), development agencies, and governments are also rethinking the role of business. Rather than a traditional view that assumes business is a problem and creates harm for society, some actors in the NGO and public sectors are realizing that business has the innovative capacity to generate sustainable, scalable solutions that NGOs and government cannot. Kramer suggested that shared value requires a mindset shift on the part of governments to look closely at their policies to see if

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they are encouraging shared value. Engaging business to write a check is not strategic or innovative.

Elaborating on the role of government, Kramer stressed that there are very positive examples of government investing in innovation that then spurs shared value opportunities. One such example is Grand Challenges Canada, which is a venture capital undertaking sponsored by the Canadian government focused on funding early stage companies with shared value innovations and then supporting those companies on a trajectory to be acquired by larger multinationals to take the innovation to scale.

Philanthropy can also fund the early stages of development to help bring innovations designed to create shared value to scale. As an example, Kramer referred to a partnership between The Bill & Melinda Gates Foundation and the Coca-Cola Company to improve the incomes of smallholder farmers in South Africa. Coca-Cola wanted to sell juice in South Africa, but because it was too costly to import the fruit pulp, the company wanted to purchase crops grown locally. However, there was a huge transition cost for farmers to learn how to grow fruit instead of their usual crops and a delay before they had a harvest to realize an income, even though the poor farmers would have much higher incomes from the new crop. So, the Gates Foundation funded the transition cost, which would not have met the hurdle rate for investment from Coca-Cola to use its own funds, and then Coca-Cola agreed to buy the fruit after the transition period. While at first it may seem unusual for one of the largest foundations to fund a project that expands the product line for one of the largest for-profit corporations, it is a symbiotic relationship in which the foundation can provide support to farmers without creating long-term dependency on philanthropic funds, and the company can launch a new business that satisfies the return on investment expected by their shareholders.

Kramer touched on the issue of perceived and actual conflict of interest when engaging business in social issues. The common perception in the development sector is that government is the way to achieve social progress and private enterprise is not to be trusted, and this perception is frequently reflected in policy and attitudes. Unfortunately, this perception is not always wrong because there are incentives for companies to act irresponsibly and sometimes they do. These incentives tend to be very short term and there is a need for companies to think more in the long term. As evidenced in some of the examples Kramer shared, there is endless opportunity in getting public–private partnerships right by engaging companies in what they can do well to solve problems and look toward the long term, and engaging the expertise, resources, and influence of international aid agencies and organizations such as WHO. Other sectors also see the reward and are beginning to be open to it. Employing profes-

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sionals within these organizations who have experience across sectors, including private enterprise, international development, and NGOs, and who understand all three perspectives and languages, is a valuable tool for moving toward multisectoral collaboration based on shared value.

However, Kramer emphasized, shared value is not only about government, philanthropy, and society rethinking business. It also requires business to think differently and realize the value of aligning their success and growth with the interest of society. Shared value is understanding that individuals and communities that were traditionally treated as philanthropic beneficiaries are now customers. This requires customer research to understand the needs and wants of individuals to whom a company is trying to sell. The shared value lens obligates businesses to focus on what consumers want and will use. Through market research focused on these populations, surprising information is being uncovered. Often those assumed wants and needs are not accurate. The shared value shift to thinking about beneficiaries as customers requires a departure from finding solutions that sound good toward conducting research to understand how to meet their needs in ways that they actually want.

When asked to identify the internal stakeholders within a company that need to be engaged in discussions about creating shared value, Kramer noted that the CEO's support for shifting strategy toward shared value is critical as it requires expenditures of capital, undertaking risk, and new ways of working that the organization has not dealt with before. However, it also requires the involvement of operational staff at each level because they recognize the opportunities on the ground and understand the capabilities of the company to develop shared value initiatives.

Beyond the internal support required, companies need shareholders to understand and embrace shared value. Kramer suggested that this shift is starting to be seen within shareholder circles, but progress has been slow. Part of the challenge is that the investment community tends to view shared value through the lens of socially responsible investing, which is more about avoiding investments in harmful industries or companies rather than analyzing the economic prospects of the company. What is needed, he suggested, is a shared value lens within the investment community that seeks companies acting responsibly and tackling social issues in a way that improves their own economic performance. Some investors are applying this shared value lens, but it is at a nascent stage.

A comment was made about the suspicion around the potential of shared value within communities where inequality is stark and private businesses seem to be a part of the problem, or at least neutral, instead of the solution. In response, Kramer acknowledged that some leading companies are embracing shared value, but many are not there yet. However, he sees hope because these lower-income populations within communi-

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ties are viable customer groups for new products and services based on shared value. Companies that begin to meet these needs will grow and thrive, serving as useful examples. Kramer noted that the problem of inequality has not been solved through philanthropy or government either. Although he does not believe shared value will be the panacea, he thinks it can be a new and helpful step.

Kramer emphasized that, through the highlighted examples and experiences, he has learned that the more he works with companies, governments, and NGOs around the world, the more he realizes that the concept of shared value that he co-developed with Michael Porter is not a simple idea. It requires profound changes in thinking among companies about innovation, strategy, and choosing how and where to compete, and among government and NGOs about their policies and and ways of engaging companies. However, Kramer stressed that shared value creation has shown that, when it takes hold, the scale of impact that can be achieved is phenomenal. Kramer has come to believe that while shared value is hard work and the mindset shifts it requires are not easy, it is worth the effort. He feels this new way for business and society to work together can achieve progress on issues of global health and poverty, among many others that the world has grappled with throughout history, and perhaps achieve more progress within the coming decades than society has for centuries.

Shining a light on the potential for shared value opportunities in health, Kramer noted that many current companies were developed based on business models and product design that predated both the more recent thinking about shared value opportunity and many discoveries about the health consequences and health outcomes that are determined by behavior, socioeconomic conditions, lifestyle, diet, and the physical environment. These are areas where businesses can contribute in either harmful or helpful ways. He suggested that every company is in the health care business because they have their own employees' health to be concerned about, but also because nearly everything individuals do each day has an impact on health, including products that are used and the environment in which they live. Kramer concluded that all companies, therefore, can and should consider the potential for applying shared value principles to health.

ISSUES IN HEALTH FOR CORPORATE-SECTOR ENGAGEMENT

Picking up on Kramer's suggestion that all companies have the potential to create both harmful and helpful impacts on health, Ali Mokdad from the Institute for Health Metrics and Evaluation provided context on the pressing health issues globally where there could be shared value

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opportunities based on some of the key results from the 2013 Global Burden of Disease (GBD).

GBD is a systematic scientific effort to quantify in a comparative magnitude the health loss for every country in the world by age, sex, and population. It includes data from 188 countries dating back to 1990. It shows trends in risk factors and mortality. Subnational-level data for many countries is also collected to illuminate disparities within countries. The GBD includes 306 diseases and injuries and more than 2,000 disease sequelae, and 79 risk factors. It is updated annually and supported by a grant from The Bill & Melinda Gates Foundation. The data collection and research effort includes more than 1,000 collaborators in 108 countries. The included health metrics are

1. Traditional metrics: disease and injury prevalence and incidence, death numbers and rates;
2. Years of life lost due to premature mortality (YLLs): count the number of years lost at each age compared to a reference life expectancy of 86 at birth;
3. Years lived with disability (YLDs): for a cause in an age–sex group that equals the prevalence of the condition times the disability weight for that condition; and
4. Disability-adjusted life years (DALYs): the sum of YLLs and YLDs and are an overall metric of the burden of disease.

Since 1990, when the earliest GBD data were collected, mortality by every age group in the world has decreased. Mokdad suggested this global trend is a great success story of the public health programs, government investments, donors, and businesses that have focused on decreasing mortality since the GBD data were first published. However, in terms of morbidity, little progress has been made. In analyzing the recent data, Mokdad concluded that the leading causes of death globally can be largely attributed to four issues: socioeconomic inequalities, lack of financial access to health care, poor quality of care, and preventable causes of death. Of these four areas, Mokdad suggested that the greatest opportunity for businesses, and other sectors, to reduce morbidity is through investments focused on the fourth issue, preventable causes of death. While reducing socioeconomic inequalities, expanding insurance, and improving quality are all important goals and can improve health and reduce disparities, he emphasized that focusing on preventable causes is likely to be more cost-effective, yielding bigger potential benefits and costing less than other strategies. Some of the most prevalent risk factors for preventable death are smoking, physical inactivity, diet, blood pressure, and cholesterol. From Mokdad's perspective, addressing these risk

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factors through approaches tailored to the needs of specific communities is where businesses are likely to identify the best opportunities for creating shared value that reduces the global burden of disease and provides business opportunities.

OPPORTUNITIES FOR HEALTH: EMBRACING SHARED VALUE APPROACHES

Building on the shared value opportunities in health described by Kramer and Mokdad, Derek Yach, Chief Health Officer of Vitality, suggested specific opportunities for the private sector to engage in promoting the health of populations by adopting shared value approaches and demonstrated their potential impacts. Yach outlined these opportunities and potential impacts by describing how public health leaders have historically interacted with the private sector and health; how market forces and the power and reach of corporations can theoretically advance global health; why rigorous metrics and reporting systems are the drivers for this transition; and how the core products and services of companies from diverse sectors influence population health.

What Do Public Health Leaders Say About the Private-Sector Role in Health?

Traditionally public health strategies targeted specific disease-causing pathogens, including infectious diseases and those associated with basic living conditions and nutrition. During the Cold War, Yach explained, public health highlighted the value of programs implemented through government-led measures, including strong regulations, taxes, educational and environmental programs, alongside policies that aimed to ensure the health of populations with minimal personal engagement. Public health officials eventually realized that health promotion strategies to address chronic diseases driven by unhealthy behaviors required more complex approaches. Tobacco use was one of the first unhealthy behavioral risk factors to be targeted with tobacco companies cast as a public health enemy. In recent years, strategies to address tobacco have been a model to address other unhealthy behaviors associated with many products and services produced by the private sector.

Yach suggested that public health strategies to address noncommunicable diseases (NCDs) have historically shunned the use of public–private partnerships (PPPs) due to a deep distrust of industry, with the tobacco industry largely serving as the impetus for this distrust. Government actions have been seen as the only solution to address risks linked to corporations. Leaders in academia and NGOs have called on govern-

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ments to implement more stringent regulations to limit the activities of big businesses and to reduce major NCD risks, such as high body mass index (BMI), and tobacco and alcohol use, which contribute to the leading causes of death such as cardiovascular disease.

This historical reality persists today among some public health leaders, Yach suggested, setting the tone and direction that sets the basis for government policies, NGO advocacy, and the way "causes and solutions" to NCDs are framed by the media. In contrast, the private sector increasingly sees opportunities to advance better health through innovation and the development of products and services that address major global health concerns. These opportunities are being recognized as shifts in demography and disease are driving the need for investment in infrastructure and innovation.

The current obesity epidemic in the United States and globally demonstrates the controversy generated by initiatives like soda taxes. Nonetheless, the public sector alone cannot resolve the enormous health challenges faced by global communities today. Though history has demonstrated that the public sector's skepticism is not unwarranted, it is also clear that government regulations on consumer goods and services are insufficient. Given this, Yach suggested it is time to acknowledge that corporations, with their powerful impact on societal norms and individual behavior, must engage in the conversation to change global health trends.

How Can Market Forces and the Power of Corporations Advance Global Health?

Yach posited that shared value can be applied to health by all sectors in three ways:

1. Businesses can invest in comprehensive, evidence-based health and well-being packages that improve employee health while driving productivity, boosting corporate morale, and improving retention. A healthy workforce creates long-term economic and social value to a company's bottom line.[1]
2. Companies can promote shared value through their core products and services. While employee health and well-being packages can reach millions of employees, the core products and services of businesses can have an even greater impact on population health by reaching billions of consumers. Businesses are in a unique position to create products that promote health and reduce the

[1] See http://thevitalityinstitute.org/projects/health-metrics-reporting (accessed May 16, 2016).

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harmful impacts of their products and services among consumers and society. In recent years, demand for healthier products has increased as consumers become more aware of lifestyle behaviors that impact longevity and quality of life. Finally, fears of litigation and regulation often stimulate many companies to act faster. Consumer demand for healthier products and services is emerging rapidly, fueled by new technologies, demographic aging, and urbanization.[2]

3. Companies can promote health and well-being by investing in the communities in which they operate. Companies can engage local, national, and global public health agencies to address needs in their local communities and major health risks in their consumer base. Ensuring a healthy consumer base enables productive and sustainable relationships between companies and consumers.[3]

Despite these shared value opportunities for companies to improve health, Yach noted that continued distrust between the public and private sectors is not yet yielding beneficial results to populations. NCD risks and related challenges require a shift in the way public health interacts with the private sector. This will not be easy for either side, but the gains for health will make it worthwhile. Examples exist of companies addressing improved health through better business models that can illuminate the potential. In September 2015, *Fortune* magazine published an issue on the top 51 companies changing the world by "doing well by doing good." The conclusion was that "business in pursuit of profit still offers the best hope of addressing many of mankind's most deeply rooted problems. Companies that are making genuine efforts to change the world for the better should be encouraged . . . the future of mankind depends on it" (*Fortune*, 2015). CVS Health, for example, was highlighted as a company changing the world by removing all tobacco products from its shelves in 2014. After an initial drop in sales, investors responded positively and CVS Health saw a 66 percent increase in its stock price.

How Can Metrics and Reporting Drive Change for Good?

While a shared value framework is helpful for engaging business in improving health, Yach stressed that its broad acceptance will require metrics to ensure that actions by companies and their impact on health are accounted for through quantitative and qualitative measures. There is

[2] See http://thevitalityinstitute.org/projects/health-metrics-reporting (accessed May 16, 2016).

[3] See http://thevitalityinstitute.org/projects/community-health (accessed May 16, 2016).

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a growing understanding among corporations, leading NGOs, accounting bodies, and asset managers that nonfinancial measures have a significant *material* impact on the bottom line of companies over the long term. "Integrated reporting" platforms are increasingly tracking a few such measures; however, health remains weakly covered within these efforts. Yach mentioned a number of key reporting platforms that incorporate measurements on environment, social factors, governance, and corruption in their frameworks:

1. **DJSI:** The Dow Jones Sustainability Indices are a family of U.S.-based benchmarks for investors who understand that sustainable business practices may lead to long-term shareholder value and wish to reflect their sustainability convictions in their investment portfolios.
2. **FTSE4Good:** FTSE4Good Index Series in the United Kingdom is designed to measure the performance of companies demonstrating strong environmental, social, and governance (ESG) practices. These indexes can be used to assess responsible investment and to identify environmentally and socially responsible companies. They operate as a transparent and evolving global standard, and as a benchmark index to track performance of responsible investment portfolios.
3. **GRI:** The Global Reporting Initiative is an international independent organization that helps businesses, governments, and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, and corruption. It identifies specific indicators, works closely with the United Nations Global Compact, and is global in scope. More information on GRI and its process is included in Chapter 7.
4. **IIRC:** The International Integrated Reporting Council is a global coalition of regulators, investors, companies, standard setters, accountants, and NGOs. The coalition promotes communication about value creation in the evolution of corporate reporting, and provides a framework for integrated reporting based on six capitals. It does not provide specific indicators or standards.
5. **King III Compliance Report:** South Africa's King Report is a weekly report that highlights major trends across markets, and helps individual investors filter as well as prioritize relevant information. Features include session summaries, short-term investment strategy, macro strategy, technical trading comments, sector-specific comments, and political color and commentary.

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Integrating Health into Reporting

The IIRC framework identifies six key capitals that together create a successful business. They include financial capital, manufactured capital, intellectual capital, natural capital, social and relationship capital, and human capital (see Figure 2-1). Yach explained that human capital includes a workforce's competencies, capabilities, and experience as they align with and support the business. *Healthy* human capital generates employee loyalty and productivity, which contributes to a healthier bottom line. Health is both an *input*—through employee health and well-being—and an *output*—through the impact of its core products and services. In this way, Yach suggested, health is a fundamental driver of a successful business model.

The IIRC framework highlights the importance of six capitals as being inputs and outcomes of corporate actions. Yach noted one of these is human capital. Many companies report on human capital through existing reporting standards. Components that are reported include information on diversity and equal opportunity, equal remuneration for women and men, and occupational health and safety training and education.

Most indexes do not include health, or are limited to occupational safety and health. This perception is evolving, as reflected by a recent quote by IIRC Chairman Mervyn King, who stated: "Human capital is one of the six capitals in the IIRC framework, and a critical aspect of it is the health of a company's employees. The healthier employees are, the more productive they are—and that's for the benefit of all stakeholders."

The WHO constitution explicitly states that health is a fundamental human right and defines health as "a state of complete physical, mental and social well-being and not merely the absence of disease of infirmity" (WHO, 1946, p. 1). Yach suggested the concept of health as an input to a successful business model must expand beyond occupational safety and health to ensure that all dimensions identified by WHO are addressed, optimized, and integrated into the culture of health. If companies are not comprehensively measuring health, Yach suggested, it will be more difficult for them to improve health.

As major institutions that employ millions of people and reach billions through their consumer base, businesses are in a unique position to make a radical impact on the landscape of population health. They can even reframe how contemporary public health approaches health promotion. A recent review of 10-K reports to the U.S. Securities and Exchange Commission (SEC) by Vitality indicated that many companies provide a narrative report on issues related to health, including overall health care costs and the existence of workplace health promotion programs. Yach suggested these narratives need to be expanded to include a more com-

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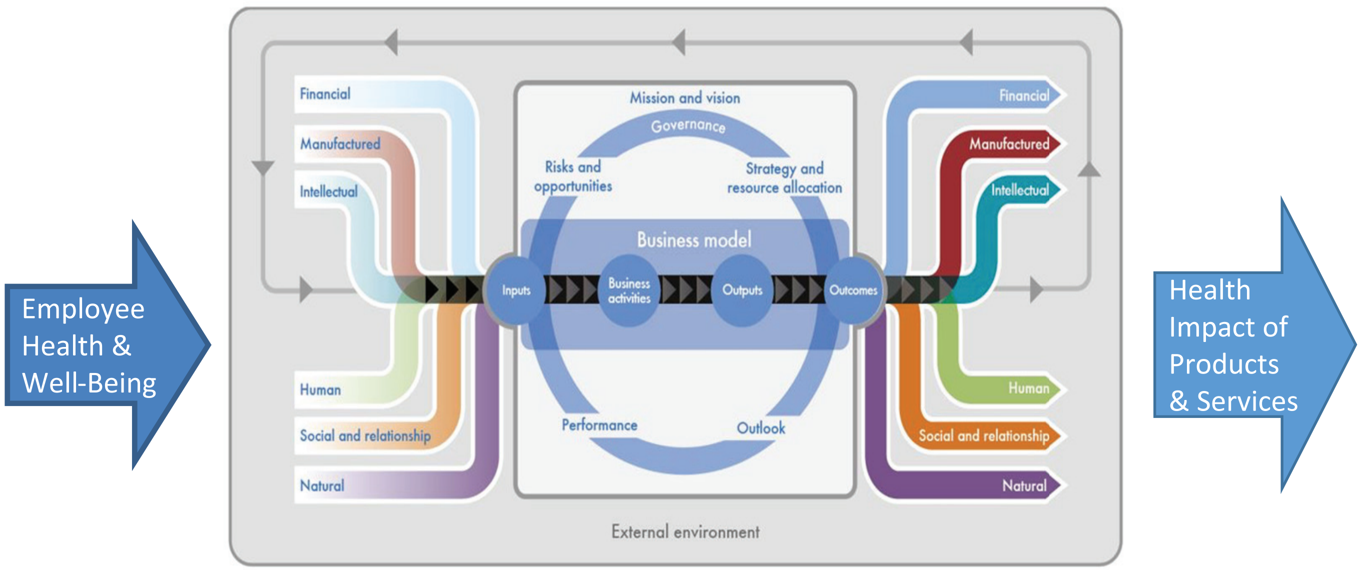

FIGURE 2-1 IIRC (International Integrated Reporting Council) framework implicitly includes health.
SOURCE: As presented by Derek Yach on December 3, 2016. Adapted from International Integrated Reporting Council. 2013. Copyright © December 2013 by the International Integrated Reporting Council ("the IIRC").

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prehensive definition of employee health. He elaborated that employee health needs to shift from being considered a cost to be controlled to being viewed as an investment in workforce productivity and morale. As detailed in Chapter 3, there is emerging evidence that companies that invest in a culture of health see significant improvements in financial returns when compared to companies that do not invest in health. This evidence suggests that comprehensive efforts to invest in employee health and well-being are not simply a moral imperative offered within a company's corporate social responsibility portfolio, but a strategic investment in overall corporate performance. A culture of health does not happen by chance—it must be built as part of a core business strategy. Doing so yields greater value for employees, consumers, and investors. Yach noted metrics that measure a company's culture of health and the health and well-being of its employees, or "input" metrics, need to be evidence based to ensure they reflect risk material to the bottom line.

Metrics, Yach suggested, also need to focus on risks that are amenable to workplace interventions to incentivize companies to invest in employee health and well-being over time. Yach shared that in working with experts and leading companies, Vitality has identified key employee health and well-being indicators that fit into three categories:

1. Governance (leadership and culture);
2. Management (programs, policies, and practices); and
3. Health risks and outcomes. (The Vitality Institute, 2016)

How Do the Products and Services of Diverse Corporate Players Influence Health?

In addition to employee health and well-being acting as an input and driver of economic success, Yach explained population health is also a critical *output* of business activity. For more than two decades, it has been recognized that the impact of a company's activities on the environment can be profound. Energy, water, and land use impact the environment. Environmental pollutants can contaminate the land, water, and air. Historically, such impacts were ignored. Today, they are regarded as economic and legal threats or opportunities for sustainable businesses, and more often managed accordingly. The same concepts apply to human health. As a start, Yach suggested, business leaders need to be more aware of the quantitative and qualitative effects their core business activities have and could have on population health beyond their employee base.

Businesses from all sectors can alter the health profile of their goods and services to improve population health and to create long-term sustainability. For example, Sodexo, a global food services company, states that

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the "increasingly health-conscious consumer [base] will force companies to innovate their products and services" to meet growing demand. Roche Pharmaceuticals noted that "payers are increasingly evaluating clinical efficacy, comparative-effectiveness, and cost benefits . . . to determine pricing" (The Vitality Institute, 2016, p. 32). This is increasing access of pharmaceutical drugs to a larger number of people worldwide. Unilever also realizes that the increasingly health-conscious consumer base has transformed from a niche market to a market norm.

The consumer plays a significant role in business decisions through consumer demand, Yach suggested, represented by real-time numbers, trends, and projected reactions. Research on consumer demands, trends, and opinions can generate metrics as further proof that health is growing in importance, and thereby serve as validation for companies reluctant to embrace health as a shared value.

Yach presented a chart listing a selection of the highest revenue-earning Fortune 500 companies from a few key sectors showing their revenue, employee base, and consumer reach (see Table 2-1). Developing comprehensive health and well-being programs for their employee base can have a notable impact, cumulatively reaching millions of individuals through their employee population. A company's even greater potential lies in creating a ripple effect of change through its core products and services. The retail, food and beverage, and alcohol industries alone have a consumer reach of nearly two-thirds of the global population, which creates enormous potential for change. Yach noted that minimal modifications in the salt, sugar, and saturated fat contents of products consumed by billions, reduced levels of alcohol in a popular global beer brand, and improved adherence to antihypertensive medication all have the potential to benefit human health.

If leveraged through market forces, Yach suggested these actions could achieve health gains at substantially lower cost than many government-led initiatives. In particular, retail holds power as a gatekeeper and as a leader in defining what is consumed. Food, alcohol, and sports goods are examples.

The potential for wide-scale benefits to health is only starting to be realized. Nonetheless, it starts with a retailer understanding that selling health-enhancing and healthier products will benefit their bottom line in the long term. Similarly, Yach suggested, technology is so ubiquitous in society and it can be used as a platform to disseminate health-promoting messages to reach a majority of people. Billions have access to a technology device such as a mobile or smart phone. With the advent of social media, these technologies can become a launching pad for promoting a global culture of health. Technology can also open doors for consumers to better access health care through telemedicine, engage in physical activity,

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receive brain stimulation and other eHealth services, as well as use GPS (Global Positioning System) tracking in emergencies.

Measuring Success

Measuring success requires looking at the impact of these measures on population health. Yach presented a table showing a list of the most prominent risk factors, including hypertension, childhood underweight, tobacco, alcohol, high BMI, physical inactivity, and lack of fruits and vegetables (see Table 2-2). For each health risk, there is at least one industry that can have an impact on curbing this threat and reduce the total number of deaths it claims per year.

Selling healthy products is only one component of the strategy. Marketing through media campaigns and strategic product placements that increase consumer demand is another powerful tool. After removing high-fat and high-sugar goods from its check-out lines, two-thirds of Tesco customers reported that these moves would help them make healthier choices for their families. This demonstrates that it is not just about what you sell, but it is also about how you market what you sell. Since this change, Tesco reports that "the overall healthiness of its customers' shopping in convenience stores improved significantly over the first 3 months, based on the data we have about the nutritional content of our customers' shopping baskets."

Yach noted that companies that successfully transform and embrace new technologies, opportunities, or threats do so on a solid base of investments in research and development (R&D). Legacy companies with a history based on products and services that were immune for decades to serious pressures to change, including food, alcohol, tobacco, and insurance, have often ignored R&D investments. A company's process of change often starts through an assessment of its commitment and recent increased investment in R&D. The primary intent of the research should not be just to meet consumers' taste preferences (in the case of food), but to improve the health qualities of their products and services. Details of R&D priorities are rarely provided by companies, but investors, asset managers, and consumer groups would benefit from such data because they can help distinguish companies who talk about the need to transform versus those who are serious about investing in change.

Product innovation often advances faster than business model innovation. Food companies have produced a range of healthy products that never reach scale due to commodity prices, consumer resistance, or simply a lack of marketing support. Yach noted that sound research needs to guide decisions and be supported by smarter regulations.

Beyond metrics on R&D, Yach suggested that sector-specific metrics

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are needed to guide change and assess progress. For example, the food and beverage and retail industries can assess their impact by analyzing the percentage of profits from healthy foods. This affects the per-capita consumption of healthy versus unhealthy products. Insurance companies can measure the impact of products, incentives, and programs on longevity as well as the decline of accidental injuries and deaths. Pharmaceuticals can also use access, coverage, and adherence as assessment points. This increases the sustainability of its consumer base and can expand it. Yach suggested that these examples reflect the IIRC framework for a successful business model by ensuring that health is both a driver and product of economic success. These assessments help investors, consumers, and asset managers measure the impact of human capital through a health lens and give them a better understanding of the overall health of a company, including employee health and well-being as an input and the health impact of products and services as an output.

Yach emphasized that the public and private sectors must find a way to work together where they are aligned toward similar goals; the newly adopted SDGs providing a starting point. He noted that it will not be easy but, by combining shared value and IIRC frameworks, and leveraging data, sectors can already work on improving population health together, measuring and verifying results of positive impact along the way. That is what Yach believes will rebuild trust.

Balancing Conflicts of Interest and Advancing Global Health and Safety

Victor J. Dzau, National Academy of Medicine

In his opening remarks, the National Academy of Medicine (NAM) President Victor Dzau acknowledged that important solutions to many of the aspirations and challenges in global health have been achieved through PPPs. Within cross-sector partnerships, the issue of conflict of interest (COI) will arise and need to be addressed; however, Dzau emphasized that COI should not be viewed as necessarily bad. Using the field of health care as an example, he explained that to be able to deliver important innovations and care to patients and society, the business sector is necessary, along with academics, nonprofits, and the public sector. No one entity has sufficient expertise to solve complex global problems, and PPPs bring together the best collective resources to solve these challenges.

Concerns arise over private companies' motivations within the health sector, particularly when they are engaged in product development and access focused partnerships that may be engaging only in an effort to

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TABLE 2-1 The Potential Influence on Health of Core Products and Services from Diverse Sectors

Sector	Company	Revenue (millions)	Employee Population	Consumer Reach
Retail	Tesco	101,580	500,000	More than 80m shopping trips every week
	Walmart	485,651	2,200,000	260m customers/week
Food & Bev.*	Nestlé	100,116	339,000	Maggi alone is in 1/3 households globally
	PepsiCo.	66,683	271,000	3b consumers
Alcohol*	AB InBev	47,603	154,026	459m hectoliters in 2014
	Heineken	25,668	76,163	137,983m hectoliters of beer sold in 2014
Tobacco*	BAT	42,506	57,000	667b cigarettes sold in 2014
	PMI	29,767	82,500	120m smokers
Motor Vehicles	Volkswagen	268,567	583,423	10.21m cars sold in 2014
	Toyota	247,703	338,875	10.23m cars sold in 2014
Social Media	Facebook	1,550	9,199	1.55b monthly active users
	LinkedIn	300	6,000	87m unique visitors in 2014

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Pharmaceuticals*	Johnson & Johnson	74,331	126,500	More than 1b lives touched daily
	Novartis	59,593	133,413	More than 1b people reached, 2014
Drug Distribution	McKesson	181,241	43,500	N/A
	AmerisourceBergen	119,569	17,000	
Medical Devices	General Electric	148,321	305,000	N/A
	Medtronic	20,261	92,000	
Electronic/Tech*	Samsung	195,845	498,000	307m smartphones sold, 2014
	Apple	192,795	115,000	800m iOS devices sold by mid-2014
Insurance	AXA Advisors	161,173	96,279	103m clients in 59 countries (AXA Group)
	Allianz	136,846	147,000	86m clients in 70+ countries
Sports*	Nike, Inc.	27,000	62,600	900m units moved annually
	Adidas	19,200	53,7.1	660m units produced per year

NOTES: *Denotes a sector dependent on retail to get their product to consumers. AB InBev = Anheuser-Busch InBev; BAT = British American Tobacco; N/A = not available; PMI = Philip Morris International.
SOURCES: As presented by Derek Yach on December 3, 2015. Data found at http://fortune.com/global500.

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TABLE 2-2 Selected Health Risks Amenable to Reduction Through Corporate Actions

Risk	Deaths (2010)	Business Sector	Corporate Reach (millions/year)	Actions to Decrease Burden Within a Decade
Hypertension	9,395,860	Pharma/medical devices/drug distribution	6,384/5,628/5,760	Better screening, treatment, and medicine adherence
Childhood underweight	860,117	Food/retail	27,240/3,840	Bottom of pyramid innovation
Tobacco	6,297,287	Tobacco/retail	3,840/3,840	Reduced risk products
Alcohol	4,860,168	Alcohol/retail	4,692/3,840	Road safety and responsible drinking
High BMI	3,371,232	Food/retail/pharma/sports	27,240/3,840/6,384/4,920	Healthier nutrition and calorie reduction
Physical inactivity	3,183,9400	Sports	4,920	Active transport and reduced sedentary behaviors
Dietary lack (fruits and vegetables)	F = 4,902,242 V = 1,797,254	Retail/food	3,840/27,240	Increase average daily portions by 1 (e.g., 2 to 3)

NOTE: BMI = body mass index.
SOURCES: As presented by Derek Yach on December 3, 2015. Data from *Lancet*, 2015.

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seek “future profits or markets or to control the agenda of international agencies.” However, consistent with the principles of shared value, Dzau believes companies can both do good and do well. Working together through partnerships helps corporations better understand the market and the challenges on the ground and ultimately better meet societal needs.

To address COI that arise when working in partnership, many organizations have adopted various practices. Dzau pointed out that COI has been defined as a “set of conditions in which professional judgments concerning a primary interest (e.g., a patient’s welfare or validity of research) tends to be unduly influenced by a secondary interest (e.g., financial gain).” He noted that the secondary interest is not always financial gain and many other interests can unduly influence judgment. He also explained that personal COIs are different from institutional COIs and cautioned that although they do overlap, they are different and it is important to separate them. Dzau said there is also the issue of actual COI versus the appearance of COI. He suggested that it is important to recognize and deal with the appearance of conflict; however, often, most institutions do not separate actual from appearance simply because at the end of the day, issues arise whether your judgment was unduly influenced by secondary gain or personal interest, or there is the appearance of the decision being influenced.

Commenting on principles for identifying and assessing COIs, Dzau mentioned that in 2009, the Institute of Medicine released a report that examines COIs in medical research, education, and practice and in the development of clinical practice guidelines. He noted that the severity of a conflict of interest depends on the likelihood that professional decisions made under the relevant circumstances would be unduly influenced by a secondary interest and on the seriousness of the harm or wrong that could result from such an influence (IOM, 2009).

Dzau pointed out that there are quite a few good practices and guidelines available for managing COIs in PPPs. He mentioned that, for example, Omobowale et al. (2010), in their review of policies and interviews to understand how COIs can be mitigated and managed in PPPs, found that a range of good practices exist, including accountability and governance, acknowledgment and disclosure of possibility of conflict of interest, abstention and withdrawal from the decision-making process, training, whistle blowing, public reporting and transparency, and independent monitoring. Using examples from Global Alliance for Vaccines and Immunization (GAVI) and PATH, Dzau summarized the guidelines and procedures that these organizations are using to address COIs. He mentioned that the GAVI secretariat hires procurement expert(s) to address COI issues as related to procurement and links them up with

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broader policy on COI. He pointed that this is a kind of independent objective decision making that applies to specific companies with different partners. In this case, all of the partners are required to complete a conflict of interest form when executing contracts and participating in meetings. He said that PATH, on the other hand, puts more on the value side for disclosure and transparency, rather than implementing an external monitoring mechanism to address COI. Dzau suggested that it would be a good practice for every company or NGO to disclose or report any kind of conflict or financial relationship as it develops.

Dzau summarized his experiences dealing with COI policies at Innovations in Healthcare (formerly the International Partnership for Innovative Healthcare Delivery), a nonprofit organization hosted by Duke University and founded by Duke Medicine, McKinsey & Company, and the World Economic Forum while Dzau was Chancellor at Duke University; dealing with personal COI at Duke University and as the CEO of Innovations in Healthcare; and lastly dealing with COI policies as the President of the NAM. When asked who is responsible for responding to questions and addressing public reactions about Innovations in Healthcare hosted by Duke University, Dzau answered that depending on the level of inquiry, the management team responds, which consists of communicators, lawyers, faculty, and others. He noted that in assuming his current position as President of the NAM, he stepped down from all corporate boards and ended all commercial relationships because of the Academies' role in providing independent advice and recommendations to Congress and other national and global policy makers. In this capacity, there cannot be any real or perceived COI.

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3

Linking Performance and Investments in Health

As companies adapt to the changing global economy and reach new markets, compete to attract talent, increase productivity, and operate in communities facing specific health challenges, investing in health can become a critical factor, and the opportunity exists to remain or increase competitiveness across the domains of their core goods and services, employee health, and community–employer interactions. Five panelists presented evidence and opportunities for how companies can improve their performance through investments in health. Specifically, Rebecca Weintraub focused on value generation in global public health; Frederic Sicre presented on socially responsible investing; Ray Fabius addressed the benefits of workplace health programs; Ron Goetzel discussed the common themes in workplace health programs; and David Wofford addressed both workplace and community health. Key messages from their presentations are included in Box 3-1.

GENERATING VALUE: STRATEGIC CHOICES FOR THE HEALTH CARE INDUSTRY

Rebecca Weintraub, Harvard University

Rebecca Weintraub, Assistant Professor at Harvard Medical School and Faculty Director of the Global Health Delivery Project at Harvard University, said that companies have identified opportunities to generate value in global health through strategic choices in redefining productiv-

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BOX 3-1
Linking Performance and Investments in Health: Key Messages Identified by Individual Speakers

- Companies have identified opportunities to generate value in global health through strategic choices in redefining productivity in the value chain, redesigning of products and markets, and building supportive industry clusters. (Weintraub)
- Measuring social impact on the ground is key to sustainability. (Sicre)
- It is important for the investment community to know about the health and illness burden of the workforce in which they invest. (Fabius)
- Workplace health promotion programs can lead to positive financial outcomes for companies, as well as positive health outcomes for employees, and humanistic outcomes. (Fabius, Goetzel)
- Employers have an opportunity to address the broader determinants of employee health by providing employment and income, a greater sense of purpose, a healthy environment, and benefits that can provide incentives for a healthier lifestyle. (Fabius, Goetzel)
- Creating shared value in health is not just about what individual companies do, but the public and private incentive structures that affect business thinking and the decisions at all levels, globally and nationally, and within companies and communities. (Wofford)

ity in the value chain, redesigning of products and markets, and building supportive industry clusters. To illuminate the opportunities within these areas of value generation, Weintraub summarized four cases: Botanical Extracts Ltd.'s investments in local economies in the supply chain for artemisinin-based combination therapy; Olyset's development of long-lasting insecticide nets; Wolters Kluwers's UptoDate software; and CVS Health's shift from selling products to improving health outcomes. Two of the case studies[1]—Botanical Extracts Ltd. and Olyset—are completed case studies published by Harvard Business Publishing and Harvard University's Global Health Delivery Project. Weintraub noted that there are both prevention value chains and care delivery value chains embedded within shared delivery infrastructure.

Botanical Extracts Ltd. and Artemisinin-Based Combination Therapy

This case provides an example of redefining productivity in the value chain, tracing the establishment of Botanical Extracts Ltd. (BE)

[1] For more information, see http://www.ghdonline.org/cases (accessed June 13, 2016).

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as a manufacturer of artemisinin, the active pharmaceutical ingredient in artemisinin-based combination therapies (ACTs) for malaria in East Africa. It details the founding of BE, its role in the ACT industry, and the complex supply chain for ACTs from the cultivation of the raw material to the delivery of ACTs as well as the public–private partnership (PPP) that was driving the manufacturing and delivery of ACTs.

Malaria disproportionately affects low- and middle-income countries, particularly sub-Saharan Africa. By 1990, every country in sub-Saharan Africa had reported chloroquine and other antimalarial resistance. Weintraub noted that the emergence of resistance to inexpensive treatments led to the development of ACTs. She explained that the innovation process dates back to 168 BCE, when it was realized that the plant *Artemisia annua* was being used in China to treat fever. Artemisinin combination therapy was then sold in the private-sector market as Riamet® in the United States and in the European markets as Coartem®. With the increasing awareness of the effectiveness of ACTs, Novartis entered into an agreement with the World Health Organization (WHO) to add Coartem® to WHO's Essential Medicines List. The forecasted surge in demand led to the increase in the market price, incentivizing farmers and extractors to increase production.

Weintraub continued that the second part of the value generation was redefining productivity in the value chain through the production of an antimalarial with *Artemisia* plant sourced from local farmers. In 1994, BE explored the cultivation of the *Artemisia* plant by bringing together a group of farmers from Tanzania. The perceived global scarcity in artemisinin and increase in price motivated BE to scale up production by establishing facilities in other East African countries.

Novartis, which sourced its artemisinin exclusively from China, wanted to diversify artemisinin extraction to other regions of the world to both mitigate risk and cut costs. Novartis signed a preliminary supply agreement with BE for artemisinin production and supported the development of other facilities to meet the anticipated higher volumes. During BE's scale up of production, several challenges such as the ability to extract enough artemisinin from the plant, demand shortfalls, heavy financial burdens, and unnerved farmers, led to a mismatch between demand and supply. Weintraub explained that, to sustain the business model and scale up process, Novartis absorbed the majority of these losses and maintained its commitment to the Coartem® program and BE.

A to Z Textile Mills Ltd. and Olyset Long-Lasting Insecticide Nets

This case highlights value generation through the redesign of products and markets by tailoring products to meet local market conditions

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and building local capacity for health commodity manufacturing. It focuses on the establishment of the Olyset® Consortium, a PPP that was created to facilitate the manufacture of long-lasting insecticidal bed nets to prevent malaria infection in sub-Saharan Africa, and A to Z Textile Mills ("A to Z"), the manufacturer of the nets in Tanzania. Weintraub described how the PPP was developed, its use of an incentive-based supply chain, A to Z's business model and impact, and the sustainability of the venture.

Weintraub explained that Sumitomo Chemical, a Japanese chemical company, developed the Olyset® bed net, a type of long-lasting insecticidal bed net (LLIN) developed to overcome the problems of low retreatment rates, washing, and erratic dose of the insecticide resulting in the shortcomings of the conventional insecticide-treated nets that were used to reduce the burden of malaria in sub-Saharan Africa. By 2002, a PPP of five for-profit and not-for-profit organizations met to prove the basic principles of technology transfer and local capacity-building as they apply to malaria prevention interventions; enable a sustainable, local supply of LLINs; and improve protection of vulnerable populations. Around this time, A to Z in Tanzania, which began as a children's clothing manufacturer with five sewing machines operated by family members, was producing polyester mosquito nets. While A to Z grew because of its commitment to pursuing bed net manufacturing and sales, it diversified its bed net production to include insecticide treatment. Sumitomo Chemical chose A to Z as its LLIN partner and as part of its corporate social responsibility (CSR) activities, provided a royalty-free technology license to A to Z. Weintraub explained that the production of LLINs in Tanzania helped malaria reduction and also increased manufacturing capacity.

Evidence-Based Medicine (EBM), UpToDate, Wolters Kluwer

This case provides an example of strengthening health care systems to enable delivery. In the U.S. health care market, most physicians consult evidence-based sources to inform their decisions at the point of care. Weintraub said that nearly 90 percent of academic medical centers in the United States rely on UpToDate, an evidence-based electronic clinical information resource designed to provide clinicians with practical and reliable answers to clinical questions at the point of care. Sixty research studies confirm the widespread use of UpToDate, and its association with improved patient care and hospital performance, including reduced length of stay, adverse complications, and mortality, she added.

Weintraub noted that in October 2008 Wolters Kluwer, a global company that provides information, software, and services to legal, business, tax, accounting, finance, audit, risk, compliance, and health care professionals, acquired UpToDate. She explained that the combination of

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UpToDate and Wolters Kluwer provided the market with an opportunity for advancing patient care while reducing medical costs. Strengthening the competitive context in key regions where the company operates in ways that contribute to the company's growth and productivity. For example, in 2014 UpToDate saw robust growth as it completed its global launch of the UpToDate Anywhere mobile access platform and introduced its 22nd medical specialty, Palliative Care. The product is now used by more than 1 million clinicians in more than 170 countries. Weintraub concluded that not only does the software provide EBM, but the usage pattern data could possibly be used to project pandemics.

CVS Health's Smoking Cessation Initiatives

This case examines redefining productivity in the value chain by adapting sales and distribution to penetrate new markets and better meet patient needs. In February 2014 CVS announced that it would stop selling cigarettes and tobacco products in its stores by October of that year to help people lead tobacco-free lives Weintraub noted that CVS Health's bold anti-smoking stance earned the company praise from health advocates, and led to a rise in its stocks as well as increased sales—in spite of the loss of revenue from tobacco sales. She explained that despite sacrificing $2 billion in tobacco sales, CVS Health enjoyed a 5.5 percent year-over-year bump in same-store sales and a 22 percent increase in pharmacy services revenue in the months following its stop of tobacco sales and public rebranding as a health-focused company. Weintraub concluded that CVS has doubled its monthly smoking cessation visits, has increased its investment in mini-clinics, and is implementing the new enterprise brand across all its business units.

CORE BUSINESS PRODUCTS AND SERVICES

Frederic Sicre, The Abraaj Group

Frederic Sicre, Partner at Abraaj Capital, presented opportunities for investments in health in emerging markets, also referred to as global growth markets. Abraaj, a for-profit private equity investor, has been operating for about 14 years in 25 offices across the world with about 300 employees and $9 billion of assets under management. The organization invests in cities, seeing opportunities presented by the increasing urbanization rate, young demographic trends, rising middle class, and consumers that offer business opportunities. Shared value is at the center of Abraaj's investment process, which includes a strong focus on environmental, social, and governance principles. "This is not just a ticking the

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box kind of exercise, but using the lenses of environmental, social, and governance practice to see how they can either create new markets, new sources of revenue, or create long-term sustainable value in the enterprises in which they are investing," he noted.

Sicre explained that Abraaj has deployed about $1 billion in the health care sector over the past 12 to 13 years. Health care expenditure in the growth markets has been increasing by 6.5 times over the past 12 years as compared to 2.5 times in the developed world, even projected against a growth in gross domestic product (GDP) per-capita increase. Urbanization and the rise in noncommunicable diseases (NCDs) are impacting this increase in expenditures. While efforts have been made in the past 10 years to lift millions of people in these emerging markets out of poverty, as a result, many of them are now subjected to NCDs associated with new lifestyles changes. Sicre noted that the lack of affordable, high-quality health care services in some of these emerging markets is pushing populations lifted out of poverty back into it.

There are potential financial losses resulting from NCDs globally, thus providing a reason for the private sector to play a role in increasing access to quality and affordable care, Sicre explained. Government expenditure in health care in these markets is minimal (see Figure 3-1), creating a need he suggested for all sectors, including the private sector, to fund this gap.

Sicre cited an example of how the private sector could partner with the Nigerian government in training and providing education infrastructure for doctors to reach OECD (Organisation for Economic Co-operation and Development) levels by the year 2030, and emphasized that governments are listening and want to partner with the private sector to try and address these issues. In another example, he indicated that through private-sector initiatives in India, 75 percent of new beds have been put in hospitals. Sicre observed that moving forward in these PPPs allows for an alignment of government objectives with private-sector opportunities. He also noted the importance of nongovernmental organizations in these partnerships because of their local knowledge and on-the-ground delivery capabilities, an aspect that Mark Kramer from FSG mentioned earlier.

Sicre supports blended finance approaches that pool together public and private resources to solve large societal issues such as health care. However, he also emphasized that these approaches are not just about finance, but about the blended expertise, which is often overlooked. He pointed to some of Abraaj's undertakings in India, the Philippines, and Pakistan. In these countries, Abraaj has seen the possibility of increasing efficiencies, sustainability, delivery, and also affordability, which is a key thing in terms of health care access in these markets. In one innovative example, The Abraaj Group has raised funds to bring together a private equity firm, The Bill & Melinda Gates Foundation, the International

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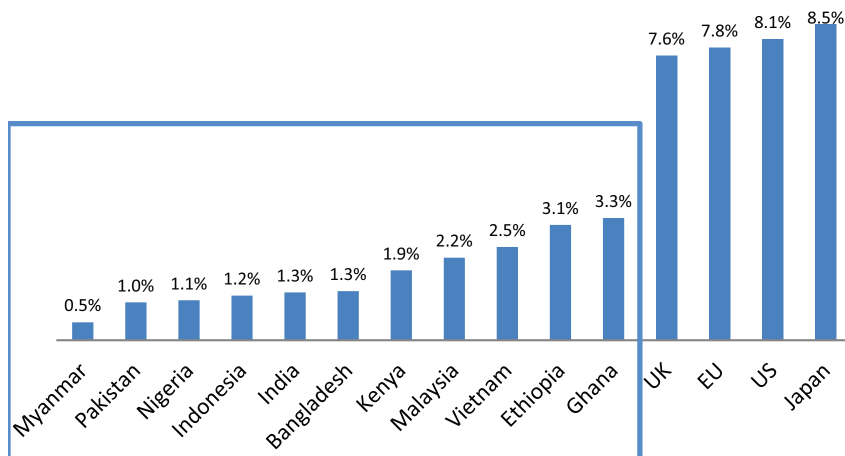

FIGURE 3-1 Government health expenditure (% of GDP).
NOTE: EU = European Union; UK = United Kingdom; US = United States of America.
SOURCE: As presented by Frederic Sicre on December 3, 2015.

Finance Corporation (IFC), and the multinational company Phillips to address health care access in 10 cities in sub-Saharan Africa and South Asia. The idea for this investment process is not only to purchase several hospitals, then operate, grow, and scale them, but largely to fill the identified gap in the health needs for these cities. This investment hopes to address a range of issues from diagnostics to training of nurses, to building and making sure that procurement costs on equipment are lowered by having an approach that has 10 cities at stake, and use a "hub-and-spoke" model and training programs for community workers to try to address rural communities with limited health care access.

Sicre emphasized that business can play a huge role in addressing global health challenges and, more broadly, the Sustainable Development Goals. He closed by mentioning that Abraaj has been evaluating how to measure the social impacts of its initiatives, recognizing it as the key to sustainability. Abraaj has created an impact committee for health care investments to identify the metrics that can be used to measure affordability, accessibility, and quality of health care in the emerging markets where they are investing.

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BENEFITS OF WORKPLACE HEALTH PROGRAMS

Ray Fabius, HealthNEXT

Presenting on the value of investing in wellness, and why population health and building cultures of health should be a corporate strategy, Ray Fabius, Co-Founder and President at HealthNEXT, framed his presentation on the following benefits of investing in wellness:

- Medical cost reductions
- Productivity gains
- Increased employee engagement
- Employer-of-choice enhancement
- Return to investors

In a study to evaluate the effect of its worksite health promotion program on employees' health risks and health care costs for the period 2002 to 2008 at Johnson & Johnson, Henke and colleagues (2011) found that Johnson & Johnson experienced average annual growth in total medical spending that was 3.7 percentage points lower when measured against similar large companies. The company employees benefited from meaningful reductions in rates of obesity, high blood pressure, high cholesterol, tobacco use, physical inactivity, and poor nutrition. Average annual per-employee savings were $565 in 2009 dollars, producing a return on investment equal to a range of $1.88–$3.92 saved for every dollar spent on the program (Henke et al., 2011).

In a study to determine the ability of the Health Enhancement Research Organization (HERO) Scorecard to predict changes in health care expenditures, Goetzel et al. (2014) linked individual employee health care insurance claims data for 33 organizations completing the HERO Scorecard from 2009 to 2011 to employer responses to the Scorecard. Organizations were dichotomized into "high" versus "low" scoring groups and health care cost trends were compared. A secondary analysis examined the tool's ability to predict health risk trends. Goetzel and colleagues found that "high" HERO scoring companies experienced better health care cost trends compared with "low" HERO scoring companies. After studying these benchmark companies, HealthNEXT identified 218 elements in 10 categories, and can now go into any company and score them out of 1,000 points, identifying their gaps from the benchmark and helping them to build a culture of health by scoring around 700, which is what the benchmark companies appear to score. In their recent study to evaluate the stock performance of publicly traded companies that received the highest best practice index scores on the HERO Scorecard in comparison against aver-

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age market performance, as represented by the Standard and Poor's (S&P) 500 Index, Grossmeier et al. (2016) found that stock values for a portfolio of companies that received high scores in a corporate health and wellness self-assessment appreciated by 235 percent compared with the S&P 500 Index appreciation of 159 percent over a 6-year simulation period.

On the issue of productivity gain, Fabius noted it is evident that a skilled and willing workforce that is not well cannot create a competitive advantage. He added that poor health impacts safety, services, and financials, as depicted in Figure 3-2. In a study to explore methodological refinements in measuring health-related lost productivity and to assess the business implications of a full-cost approach to managing health, Loeppke et al. (2009) found that health-related productivity costs are significantly greater than medical and pharmacy costs alone (on average 2.3 to 1). The authors concluded that there is a strong link between health and productivity. He emphasized that employers who focus only on health care costs do not realize the true impact of poor health. Sherman and Lynch (2014) found a direct correlation between the cost of health care per worker at a manufacturing location and the degree of waste that that location engendered.

On the issue of employee engagement, Fabius noted that employee engagement functions two ways—doctors often talk about engagement as patients who are engaged in their health, and corporation leaders talk

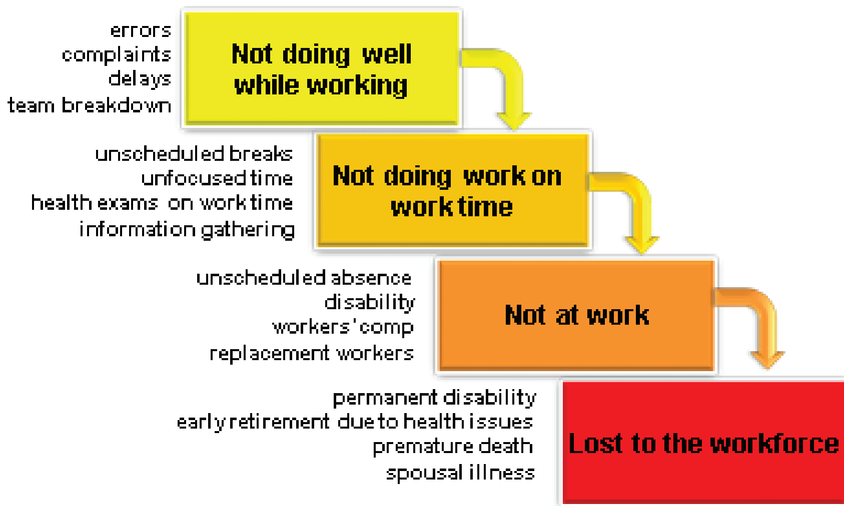

FIGURE 3-2 Continuum of employee performance outcomes.
SOURCE: As presented by Ray Fabius on December 3, 2015.

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about engagement in terms of how loyal and how much discretionary effort an employee engages in, but in his opinion, employee engagement is squared. That is, as the health of workers is invested in, they take better care of themselves and they are more engaged in their work. Individuals are more likely to be higher performers, as demonstrated by findings from the Unilever LampLighter Program.

By engaging in a culture of health, a company's employer-of-choice status is enhanced. This makes it easier for such companies to fill positions particularly in the global marketplace, and also reduces turnover remarkably relative to their industry peers. A Towers Watson report showed that companies with effective health and productivity programs achieved significantly better financial outcomes relative to their industry peers (Towers Watson, 2010). Also, a study to test the hypothesis that comprehensive efforts to reduce a workforce's health and safety risks can be associated with a company's stock market performance concluded that "companies that build a culture of health by focusing on the well-being and safety of their workforce yield greater value for their investors" (Fabius et al., 2013).

Ending his presentation, he called for the need to translate this information to the investment community. He noted that it is important for the investment community to know about the health and illness burden of the workforce in which they invest and supported efforts to develop health metrics as part of sustainability reporting.

COMMON THEMES UNDERPINNING WORKPLACE HEALTH PROMOTION PROGRAMS

Ron Goetzel, Johns Hopkins University and Truven Health Analytics

Setting the stage for his presentation, Ron Goetzel, Senior Scientist at Johns Hopkins University and Vice President of Consulting and Applied Research at Truven Health Analytics, referenced a study that supports prior and ongoing research demonstrating the business value of employing exemplary workplace health promotion and health protection programs (Goetzel et al., 2016). In this study, the authors examined the stock performance of 26 companies that won the C. Everett Koop National Health Award (www.thehealthproject.com) for the period of 2001–2014. Researchers compared the stock price for these companies to the S&P's 500 index and found that companies recognized for their exemplary health promotion and safety programs outperformed the stock market as a whole by about 2 to 1.

In Goetzel's opinion, companies' shared accountability and shared value starts by showing they care about the health and well-being of their

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workers. He noted that much of his research that examined the health and well-being of workers also spilled over into positive economic outcomes. While some workplace health promotion programs do not work, and may in some cases cause more harm than good, others do work, and work remarkably well. For example, programs in place for many years like the winners of the Koop Award have many of the elements necessary for success, and they also collect data documenting improved population health and cost saving. In a systematic review of workplace wellness programs led by Robin Soler at the Centers for Disease Control and Prevention (CDC), the authors examined 86 studies of workplace health promotion that evaluated the impact of these programs on behavioral and biometric risk factors, health care use, and workers' productivity. The review concluded there was sufficient or strong evidence that programs designed and implemented using evidence-based practices can exert positive impacts on outcomes important to businesses (Soler et al., 2010). Some recent case studies of effective programs included large companies like Johnson & Johnson, United Services Automobile Association (USAA), Dell Computer, and Citibank along with some small businesses, including Turck, Lincoln Industries, and Next Jump, an e-commerce company based in New York with 200 employees and $2 billion in annual revenues.

Goetzel noted that over the past 2 years, he and his colleagues have spent time visiting best and promising practice companies and disseminating information about their success ingredients through various social media vehicles supported by the Robert Wood Johnson Foundation, Transamerica Center for Health Studies, American Heart Association, and the CDC. He alluded to the following 10 practices as the secret sauce that makes those companies successful:

1. **Creating a Culture of Health That Is More Than Just a Wellness Program, But a Way of Life.** This is how the organization sees itself and communicates to its workers and to the outside world. It is ingrained in every aspect of the organization: its mission statement, its built environment, performance metrics, programs, policies, and health benefits.
2. **Leadership Commitment That Is CEO Driven.** CEO commitment that is disseminated and communicated by middle managers, supervisors, and the people who give permission to lead a healthy lifestyle. A budget, business plan, annual report, and empowerment of workers and unions make workers feel like they are and become a part of the solution.
3. **Setting Specific Goals and Expectations.** Goetzel proposed that setting short- and long-term objectives is essential, referencing a quote from Johnson & Johnson: "Think big, start small, act fast—

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one step at a time." A great deal of accountability needs to be in place so leaders and employees are responsible for doing their part to support a culture of health.

4. **Strategic Communication.** Companies' environs are surrounded by messages to be healthy and facilitators for a healthy lifestyle. Goetzel stated that those messages need to be consistent, constant, engaging, and targeted; and he suggested that it is essential to have a two-way communication dialogue so that employees have a chance to get back to the people who are designing these programs, and importantly to have "wellness champions" within the workforce who are committed to and supportive of health promotion, acting as local ambassadors for health improvement programs.
5. **Employee Engagement in Program Design/Implementation.** Understanding what employees want is important, Goetzel noted. Employers use feedback from wellness committees, surveys, and focus groups to custom and tailor programs to meet employee needs. This helps employees assume ownership of the programs.
6. **Applying Evidence-Based Programs.** Researchers studying behavior change and organizational change for many years have found that to change behavior, systems and scientifically based practices need to be put in place. Goetzel suggested individuals have to be given many choices in terms of things that are important to them, making the healthy choice the easy choice, and applying behavioral change theory/practice. He emphasized that healthy choices should be free from barriers, making them as convenient as possible.
7. **Effective Screening and Triage.** In his opinion, providing annual online health risk assessments and follow-up interventions are essential. As for biometric screenings, Goetzel states these should comply with guidelines put forth by the U.S. Preventive Services Task Force (Behling et al., 2013). The provision of onsite clinics and counselors is also helpful.
8. **Offering Smart Incentives.** Although it is an area of controversy, Goetzel suggests that tailoring, and providing alternative paths to motivate, reward, and help employees achieve their goals is essential. Incentive programs should be tiered so that employees get rewarded at each stage of health improvement. Some of the most successful incentive programs like lunch with the CEO are non-monetary and yet very motivating. These programs, Goetzel suggested, need to be voluntary so huge dollar amounts are not

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associated with participation or achieving biometric outcomes. Goetzel stated that EEOC guidelines should be followed when setting up incentive programs.

9. **Effective Implementation.** For implementation to be effective, Goetzel suggested it should be tailored to the company's culture, and flexible, with integrated solutions. He added that the program should be fun and focus on achieving a healthy energized lifestyle, not on preventing morbidity and mortality.
10. **Measurement and Evaluation.** In Goetzel's opinion, this is a common denominator to all successful programs. It starts by getting all the significant people in the organization around the table and asking what they see as the most important accomplishments for the program and ways to measure those accomplishments. The diverse opinions from key stakeholders and employees can help management to better define program goals and the metrics associated with those outcomes.

With a logic model on worksite health promotion that was developed by the CDC (see Figure 3-3), Goetzel highlighted the importance of measuring the structure of the program and its interventions that are focused both on an individual and on the organization. The program as a whole is assessed by using a structural analysis to determine whether the key components of the program are in place. The way in which the program is being delivered (its process) and the different set of outcomes need to be aligned.

He noted that workplace health promotion programs can work if they are done right and if they follow the best practices to which he alluded. He emphasized that workplace health promotion programs can lead to the following:

- Positive financial outcomes internally as well as externally: in terms of reduced medical cost, absenteeism, short-term disability, workers' comp, safety, and "presenteeism," which is on-the-job engagement.
- Positive health outcomes: adherence to evidence-based medicine, achieving behavior change, risk reduction, and health improvement at the population level, not just at the patient level.
- Humanistic outcomes: improvement in the quality of life of workers, their productivity, attraction and retention of talent, employee engagement, aligning with corporate social responsibility, having a balanced score card, and shared values.

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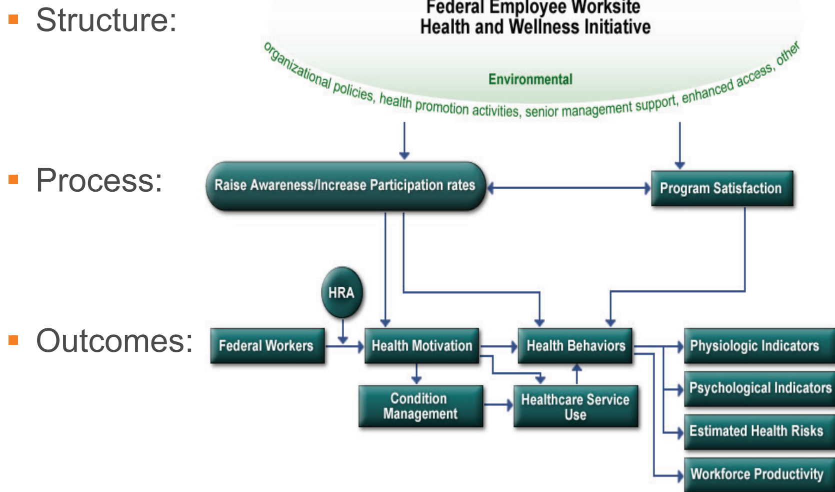

FIGURE 3-3 Logic model for worksite wellness programs.
NOTE: HRA = Health Risk Assessment.
SOURCES: As presented by Ron Goetzel on December 3, 2015; adapted from Soler et al., 2010.

ADDRESSING BOTH WORKPLACE AND COMMUNITY HEALTH

David Wofford, Meridian Group International, Inc.

David Wofford, Vice President for Public–Private Partnerships at Meridian Group International, presented a business case for health investments by multinational companies in their supply chains in low- and middle-income countries. He began by arguing that a new way of thinking about worker and workplace health beyond the traditional approach of occupational health and safety is essential. It is one that recognizes and emphasizes the unique needs of women, including their family planning needs. In his opinion, business has a role to play in expanding access to health services with stronger health systems in these countries. The world is fundamentally different than it was 50 years ago, and work has been reshaped everywhere due to globalization of the economy. Women make up an increasing part of the workforce in developing countries. Many are women of reproductive age who leave rural areas to work in urban

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factories and agribusiness farms. They are disconnected from their social networks and public and private support systems. The old view that the main health responsibility of factories, farms, businesses, and other workplaces is to keep people safe from injuries and workplace disease, fails to adjust to these new realities in which women workers lack access to essential services.

Wofford suggested that many managers in these countries are unaware of the health needs and challenges of women workers, including the way their reproductive health impacts productivity; their lack of access to health services because of their sex; and the different needs they have for hygiene in the workplace. He mentioned that a recent McKinsey Global Institute report calls women's access to health care and essential services an enabler of economic opportunity (MGI, 2015). Wofford noted that only a couple of corporate initiatives on women's empowerment around the world make health, much less women's health, a core component of those initiatives. In effect millions of women at the bottom of the economic pyramid who struggle to control their family size while seeking and maintaining basic employment are left out. He alluded to the strange divide in community and work as the cause of this disparity. He argued that the way global health and many others see workplaces as separate from the community highlights the fundamental divide in thought and practice, and this divide in some ways harms workers' health, female workers' health, and broader efforts to strengthen community and public health systems. He emphasized that business, whether formal or informal, is often the heart of communities and work is where people spend most of their time.

At the global level this divide is seen between the International Labour Organization (ILO) and the World Health Organization (WHO). Wofford noted that health is not a core labor standard under ILO conventions that govern workplaces. Also at the national level, ministries of health oversee all health professionals and health facilities, except at the workplace, which is the purview of ministries of labor. This fact leads to workplace health standards focusing on inputs, such as the number of nurses, or the availability of the number of fire extinguishers and exits, rather than the quality and availability of care for workers. It should not be surprising that many workplace infirmaries do not follow basic public health practices and protocols for hand washing, handling of hazardous materials, having Sharps containers, or confidentiality, but this is required of the public health or private health clinics outside the gates of those factories, he added. Building on his argument, Wofford mentioned that although WHO estimates that health providers in industry may comprise a surprisingly large percentage of the health workforce in developing countries, no one knows the real numbers because the data for an accurate

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estimate are not easy to determine. He cited the listing of health staff at workplaces as industrial workers, not health care workers, as the reason for this data inaccuracy. The practical side of this divide is demonstrated in the fact that there is no good estimate of the number of doctors, nurses, and other providers hired by industry. "Imagine the shared value proposition to communities and business alike if there were better data on company health workers, better workplace services, and consequently better linkages between workplace health and public health systems when there are outbreaks for diseases like Ebola in the future," Wofford said.

Wofford argued that companies are not just external partners, but rather core components of public health systems of the developing countries where they operate, in that they hire health care staff and send workers to the hospitals and clinics, often because of what happens in their workplace. Companies pay into government social security programs, sometimes health insurance funds, as well as other taxes, and they have a vested interest in the health of workers in their communities. He noted that a different paradigm also means that if business is to create shared value around health, it needs to think not just about what it does in the community in its investments, but also how it addresses health in its own operations because these actions and activities are interrelated and not separated. He noticed that the evidence of the benefits to business and communities of investment in health and women's health is imperfect, often anecdotal, and qualitative, and not very experimental, but extremely strong.

Investing in health and women's health at the macro level is important to a country's economic growth (Bloom et al., 2004), demographic dividend (Bloom et al., 2003), and gender equity and women's participation in the workforce. Wofford also pointed to evidence showing the benefit to companies and workers of better workplace policies, practices, and programs addressing workers' and women's health, as other presenters have discussed. He noted the positive impacts at the community level when women workers documented sharing health knowledge gained at the workplace with friends, sisters, children, and neighbors.

Wofford mentioned that although important, he disagrees with the assumption that generating stronger evidence on the business case is the key to spurring business investment in developing countries and in their supply chains. He argued that the problem is not simply about getting better evidence and indicators. For example, the ILO data, in its synthesis reports on garment factory monitoring in seven countries, showed that occupational safety is the leading area for noncompliance, suggesting according to Wofford that factory management does not see a business case for even basic levels of health compliance. Wofford suggested that the problem with the business case as it currently is formulated is that it

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fails to address the core incentive structures at the workplace and within the global supply chains. He continued that demonstrating a range of direct and indirect benefits to owners and top managers of factories and farms is rarely enough. He noted that workplace managers see health as compliance; and worker health as a cost that is often a waste of time and resources. He mentioned that these managers do not get rewarded by owners or by corporate buyers of their products for having healthy workers in good health services. As a result they do not manage their health facilities or staff, or consider these as strategic resources that can support productivity and business operations.

Wofford observed that what is found in many factories and farms over the world is that health care staff are underused and undertrained and spend large parts of their time doing very little. For example, a key reason why factories in Haiti are not compliant with the number of nurses they are required to have onsite is because managers say "why should we hire more nurses, the ones we have aren't doing enough." He noted that this is not their fault because they could be doing much more with management direction and support. In an argument that Wofford and his team made to a factory in Haiti with a very progressive management, they advised the factory that in managing their health staff they needed to think of staff as a production resource. The management team agreed and a project was launched with three basic parts—transforming the role of nurses to make them proactive and focus on preventive care, instituting basic standards and protocols in the infirmary that they had, and integrating the health function into real management. Wofford explained that in addition to the business and health benefits, the health system-strengthening interventions in Haiti seemed to have indirect knock-on benefits that in some ways have little to do with health and have everything to do with business itself, including better management skills, better use of data, better processing, and effective problem-solving skills. He noted that it is difficult for management to recognize its health team as a strategic resource that is part of supporting productivity and business operations. In his opinion, this is why the business case is so essential for opening the door to new ways of thinking about worker health and worker programs. However, the business case alone is not sufficient to get many companies to walk through that door. Because business can play a vital role in efforts to strengthen systems and expand services, the growing number of women in the global workforce demands a rethink of workplace health policies and practices as traditional occupational health fails to address the impact of work on their reproductive and general health and the health of workers overall. He pointed to the Haiti project as one approach to bridging the work and community divide. Because workplaces do not work in a void, creating shared value in women's health is

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not just about what individual workplaces do, but the public and private incentive structures that affect business thinking and the decisions at all levels: global, national, company, and community.

"Supply chain companies respond to the priorities and policies of multinational companies that buy their products. They are also influenced by public policies on occupational health and safety. Business and global health need to tackle these policies at all levels. And it may seem daunting, but in fact the public health side deals with these levels all the time," Wofford concluded.

PANEL DISCUSSION

When asked how improved workplace health policies and practices will help create shared value for the community and beyond the workplace, Wofford answered that although he believes that what happens in workplaces around health and behavior change is transmitted in the community both by people sharing information and changing values and health behaviors among others, more research is needed to see whether that is actually true. He added that factories and workplaces can make big differences in other ways. He cited an ongoing project in Cambodia as an example. He noted that one of the problems in Cambodia and other countries is that workers do not utilize high-quality health care service providers. One of the ways to change the policies and practices of workplaces is referring workers to quality providers. In doing so, behaviors are changed and a notion of going to a high-quality provider rather than just any provider is created. He added that another way of looking into the Cambodia project is to link government and public health processes for licensing, training, and registration of nurses to workplaces and the private sector. Fabius approached the question slightly differently, and explained that the overdependence on other services other than primary care by health workers makes the health care system not appropriately utilized. He suggested that the best place to start for health care delivery systems is with their own workforce.

When asked about how to measure long-term population health improvement when there are many different ways to define the problem and success in addressing it, Goetzel answered that the set of outcomes to be measured vary depending on the audience. In his opinion, there are three buckets of outcomes—financial outcomes, health outcomes, and humanistic outcomes. Out of these categories individuals can create standardized metrics, but the relevance of the standardized metrics to any given audience member will vary.

Weintraub suggested that new policy makers can be overwhelmed with the number of metrics through which initiatives can be evaluated.

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One approach can be to simplify by honing in on one specific metric to single out important issues, and then look at the solutions. One example is the access a woman has if she is in obstructed labor. If one has access to a C-section, then what funnels down from there, for example, is one has a referral base, has transportation, and has had prenatal care, Weintraub explained.

Sicre explained that in a diagnostics laboratory investment that Abraaj made in Egypt, it continued to grow the company organically and also expanded it to other markets, even during the revolution. Some of the key buckets that they looked at in terms of metrics were financial, performance, and social performance factors, including how the company was expanded and scaled, how many additional facilities were rolled out, how the management of the company was improved, how managerial capacity was created, how many clinical staff were added, what operational improvements any private equity firm would make in any kind of company, and how the reach to the low- and middle-income classes of that given market was increased. Sicre agreed with Wofford that the company is the center of the community and such a position offers an opportunity for any kind of company or sector to have positive impacts inside and outside the workplace. Sicre added that companies do not need to be large companies with large resources to make those impacts. He mentioned that there are extraordinary new models that are emerging in these new markets and encouraged the United States to look at some of the models because not everything has to be a Western-based model.

When asked if the incredible demand for U.S.-like benefits in the emerging markets should be met, Fabius explained that maybe what is needed to set a goal is not necessarily flat health care cost, but at least the achievement of decreasing health burden over time. Goetzel agreed with Fabius and added that it is not the company that decides the health and well-being of the workforce, but ultimately it is the individual worker who says "this is something that's going to benefit me and my family, something I'm going to adopt because it's a good idea for me." Goetzel suggested that different interventions and approaches need to be tested to see which ones work for the company and the workforce.

When asked if there is an opportunity to connect CSR efforts around supply chains to what's happening for the multinational company, Fabius referenced a book by Sisodia and colleagues that highlights those companies that are loved by all of the constituents in their supply chain (Sisodia et al., 2014). These companies have broadened their horizons to be more than the sole seekers for profit maximization, existing for a higher meaning and responsibly serving the interests of all stakeholders. Their customers love them, their vendor partners love them, their shareholders love them, and Sisodia and colleagues label them as "firms of endear-

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ment." He added that when the investment of portfolios of these firms are studied, they remarkably outperform as well. Goetzel noted that CSR is one of many elements, but it is most likely one with high importance because it aligns with job satisfaction, which also has been shown to be a major predictor of company success. Wofford commented that he thinks there is a huge world where health and using financial markets and marketing can make a big difference in what happens in the supply chains, and health in companies and how it can affect communities.

A workshop participant pointed out that from the perspective of a corporation, it makes perfect sense to promote healthy lifestyles, preventive medicine, and population health, but that is in contrast to a large for-profit health care industry in the United States, and other fragments of the health care system, such as veterans' health. How do consumers of healthcare understand these opposing cultures for best outcomes? Commenting on the impact that one might have on the other in terms of their success, Goetzel suggested that companies could be thought of as micro systems or macro systems. In his opinion, they have control over the workforce in terms of policies, programs, incentives, communication, and data which is the starting point for creating population health. Goetzel mentioned that the government will never try to provide health education and health promotion to the 155 million Americans going to work every day and spending most of their day at work. He emphasized that companies have a major role to play, and it is in their self-interest to invest in the health of their employees. Fabius agreed with Goetzel and added that looking at the determinants of health, the employer has many more levers to pull than a delivery system, an insurance company, even the family itself, because the employer has an opportunity to provide employment, a greater sense of purpose, an opportunity for advancement, income, a healthy environment, benefits that can provide incentives for a healthier opportunity, and access to health care onsite or nearby, just to name a few.

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4

The Roles of Corporate Philanthropy, Corporate Social Responsibility, and Shared Value

Shared value creation is one of several approaches that companies use to engage in health promotion. As Jane Wales, founder of the Global Philanthropy Forum and Vice President of Philanthropy and Society at the Aspen Institute explained, there are multiple arrows in the corporate quiver that are used to engage in social initiatives. Three primary ones are corporate philanthropy, corporate social responsibility (CSR), and shared value. While there are parameters that define each of these approaches, in reality, companies use varying language and operationalize them differently. More important to companies than defining their approach, Wales explained, is the outcome of their engagement. Thus, companies are happy to switch among the three approaches based on the task at hand.

Before describing the conceptual differences in these approaches and then, through a facilitated panel discussion, illuminating how they are applied in practice, Wales reflected on the changing landscape of philanthropy broadly and the role of partnerships in meeting social needs. Her reflections were through the lens of her two primary affiliations: The Global Philanthropy Forum and the Aspen Philanthropy Group. Key messages from Wales's presentation and the subsequent panel discussion are included in Box 4-1.

The Global Philanthropy Forum is a learning network of high net-worth individuals who are committed to international causes. Wales described these individuals as audacious and results oriented in their philanthropy, with philanthropic ambitions that outstrip their capacity.

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BOX 4-1
The Roles of Corporate Philanthropy, Corporate Social Responsibility, and Shared Value: Key Messages Identified by Individual Speakers

- In CSR strategy, social investment is highly connected to both stakeholder engagement and risk management. (Luff)
- Strategic philanthropy is a shift from a passive to active approach to philanthropy. (Bhatt)
- Aligning with an international standard allows a company to bring its expertise on the collective action toward a recognized global priority. (Bhatt)
- Collaboration rather than competition among multiple players from the private sector can have an impact and help overcome concerns about the trustworthiness of the private sector, but can present challenges to measuring value and sharing credit. (Barash)

Therefore, they are enthusiastic about any form of leverage and partnership that can bring capabilities and resources to complement their own. The Aspen Philanthropy Group is an agenda-setting body of heads of major foundations that recognize the world is changing and with it the role of foundations, including the decentralization of decision making and authority, greater expectations for accountability and transparency, and emergence of many new actors who are able and willing to effect social change.

In considering these recognized changes, foundation leaders were asked during a recent meeting to identify who their potential partners might be 10 years hence and if their foundation has the right culture and capabilities to take advantage of the opportunity to partner with them. The group identified four categories of potential partners—high net-worth individuals, private-sector corporations, the public sector, and the engaged public—but most then admitted that they were not set up to start engaging them as partners. Wales mentioned this set of potential allies considered by the Aspen Philanthropy Group to highlight the number of capable actors recognizing social change as an important part of their mission, so much so that it seems nearly inevitable that a culture of health and well-being will be achieved. But Wales stressed that the necessary environment is not currently set up to act and expressed her hope that the panel would illuminate how to seize this opportunity.

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DEFINING THE CONCEPTS OF CSR, PHILANTHROPY, AND SHARED VALUE

From her point of view, Wales described CSR as an approach with two goals and a focused view of the relationship between these two goals. The first goal is serving stakeholders, employees, and communities in which companies operate and have a consumer base. This first goal contributes to the second goal, which is to enhance the efficacy and profitability of the company itself. Within CSR, there may not be a clear direct connection between these goals, but there is an understanding of the relationship. Although CSR is often driven by building reputations and relationships, it also focuses on results in terms of real outcomes and benefits.

Wales identified the energy company Hess's CSR framework as an example of a well-articulated CSR strategy that is based on two clear concepts. The first is the concept of being a guest in the local communities in which it operates, which Wales suggested is much like being a good house guest. Good guests come with a house present, they offer to help do the dishes, they do things that make people want them in their guest room, and they will continue to be welcome in that guest room particularly if the room they leave behind is even tidier than it was found. The second concept that Hess embraces is a notion of global corporate citizenship. As a global corporate citizen, Hess works beyond the communities that it directly serves and embraces the norms of human rights, worker rights, and environmental standards and takes part in shaping and advancing those norms.

Shifting the focus to philanthropy, Wales introduced Paurvi Bhatt, Senior Director for Global Access at Medtronic Philanthropy, who provided context on the company's approach, describing it as strategic philanthropy rather than corporate philanthropy. Wales clarified the differences between these types of philanthropy. Traditional corporate philanthropy involves setting an objective, devising a strategy, and then measuring the outcomes, all without regard to the interests of the company. However, strategic philanthropy taps into the expertise of the company, bringing to bear the company's specialized knowledge. In Medtronic's case, it has set the goal, in line with the globally set priority, of a 25 percent reduction in mortality due to noncommunicable diseases (NCDs). Wales noted that for a long time, the development community focused only on infectious diseases, so Medtronic's initiatives in this regard are an important next step.

Shared value has already been well defined in the workshop, and Wales noted that GE is an example of a company that has created significant shared value. GE has invested billions into research and development (R&D) and start-ups, with the goal of producing innovative products to lower cost, enhance quality, and expand access to products that are well

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designed for an environment in which the infrastructure is limited. For example, GE has developed an affordable, portable, and battery operated electrocardiogram machine to serve parts of the world where electricity is not always reliable. But Wales noted that what is most interesting about GE is not the new products they have introduced and the investments they have made in doing so, but GE's manner of producing those products and their notion of working. GE is placing the focus on "in country, for country" innovation, recognizing the importance of understanding the health needs of the local environment in order to innovate inside a market, for that market. Wales noted that perhaps this is also an opportunity that can contribute to keeping some brain power in country.

To further illuminate these strategies and how companies move between them, individuals from the three mentioned companies—Hess, Medtronic, and GE—described how they are being operationalized.

CSR FROM THE PERSPECTIVE OF HESS

In describing Hess's CSR strategy, Paula Luff, Vice President of Corporate Social Responsibility, noted that it is similar to the strategy of Indra Nooyi, CEO of PepsiCo, in that social responsibility is not about what the company does with its profits, but rather how it makes them. For Hess, CSR is about operational and corporate excellence driving behaviors and company decisions and is focused into three areas: stakeholder engagement, risk management, and social investment. As an energy company operating in countries and communities where they do not own the oil and gas fields, but rather operate through licensing, Luff explained, the real foundational element of the CSR strategy is stakeholder engagement because the company relies on stakeholders to access the resources that the company develops. This is not a *social* license-to-operate issue; it is simply a license-to-operate issue. If Hess did not maintain and cultivate strong relationships with national oil companies and governments, regulators, and land owners, they would lack access and could not produce.

Luff acknowledged that as part of Hess's core business operations, the company has social and environmental impacts and potential impacts that must be managed well in order to retain a license to operate. Thus, social and environmental risk identification and management are critically important, not just from a reputational standpoint, but also from an operational standpoint. Hess can point to real dollars in terms of potential value erosion when it does not get things right and is asked by a community to stop operations.

With regard to the risk management of Hess's CSR strategy, Luff explained that human rights concerns are significant issues for the energy industry and have been a mainstay of the industry work. She stressed

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that human rights risk management is considered across their operating environments, including in the United States. For example, the company recently rolled out a new human rights training program for all employees that includes training related to human trafficking, noting that trafficking happens not only overseas, but also in places such as North Dakota.

The third area of Hess's CSR strategy is social investment, which Luff suggested is highly connected to both stakeholder engagement and risk management. When Luff joined Hess in 2007, the company had a traditional philanthropy approach to social investment. Over time the company has moved to a more shared value approach. The focus is now on how Hess can use philanthropy dollars, which will always be part of the mix, while leveraging the core activities of a company. For Hess, when implicit social value is being created, if the company can gain a better understanding and define through metrics the business value such efforts are more likely to be sustained. When asked about whether impact sourcing has a place in Hess's strategy, Luff described the potential to increase shared value in the oil industry's supply chain through impact sourcing, meaning the notion of sourcing the supply chain with a consideration of where jobs are most needed. To affect impact sourcing, Luff suggested procurement processes need to move beyond traditional bidding that makes decisions based only on the least cost provider and sometimes vetting for environment health and safety indicators. Instead, processes should consider working with small- and medium-sized enterprises in host communities as suppliers and understand what is needed in terms of technical assistance and access to capital to make impact sourcing a viable option.

Luff concluded by noting that at Hess, the CSR strategy is strongly supported by the senior leadership at the company, which adds to its success. CSR is viewed as a competitive advantage for a company the size of Hess. It is not the largest competitor in the industry, but it can point to a strong social accountability record. Luff also noted that another reason why she believes CSR is fundamental to Hess is because it is a family business; the CEO is the son of the founder and the company bears his name. When a CEO's personal and corporate reputation are inextricably linked, support for social accountability can be powerful and in this case has become part of the DNA of the company.

STRATEGIC PHILANTHROPY FROM THE PERSPECTIVE OF MEDTRONIC

Bhatt explained that while Medtronic does engage in traditional corporate philanthropy—through activities including matched giving, chari-

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table contributions, volunteerism, and product donations—her role at the company is focused on strategic philanthropy and strategic investments. Strategic philanthropy moves from a passive to an active approach in philanthropy. It is a strategic partnership linking the resources that the company has to offer with a variety of partners on the ground. It implies a shift from volunteerism to sharing technical expertise; from product donation to unlocking a more efficient system together with partners. Furthermore, strategic philanthropy and investments are tied to larger global standards and goals, often those set by the World Health Organization (WHO) or, now, through the Sustainable Development Goals. Linking Medtronic's expertise to global standards and goals, the company is making strategic investments in NCD prevention to set the pace and standard for reaching WHO's goal of a 25 percent reduction in NCDs globally. Medtronic recognizes that choosing to align with an international standard allows the company to bring its expertise to the collective action to work toward this goal.

Being part of a collective movement toward an internationally set goal, Bhatt emphasized the importance of partnerships to advance Medtronic's strategic philanthropy objectives. At the local level, the company has set the table for its partnerships through a staggered set of advisory groups that are made up of local governments and individuals affected by NCDs. At the global level, Medtronic maintains partnerships with organizations such as the Institute for Health Metrics and Evaluation (IHME) to deliver the needed data to determine the baseline for underserved communities where cardiovascular disease and diabetes exist. The data is reflected back to the advisory groups that determine the next steps in advancing toward the strategic investment goal.

Emphasizing the strategic investment process, Bhatt explained that Medtronic's involvement with the advisory groups and partnerships goes beyond writing a check. Their involvement entails stewarding the advisory groups and building up partnerships with local governments, using the company's resources to unlock the resources of their partners.

One of Medtronic's strategic philanthropic investments is HealthRise, a multiyear, multimillion-dollar effort in partnership with a variety of local governments, particularly focused on Brazil, India, South Africa, and the United States. The initiative seeks to address barriers around continuum of care, specifically in the chronic management of hypertension and diabetes, in these different geographic areas. Despite the geographic differences, the barriers for the underserved are likely to be very similar. For example, programs that might be working in one community based in South Africa may actually be very germane to an underserved community outside Minneapolis. It can be difficult to apply lessons from such a cross-exchange, but HealthRise is set up to allow for it. HealthRise also

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builds off platforms that already exist for maternal child health and HIV, tuberculosis, and malaria, especially outside the United States. Within the United States, HealthRise seeks to connect what might be happening in a health care system with what is happening in the community.

SHARED VALUE AND PHILANTHROPY FROM THE PERSPECTIVE OF GE

To frame the work of the GE Foundation, Chief Medical Officer, David Barash first described some of what GE as a company has done from a shared value perspective. Healthymagination is one example. It is a commitment GE made in 2010 to invest $6 billion in reducing cost, improving access, and improving quality and care, each by 15 percent. To date, approximately 100 products have been released that are Healthymagination-certified by an independent auditor, meeting these set standards. Ecomagination is GE's parallel business strategy to deliver improved economic and environmental outcomes for their customers and in their own operations.

While these initiatives, Healthymagination and Ecomagination, are core shared value initiatives of GE, Barash suggested that the third leg of the shared value stool is the work of the GE Foundation. Historically the Foundation's work was traditional corporate philanthropy, through programs such as matching gifts and scholarships. However, about a decade ago, the Foundation became more programmatically involved in health and education initiatives, creating what are now robust programs, both globally and domestically.

In the evolution to more strategic philanthropy, the GE Foundation has started to leverage the value of the company and its assets to better enable the work of the Foundation. As the foundation was moving toward more strategic philanthropy, it recognized that its impact and sustainability would be far better if it leveraged the enormous talent, assets, and resources of the company. Stronger engagement between the Foundation and GE's commercial businesses, in health care and otherwise, helps the Foundation to be more impactful on the ground. For example, the GE Foundation recently launched the Safe Surgery 2020 initiative to address the need for access to safer surgery around the world. Barash explained that 5 billion people do not have access to safe surgery and 16 million people die each year globally because of this global deficiency. As a result, the economic consequences are also extraordinary. In recognizing these circumstances, the GE Foundation studied the problem and evaluated its core competencies and capability to address the global need for safe surgery. Through this assessment, the Foundation has developed a program with the goal of positively impacting the surgical ecosystem in low- and

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middle-income countries over the next 5 years. The Safe Surgery Initiative takes an approach of addressing the continuum of care where philanthropic dollars are used efficiently for noncommercial investments. Commercial capability and expertise across the GE businesses coupled with the support of the team on the ground enables more impactful, strategic, and sustainable models.

Barash also noted that GE is working to develop partnerships with other private companies to further increase the impact of its initiatives. These types of partnerships would bring together multiple players from the private sector, often along with the public sector, to increase impact. Partnerships could be formed between companies in the same industry, such as GE Healthcare and Medtronic, or across different industries, such as GE Healthcare and Hess. Barash suggested that bringing together private-sector companies, allowing more collaborative rather than competitive action, could help build greater trustworthiness of the private sector. If companies come into the same space separately, each can be perceived as doing so for its own advantage rather than as a collective initiative to effectively develop solutions. Barash noted that these collective initiatives can present challenges with measuring the value of these partnerships to the company, sharing credit, and ensuring proper compliance mechanisms are in place. However, he also emphasized that it is worth navigating that challenge for the greater global benefits that can be achieved.

DISCUSSION

Clarion Johnson, Co-Chair of the Forum on Public–Private Partnerships for Global Health and Safety (PPP Forum), asked Barash if he has encountered challenges in private–private collaboration based on external concerns that could arise from perceived "huddling" of private-sector companies. Barash acknowledged that this can be a challenge. As an example, GE has decided that there is a need for an independent agency to operate the partnership. This secretariat will run the partnership with a steering committee to provide leadership, ensure compliance and direction, and enable a broader membership to influence the direction.

They know they may not get it right the first time, but they have decided to try it and figure it out along the way. A few issues with which they have started grappling are brand value and the involvement of partners outside of the private corporate sector. Companies engage in philanthropic work in part for brand value. How brand value is created if the companies are all in collaboration is still being determined. James Allen from Chevron commented on this point, and explained that Chevron has done some research on brand benefit through a multiplayer versus solo

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approach. According to their research, there is no negative impact and potentially a more positive impact. Allen encouraged others to consider replicating these studies and studying the data instead of allowing branding issues to be an assumed barrier.

When asked about the ecosystem perspective on creating shared value-based partnerships in health, Barash and Bhatt provided divergent responses. Both agreed that ultimately the goal is to build and move toward a collaborative ecosystem; however, Barash mentioned that he intentionally leaves the word "ecosystem" out of the discussion because the word can be intimidating for those who perceive it as too big to tackle. Instead, he focuses on simple interventions as a starting place, where it is clear where investments and resources are going. These simple interventions are, however, designed to build or impact the greater ecosystem. Bhatt said she is fairly upfront that Medtronic's strategic investments are intentionally orchestrated to build an ecosystem that does not exist today.

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5

The Journey to Shared Value

Companies and other organizations that have undergone the journey to become a shared value company, or to identify their own brand of value creation, have each forged a unique path to get there. These unique journeys are shaped based on the sector and size of the organization, their internal leadership and culture, their consumers, and the challenges and opportunities encountered along the way. Panelists representing several of these companies and organizations described their own journeys, focusing on the rationale for choosing a particular strategy, how they got there, and challenges they faced. The development of a strategy involves many different functions within an organization, thus, the panel represented diversity not only of companies and organizations, but also positions held within each organization. Key messages from the presentations and panel discussion are summarized in Box 5-1.

OVERVIEW

Kyle Peterson, FSG

Before hearing from individual companies and organizations about their own journeys, Kyle Peterson, Managing Director of FSG, provided an overview of FSG's methodology for helping companies approach and deploy a shared value strategy. In his opening remarks, Peterson noted that since its definition in 2011, shared value has been embraced by many companies, and in the past 5 years, many companies have applied

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BOX 5-1
The Journey to Shared Value:
Key Points Made by Individual Speakers

- Shared value is not corporate social responsibility, philanthropy, or even sustainability, but a set of corporate policies and practices that enhance the competitive advantage and profitability of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates. (Kyle Peterson)
- As it is applied by different companies and organizations, the definition of shared value is emergent and contextual, and the journey toward it is complex. (Khan, Mahon, O'Kane, Bart Peterson, Stetz)
- Companies vary in their shared value entry points and move through the journey at different paces. They have unique paths to shared value creation. (Kyle Peterson)
- Successfully pursuing shared value requires a different approach to measurement. (Mahon, Bart Peterson, Kyle Peterson)
- The shared value journey requires continuous engagement with both internal and external partners. (Khan, O'Kane)

the concept to create their social and business impacts. He emphasized that shared value is not corporate social responsibility (CSR), philanthropy, or even sustainability, but a set of corporate policies and practices that enhance the competitive advantage and profitability of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates.

Peterson mentioned that, through its efforts to help companies strategize, implement, and sustain their shared value initiatives at their organizations, FSG has identified three phases that companies go through in their shared value journey. He noted that the first and the key proof point is developing shared value initiatives. This could be in the form of creating a new product that is going to enter a market to reach low-income customers, redefining productivity in the value chain, or strengthening local clusters, he added. Peterson continued that once there is success, the companies adopt the initiative and tend to do more. The initiative is launched throughout the company across all levels and departments, then measured, redefined, and scaled up. The third phase is expansion, when systems are implemented to spur continuous shared value innovation across the companies. At this stage shared value initiatives are integral to every business unit's strategy and goals.

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Peterson noted that companies tend to move throughout the shared value journey at different paces depending on three factors—the motivation, the people taking the shared value initiative forward, and the realistic issue of the success of nascent initiatives. Using examples from Becton, Dickinson and Company (BD); Medtronic; Walmart; General Electric (GE); and Eli Lilly and Company he explained that apart from the varying paces, different companies have different entry points on their journeys to shared value creation, although some actually do not start out as becoming shared value companies. Peterson also noted that the people who create shared value come from different places and positions in the companies. He argued that although the CEO is a vital position and ultimately has to see opportunity to transform the company and think about shared value across the enterprise, the champions of the shared value concept could come from other positions as well. One example is a chief marketing officer who is looking for a way to differentiate the company around its purpose or business unit. Peterson continued that the people who create shared value see social purpose as an opportunity to create competitive advantage through a company's or product's brand; see chances to address specific business challenges and think about shared value with a more specialized lens; see opportunity to complement traditional corporate social responsibility with shared value; and look across a company's many interactions with society.

Peterson outlined a step by step strategy that most companies use in identifying shared value opportunities. The first step is to review existing investments by interviewing initiative leaders for each existing initiative, assessing them against business and social value, and conduct a working session with each client. The second step is to engage senior managers on critical business issues and link to social issues, conduct external interviews with relevant experts and beneficiaries, and to create a list of issues with shared value potential, to develop a landscape of issues. The third step is to screen identified issues against business, social, and feasibility criteria, and further narrow issues based on additional secondary criteria if needed, to screen issues for shared value potential. The fourth step is to prioritize shared value opportunities by developing a high-level sketch of potential activities and expected business and social outcomes, and identifying three or so priority issues to address in significant ways with shared value. Kyle Peterson emphasized that various tools are available to guide companies through these steps and added that successfully pursuing shared value requires a different approach to measurement. He explained that when companies actually monitor and report their social results, they can get the business results they are seeking.

The three forms of shared value—reconceiving products, redefining productivity in the value chain, and enabling local clusters, look different

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depending on the industry, Peterson noted. He mentioned that companies that have been working on shared value initiatives for a while embed shared value throughout the company and develop processes to work beyond creating singular initiatives. He said that such companies tend to look at issues on organizational commitment by redefining company purpose and setting a shared value vision, connecting defined social needs to business strategy, and building an organizational culture. Peterson continued that those companies think about enabling their infrastructure by designing innovation structures and external partnerships, developing or adapting business processes, and creating systems for measuring shared value. He added that such companies think about motivating and incentivizing their employees; developing knowledge, competencies, and leadership in their employees; and recruiting different types of people than they had before in their local markets. Peterson observed that with the rise of shared value, major international nongovernmental organizations (NGOs), in addition to bilateral donors, have started creating business partnerships with corporations to find ways for mutual benefits.

Finally, Kyle Peterson offered three key challenges for the panelists to consider when discussing their experiences on their respective journeys to shared value. First of all, he wanted to know the panelists' understanding of shared value and how their companies see that as different from corporate philanthropy. Second, he wanted to know the timeliness of their shared value benefits, and third, the internal challenges in verifying initiatives that lead to the anticipated changes considering the lack of measurements.

EXPERIENCES ON THE JOURNEY TO SHARED VALUE

Eli Lilly and Company

Bart Peterson, Eli Lilly and Company

Bart Peterson, senior vice president for corporate affairs and communications for Eli Lilly and Company (Lilly), oversees the company's government affairs, public policy, communications, market access in every country except the United States, and global health and corporate responsibility work, including the work of the corporate foundation. When Peterson joined the company in 2009, it had one global health program, the Lilly MDR-TB (multidrug-resistant tuberculosis) Partnership. While it is an extraordinary partnership, it is not a shared value initiative and focuses on a communicable disease despite Lilly being a noncommunicable disease (NCD) company. The company has invested more than $170 million in fighting drug-resistant tuberculosis and has partners all

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over the world as a part of this initiative. However, relatively few people within Lilly are involved in the initiative because it is not aligned with its core business. After becoming familiar with the shared value concept, the company was interested in developing an initiative aligned with its current portfolio. The Lilly NCD Partnership was created and primarily focuses on diabetes, as the harbinger of a complete shift into the arena of shared value. However, Peterson noted that the company's shared value initiatives do not exclude the company's traditional philanthropy and initiatives such as the MRD-TB Partnership continue.

As a global pharmaceutical company, Lilly has always understood that beyond its core business of developing and marketing new medicines, the company has a responsibility to reach beyond its traditional customers to those who lack access to their medicines. However, as Peterson noted previously, Lilly's major global health initiative, while successful at contributing to this responsibility, was unrelated to its current business. Over the past 15 years, Lilly's core business had shifted completely away from medicines for communicable diseases, but its global health flagship program remained focused on TB. The company has continued to sustain the MDR-TB Partnership based on philanthropic giving out of a moral commitment. Peterson said that when he was being recruited by Lilly, he went on the company's website and the first thing that popped out at him was the MDR-TB Partnership; however, when he started at the company, he learned that only a small number of people were actually involved with the partnership.

The rationale for Lilly to develop new initiatives based on shared value was the realization that developing something that was part of the business and also made a difference for society beyond the company's core work would engage employees more, provide an opportunity to apply resources beyond money, and would be more sustainable. Lilly also recognized that the global health community was moving in the direction of NCDs and, by engaging in global health relating to NCDs, Lilly could contribute to larger global health priorities and engage in discussions about setting the global agenda and standards.

In the case of Lilly, Bart Peterson said that its shift to shared value was driven by a strong commitment and interest from the CEO initially, but also required the involvement of the business leadership both in corporate affairs and the emerging markets business unit, bringing together all of the company's business disciplines to develop this new model. Peterson described the process. Lilly CEO, John Lechleiter was asked in a meeting what percentage of the world's population he believed had access to Lilly's medicines. Based on some back-of-the-envelope calculations, Lechleiter concluded somewhere between 1 to 1.5 billion out of more than 7 billion people in the world could access a Lilly drug. He brought this

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information back to Lilly's executive committee and asked Peterson and the head of Lilly's emerging markets business unit to work on developing a new business model that could at least double the number of people who realistically have access to Lilly medicines. Peterson noted that it took a lot of work and time but, as a result, the company launched a new business model in China in 2015 to bring diabetes medicines to the lowest level of the Chinese health care system, the community health centers. Although the business model for serving this population is not as profitable as models serving other segments of Chinese society, as part of the model, Lilly has redefined its metric of success through the number of patients served, not the margin on the sale of the products.

Peterson summarized two examples of how Lilly is measuring success of their partnerships. First, in the diabetes in China project that Peterson mentioned, Lilly is looking at the simple metric of the number of people served. In the Lilly NCD Partnership, success is being measured differently through a framework called Research, Report and Advocate. The work on the ground in the pilot projects is the research side, and Lilly is producing real data that can be reported in peer-reviewed journals, which will tell what worked and what did not in developing new ways of serving and providing care to underserved people in the area of diabetes care. The second part of the framework is the advocate piece to use the data collected in the pilot programs to advocate for other partners in the public and private sectors to scale up what works. Based on this framework, one of the metrics of success is the number of peer-reviewed journals that include the collected data. Because of the dearth of data about what works and what does not for treating people with diabetes in the primary care setting in poorer areas of developing countries, Lilly considers this a great accomplishment.

Peterson suggested that the world has changed and the common notion among NGOs that any partnership with a private company that might have a business interest is toxic has shifted. The understanding that through shared value initiatives there are more opportunities for sustainability is becoming much more common.

Peterson cautioned those who are considering taking the journey to shared value to not underestimate the challenge of explaining the concept of shared value within your company. Companies are constantly facing challenges around cost efficiencies and it is easy for those in business to view shared value as a new gimmick that will take focus away from the company's core business. Explaining the real business value of shared value takes time and effort.

Peterson noted that Lilly is very clear about which of its initiatives have business value for the company and which initiatives are purely for social benefit. The initiatives that have business value are funded through

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the business, and the company is up-front about what is in it for them as well as what they believe is in it for society and the communities in which they are working. Those initiatives that are purely for social benefit are funded through the corporate foundation, and they are very explicit about what can and cannot be done in terms of promoting the business in any way through that work. It then becomes easier to work through their foundation with organizations that may have concerns about the profit side.

Aetna International

Lori Stetz, Aetna International

Lori Stetz, Senior Medical Director for Aetna International, contributed her perspective from an insurance company whose focus is improving health both in the United States and globally. Stetz noted that, through the corporate foundation, Aetna funds technology to advance innovation and initiatives to increase access to healthy food and opportunities for physical activity in underserved communities with a focus on addressing health equity. These investments are targeted to improve the health of individuals and populations, including those that Aetna insures; improved health outcomes can reduce health care costs and serve Aetna's business. Aetna does not use the term "shared value" to describe the initiatives of its foundation; however, these initiatives have the elements of shared value creation.

As a health insurance company, Stetz emphasized that everything circles back to health for Aetna, and any initiative to support health in a community can provide some rewards for Aetna. As a global insurance company, Aetna operates in many different health care environments. Stetz has been able to see firsthand how the company's clinical decision making and coverage policies can impact the evolution of a health care environment, providing opportunities for Aetna to advocate for evidence-based medicine practices and good health insurance practices in a novel market.

PepsiCo

Mehmood Khan, PepsiCo

Mehmood Khan, Vice Chairman and Chief Scientific Officer at PepsiCo, provided his perspective from a very large company with a diversity of food and beverage products in its portfolio. Although PepsiCo is primarily known for its carbonated soft drinks, these products only

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account for 25 percent of the business Khan noted. The other 75 percent is composed of products often not recognized as Pepsi products, including Gatorade, Lays, Quaker Foods, and Tropicana. Khan said that PepsiCo operates in more than 200 countries, and about 1.3 billion people consume a PepsiCo product every day. *Performance with Purpose*, Pepsi's value creation strategy, was developed about 10 years ago by its CEO, Indra Nooyi. This strategy shifted the company's focus from what it did with its profits to how it made its profits with a lens on sustainable financial performance across the domains of human, environmental, and talent sustainability. In his role at PepsiCo, Khan said that he is responsible for the entire business portfolio, including research and development (R&D), safety, and regulatory divisions, and all business unit innovations and pipelines as well as the company's sustainability agenda.

Khan explained PepsiCo's rationale for its approach by describing the reality of the current global environment. Currently a billion people go hungry every day and by 2050, the global population is estimated to increase by another 2.5 billion. Global food production per hectare is flat, 70 percent of the planet's water use is coming from the agricultural sector, and about one-third of the greenhouse gases are coming from the agricultural sector. As a food and beverage company, this is not a sustainable environment. Recognizing this reality, PepsiCo understood that it would need to adapt its business practices if it would continue to be a leading company.

Khan emphasized the importance of understanding the time horizons under which different parts of the company operate, and then translating the sustainability or shared value agenda as part of that time horizon of the business. Organizations have subunits that work under different time horizons. The time horizon for R&D often is long-term, 10 years or more, while other parts of the company may be expected to report on 30-day results. Once one starts to speak another one's language, people start to understand. The challenge is that the expectations of different stakeholders are on different time horizons. Khan suggested senior executives are responsible for getting stakeholders to start to understand how to align time horizon and why it is critical.

Communication requires first listening to stakeholders. At PepsiCo Khan did this by bringing key credible experts into the company to create a dialogue between internal experts and outside efforts. Consumers and stakeholders may need to be engaged, but will offer something once they become part of the fold. The second point Khan raised was that companies need to be better at connecting with NGOs, government, universities, and other stakeholder groups. Partnerships with them bring knowledge and thinking to PepsiCo, and provide opportunities for other stakeholders to better understand PepsiCo's perspective.

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Khan also brought up the issue of engaging skeptics. From the beginning, there needs to be an acceptance of the fact that there will be skepticism about the journey the company is taking toward value creation. These skeptics may not be on board at the beginning, but by creating a credible coalition of the willing and communicating effectively about the initiatives, the coalition can grow. It can take courage and patience to continue on the journey despite the skepticism, but the journey requires staying with it, continuing to engage both internal and external partners, and listening to ensure there is consistency.

Khan cautioned about the need to carefully pick metrics because all stakeholders are not on the same page with what they value being measured. He provided an example to illuminate this point. There are two types of sustainable packaging: biodegradable and biocompostable. While biocompostable disappears, it releases carbon into the environment during the process. Stakeholders concerned with reducing carbon footprints and greenhouse gases will want to measure how much is being released. However, if landfill advocates are the stakeholders, they will want to measure how much is going to a landfill rather than what is being released into the atmosphere. Now leadership within the company using the packaging has to decide which metric to prioritize. In this example of biodegradable versus biocompostable, there is no consensus yet within the science and academic community on which is better from a sustainability standpoint; however, within the operating business, a decision has to be made now. Khan also emphasized that, when considering the ecosystem in which companies are operating and making decisions, each of these metrics is one piece of the puzzle, and where you are focusing within the ecosystem will create different answers to what the right metrics are.

Khan suggested that one of the largest challenges is how to create the right incentives to spur the right behaviors. Individuals do what they are incentivized to do, and thus Khan asked, how do you get the disruptors in an organization to be incentivized, but allow the operators to then come along on this journey with the right incentive? Khan suggested that it requires balance and agreement among the chief financial officer, the head of human resources, and the head of innovation to incentivize the execution of an articulated strategy.

Estée Lauder Companies

Nancy Mahon, Estée Lauder Companies

Nancy Mahon provided a perspective on the panel from the two roles she currently holds: Senior Vice President for Global Philanthropy and Corporate Citizenship at Estée Lauder and Executive Director of the

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MAC AIDS Fund. In her role at Estée Lauder, Mahon looks across the company's family of brands to identify company-wide approaches to social engagement. The MAC AIDS Fund, MAC Cosmetics' philanthropic foundation, raises about $50 million per year through the sale of lipstick to serve those affected by AIDS. Within the past year, the foundation has supported about 600 grantees in approximately 92 countries with a current focus on public–private partnerships (PPPs) to end AIDS in certain cities, both within the United States and globally.

Mahon noted that, like many family-owned companies, MAC has a tradition of philanthropic giving and it has been part of the DNA of the company since its beginning. MAC Cosmetics' founders were closely impacted by the AIDS epidemic and, from the start of the company, they have maintained a charitable giving program focused on AIDS prevention and treatment. This flagship program, the Viva Glam campaign, gives 100 percent of the selling price of its product line to the foundation. As the company has grown, so has the foundation. Mahon said that this initiative and MAC's commitment to charitable giving is likely a contributing factor in the company's overall commercial success. Customers express their values and the companies they support in what they choose to buy or not buy, and customer loyalty has been a mainstay for MAC. Beyond customer loyalty, Mahon also noted that MAC has the highest employee retention rate of any luxury cosmetic company, and one of the top three reasons employees list for staying at MAC is the MAC AIDS Fund. While based on charitable giving, the MAC AIDS Fund has provided real business value for the company through customer loyalty and employee retention.

Mahon raised a few concerns about the notion of shared value creation, which differs from the value creation through the MAC AIDS Fund that she described. She questioned the rationale for using the term "shared value" itself. She noted that it is a term that she would not use in business discussions at her company because its meaning would not be understood. She wonders if by using this term whether the meaning behind it is lost and perhaps internal discussions should focus just on value and how value is defined by the company. She encouraged the group to focus instead on holding themselves to the highest level of business rigor and not create a separate discussion that in the future will need to be reintegrated into regular value discussions.

Mahon suggested that the problem that companies and the rest of the development community is trying to solve through the paradigm of shared value is creating enough resources to meet social needs. In a very profound way, the math does not work on solving any health care or social justice issues with the current resources on hand through govern-

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ment and traditional philanthropy. Examples of epidemics such as AIDS and the Ebola virus demonstrate that even when there is an ability to end an epidemic, the math still is not working because the resources and the current models are not enough.

Mahon commented that, through the MAC AIDS Fund and her experiences with the PPPs they have set up to achieve their goals, she has learned that partnerships, and alignment of objectives and culture across partners are hard. However, despite the challenges, consumers and consumer activism are pushing companies to engage in social issues, and through social media and their purchasing power, they will continue to push business out of their comfort zone to be involved. She used the example of the Viva Glam campaign to illustrate this point. If a MAC customer was given $17 after buying a lipstick for the same price, she might not give that money to be used for AIDS prevention or treatment causes, but she certainly does care that MAC is giving it to AIDS. There is a strong customer perspective that companies should be involved in collective action to address social issues, and it is forcing businesses out of their comfort zone to become engaged.

For a customer-elective company such as MAC, current data on trends in customer decisions are important data and Mahon noted that more customers are moving toward choosing brands because of their social purpose. Thus MAC realizes that engaging in social good as a company is good for business, however, Mahon suggested the challenge is supporting sustainable good works that have more than a 1-year life span.

On the issue of defining success, Mahon emphasized the need for metrics. She suggested keeping metrics basic and human impact focused. Examples include numbers of meals served or people housed. However, she also noted the impact of storytelling metrics to demonstrate impact. As an example, MAC collected Skype videos of employees across the world sharing their own perspective and value identified with the company's social engagement and thus produced a video for senior leadership.

Mahon suggested that traditional corporate philanthropy in which the corporate foundation is at an arm's length from the business is evolving to become integrated as a full senior partner into the business. Being integrated as a business ally is important, and making decisions together is particularly important, when some decisions might disadvantage one business unit, but would be better for the overall company.

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Population Services International (PSI)

Cate O'Kane, PSI

Cate O'Kane, Director of Corporate Partnerships and Philanthropy at PSI, provided a perspective on shared value from an international NGO. PSI, based in Washington, DC, with programs in 65 countries around the world, aims to increase access to health products and services for women and their families. PSI sees shared value as one tool, among several, that the organization has to ensure it can achieve that mission. A focus on the private sector and the efficiencies that can be gained from their business is not a new concept for PSI, and the organization maintains partnerships with companies based on philanthropy and CSR. However, PSI sees its shared value partnerships as providing momentum and opportunity to focus on long-term business investments for the poor rather than just operating through 1-year grants.

O'Kane noted that much of the work that PSI does is because of recognized market failures, for example, lack of access to medicines and health products. However, in turning that on its head and looking at the organization's mission as a market opportunity generator as opposed to the solver of market failures, the rationale for shared value becomes apparent. Furthermore, with the decline in overseas development assistance, PSI realizes the need to identify and work with partners in the private sector. Particularly in some areas such as NCDs, the majority of investments are being made by private-sector companies, such as Eli Lilly, that are at the forefront of trying to tackle the problem.

The third rationale from PSI's perspective is sustainability. Although one-year grants are useful, sustainable solutions have more potential when developing partnerships based on business investments that are being considered for 10- to 15-year time spans. O'Kane suggested these longer-term investment-focused partnerships have the potential to create win-win situations for all partners and ensure that there is a market left in that country in which the private sector will engage. At this stage, the NGO partner is then able to move on and tackle new problems and market failures elsewhere.

In her position at a nonprofit such as PSI, O'Kane said she is always aware of the need for new funding and constantly evaluates the different streams of funding available, so her Chief Financial Officer is an important internal stakeholder. Beyond that, O'Kane's focus is on project implementation and ensuring there is buy-in at the country level within the organization, so the Regional Directors and Country Directors are also important stakeholders. Often the mindsets of these internal stakeholders at the regional and country levels have been molded based on their expe-

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riences with more traditional public-sector development funders, where the expected outcomes are focused on defined contract timelines and budgets. Developing shared value partnerships requires a shift to focusing on investments and profitability. O'Kane emphasized that this mindset shift can start with a CEO, but needs to resonate with field staff in PSI's 65 countries that are managing partnerships and on-the-ground programs if shared value is to be truly embraced throughout the organization.

Communicating with their partners and external stakeholders is an important part of PSI's shared value journey, both to demonstrate impact and to encourage more partners and stakeholders to join the journey. The communication tools that PSI has created include PSI's Impact Magazine, Social Media Campaign toolkits, Quarterly Partnership in Practice E-newsletter, and PSI's Corporate Partnerships Impact Report. Another important move is to become part of a learning community that is pushing the agenda and communicating with others who are on their own journey. Finally, she suggested the third part is publicly speaking as an NGO about working with the private sector, not being afraid of the word "profit," and explaining the opportunities to create markets and help target communities through shared value partnerships. O'Kane emphasized that one of the largest challenges is the mindset change from short term to long term. Good business strategy requires thinking from a long-term perspective.

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6

Impacts of Shared Value on Partnerships and Other Stakeholders

The shift toward shared value within the corporate sector has impacts and implications on partnerships and other stakeholders in global health. At the workshop, stakeholders from sectors outside of private corporations described how a shift toward shared value strategies is impacting their own global health engagement strategies and how they are approaching partnerships. This chapter summarizes the remarks provided by Beth Bafford from Calvert Foundation, Aron Betru from Financing for Development, John Sargent from Broadreach Healthcare, Marjorie Paloma from the Robert Wood Johnson Foundation, Abbey Davidson Maffei from CARE USA, and Wendy Taylor from the U.S. Agency for International Development (USAID). Key messages from their remarks are included in Box 6-1.

CALVERT FOUNDATION

Beth Bafford, Calvert Foundation

To set the stage for the discussion, Beth Bafford, Director of Investments at Calvert Foundation, a social investment fund that raises and deploys debt capital into community and economic development, explained some findings from a recent landscape analysis of global health investments that her organization conducted. Calvert Foundation has recently started exploring investment opportunities in global health and performed a landscaping of global health investments in sub-Saharan

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BOX 6-1
Impacts of Shared Value on Partnerships and Other Stakeholders: Key Messages Identified by Individual Speakers

- Partnerships with the private sector have been shifting from philanthropic models toward shared value models. (Davidson Maffei, Taylor)
- A fundamental difference with shared value versus philanthropic partnerships is the co-design among partners of shared value initiatives to identify collective interests and how to address problems together. (Davidson Maffei, Taylor)
- Development objectives can be better achieved if development agency initiatives are aligned with private-sector investments. (Taylor)
- However, not all development objectives will have a business case and will require funding models and partnerships not based on shared value opportunities. (Davidson Maffei)
- Leadership and vision to ensure that there is mutual benefit for both private investors and beneficiaries is needed to move shared value forward. (Betru)
- One of the biggest challenges in creating a critical mass for shared value is perceptions and attitudes. (Sargent)
- Partnering with social entrepreneurs provides private sector companies with the opportunity to create new business models. (Sargent)

Africa and India to understand how it could develop a portfolio strategy to invest more actively in the sector. As part of the analysis, Calvert Foundation spoke with about 40 fund managers working in the sector and, from that, discovered several relevant trends, Bafford noted.

She mentioned that the first discovery was the dearth of capital available that is disease and population agnostic. Bafford continued that most funders have been focusing on a specific disease or population, leaving a need for more flexible capital investments in infrastructure, hospital systems, pharmacy chains, and other avenues for service delivery. The second discovery was a lack of significant human capital at the intersection between business and health. Not many medical professionals and business experts have both skillsets and can build, run, and scale global health companies, enterprises, and innovations in developing countries. The third discovery was the eagerness of the public sector to welcome private investment and private-sector activity and the search for leadership from the private sector by the public sector. Bafford said there is an increasing recognition by the public sector that it cannot provide health services alone to its target population. Bafford suggested that all three trends point to a welcoming ecosystem for more corporate engagement.

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Bafford said corporations can bring more flexible capital to build infrastructure and use their human capital to train and mentor entrepreneurs and medical professionals to grow and run businesses successfully. Their investment is welcomed to help develop more robust health systems in low- and middle-income countries. As an impact investor, Bafford is excited about the potential in global health, and suggested the individuals on the panel represent strong partners for private investors looking for shared value opportunities in global health.

FINANCING FOR DEVELOPMENT

Aron Betru, Financing for Development

Aron Betru the CEO of Financing for Development (until June 2016), a nonprofit organization, described how the organization is focusing on designing, structuring, and implementing innovative financing ways of creating shared value in the development ecosystem. Betru suggested that what is most needed to drive shared value initiatives forward is leadership and vision to ensure that there is mutual benefit for both the private investors and beneficiaries. Often this requires an external facilitator to make sure key issues are being brought to the table. Where the concept itself may seem easy, Betru suggested that its execution is very difficult. He provided some examples to illuminate this point. One example is based on a contraceptive device that is produced by Merck. It is implanted into a woman's arm and is effective for up to 3 years. Working together with multiple partners, a system was developed to amortize the implants, so that the government of Ethiopia, working with donor assistance funds, could pay for the implants over the course of 2 years. This allowed Merck to be certain about what their business was going to look like over multiple years, creating incentive for the company to cut the price of the product.

The challenge with developing partnerships such as these is understanding and addressing the incentives of all parties and then developing solutions that create more value for all parties with fewer resources. However, once private-sector companies start understanding and experiencing examples where these partnerships work, the mindset begins to shift and the barriers are reduced, Betru noted. In the example from Merck, Betru pointed out that the company is now starting to ask whether there are opportunities with their other products to develop procurement structures based on shared value.

Betru suggested that the examples of shared value creation are outliers, and a shift in more organizations toward shared value likely will not

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come from within, but from outside facilitators advocating for the shift or keeping them honest along the way. From his experience in developing innovative financing initiatives based on shared value principles, Betru offered several lessons he has learned: incentives matter and stakeholders who can move the needle need to be engaged. If there are good stewards of a key set of incentives at the table, shared value can be created. He suggested it is not complex in theory but, to succeed in practice, it should be well articulated and designed from the beginning.

CARE

Abbey Davidson Maffei, CARE USA

Abbey Davidson Maffei, Senior Director of Strategic Partnerships and Alliances at CARE USA, provided a perspective on why, as an international nongovernmental organization (NGO), CARE engages in partnerships with the private sector and how those partnerships have involved as shared value has become more common. CARE's mission is to fight global poverty by empowering women and girls to bring lasting change to their communities. Private-sector companies have been an implementing partner of CARE's for many years and, in the past 10 to 15 years, these partnerships have been shifting from philanthropic toward shared value models. This shift has happened in part because that is where companies have been moving, but also because CARE understands that far more impact on the ground can be realized by engaging companies through a variety of entry points.

Several years ago, based on this realization, CARE developed a multi-asset model through which it works with companies in supply chains; in distribution and services to communities at the bottom of the pyramid cooperating with workforce on gender, equity, and diversity training and other ways to engage employees; in branding and communicating efforts to engage consumers; and in working with government relations teams to align on advocacy issues that are of mutual interest. Davidson Maffei noted that CARE has developed effective partnerships based on this model with companies in food and agriculture, apparel, and financial services, and summarized some lessons learnt from those partnerships.

Davidson Maffei suggested that shared value efforts, at least from CARE's perspective, are fundamentally change initiatives. These initiatives are pushing the envelope of what CARE's core business tends to be, moving from a focus on development programs to alignment for mutual benefit. They also push the envelope for companies. When CARE partners with companies on these initiatives, their partners are drawn from sustainability teams and business innovation teams within the companies

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that are pushing the edges of what their businesses are doing. Together, CARE and its partners are learning how to make these processes work, engaging all the stakeholders from the beginning to work toward developing the right models.

Davidson Maffei offered an example from a partnership with PepsiCo in West Bengal to integrate gender and nutrition into their potato supply chain. This partnership is addressing a couple of key issues: 90 percent of the women in the potato value chain are anemic, women are making crucial contributions to the potato chain that are not necessarily recognized, and women are not necessarily receiving the training and resources to become more productive to generate better livelihoods for them and for their families and to improve efficiencies in PepsiCo's chain. The partnership is looking at the linkages among these issues along the upstream portion of the value chain. If this pilot shows the intended results in terms of productivity, efficiency, and benefits to the community, it is something that PepsiCo hopes to scale through its Sustainable Farming Initiative, which runs across all of its key agricultural ingredients. Davidson Maffei noted what a great opportunity it would be if together these partners can achieve their desired outcomes.

However, Davidson Maffei suggested, the reality is that not all of CARE's desired outcomes in terms of development impacts will have a business case, and the organization needs to be upfront about that. This means figuring out what CARE is willing to live with as companies work to scale these approaches and where CARE can get supplemental funding that is not going to come from a business unit to address those aspects that really are public goods. Getting that balance right is a priority that CARE is trying to manage.

Davidson Maffei described a couple of challenges CARE has encountered in its shift toward shared value partnerships. First, the business units CARE is engaging in these partnerships, such as innovation and research and development (R&D) teams, have considerably lower budgets than corporate foundations with whom CARE has more traditionally partnered. These partnerships have smaller budgets, shorter time horizons, and little room for error to prove the concept on the ground. Despite these constraints, these initiatives are the most innovative ones.

Another challenge is finding the right expertise for these projects, which often requires writing budgets and resourcing these activities to bring in supplemental expertise. Davidson Maffei suggested this is an area where corporate partners can sometimes help to provide expertise. Sometimes this expertise has to come from outside CARE and its corporate partner to serve in a translator role between business and development.

Beyond engaging CARE and its corporate partners in these initiatives, Davidson Maffei noted that there is often a recognized value in bringing

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USAID or other development agencies into these partnerships. However, CARE has found that it can be challenging to align timelines and funds procurement from development agencies and companies. Another challenge with bringing in additional partners is managing proprietary interests of companies.

Davidson Maffei suggested that a fundamental difference with shared value versus philanthropic partnerships is the co-design of the initiative with teams from both CARE and the company. The innovative nature of the work requires expertise from both sides and co-designed models. These models are still emerging. Davidson Maffei suggested that documenting and sharing experiences are needed to develop best practices moving forward.

BROADREACH HEALTHCARE

John Sargent, BroadReach Healthcare

Sharing his personal experience of his journey as a social entrepreneur, John Sargent, Co-Founder of BroadReach Healthcare, described how his organization evolved, illuminating three points about shared value from his perspective: information is a critical catalyst to shared value, entrepreneurs and social entrepreneurs will be a major driver of innovation, and the shared value revolution has not yet happened.

Sargent started BroadReach with his best friend from medical school, Ernest Darkoh. Growing up, both Sargent and Darkoh lived in and visited a diversity of low-resource communities and saw firsthand the lack of access many communities had to basic health care or basic services such as running water. However, a range of consumer products, such as soft drinks, soap, and cigarettes were always available. Sargent and Darkoh asked themselves, what is it that the private sector knows that makes this happen? After completing medical school, they started on the quest to find out. Instead of moving on to medical residency, Sargent and Darkoh went into management consulting with the idea that it would be a residency in business.

After 4 or 5 years of gaining private-sector management consultancy experience, they started their own organization with the objective of taking what they had learned from the private sector and medicine to improve access to health care for underprivileged populations. Over time, their organization, BroadReach, has evolved to focus on information, an area where Sargent and Darkoh found they have both expertise and would help achieve their original objective.

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Information as a Catalyst

Sargent and Darkoh realized one of the challenges hindering progress across all of these sectors was a lack of information, including a lack of understanding of the health priorities in a country, the effectiveness of health interventions, effective business models that can meet health needs and provide a return on investments, and which partners can be trusted enough to engage.

Sargent believes one of the big catalysts for encouraging organizations to partner and to create shared value models is information. BroadReach has built information technology and software cloud-based systems to analyze clinics and the overall health care system in countries to better understand what the problems are and what needs to be done to improve them. It provides access to information at the highest levels of ministries of health down to key personnel at the district level. Information that was previously being collected but not used can be applied to meaningfully predict modeling at the local and country levels. For pharmaceutical companies, BroadReach's system can help to analyze market size and potential for certain products. For NGOs, BroadReach is licensing its system to help them better manage their performance and report to development agencies. The system also provides an opportunity for dialogue among these different stakeholders to help align priorities and programs.

Entrepreneurs as a Major Driver of Shared Value

Sargent and his organization are not a lone example of social entrepreneurship in solving global health challenges. In the past few years, there has been a growth in social entrepreneurs, particularly those that are locally based and come from the communities they are serving, developing new models to solve social problems. They are connected to their communities, they know what is going on and what does not work. They do not necessarily have the capital or knowledge to scale or the technical support that they need. Sargent believes there is a massive opportunity for private-sector companies to be more deliberate and thoughtful about partnering with entrepreneurs as a way to create new business models, whether it is through strategic investment, joint ventures, or providing human capital.

Critical Mass for Shared Value

Sargent suggested that one of the biggest challenges in creating a critical mass for shared value is perceptions and attitudes. From his perspective, besides a few exceptions within top leadership positions, few people

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understand what shared value means. To move the needle, he encouraged publishing more research and case studies, and being relentless to achieve the critical mass to flip the switch and change the attitudes among all of the different stakeholders.

ROBERT WOOD JOHNSON FOUNDATION

Marjorie Paloma, RWJF

Marjorie Paloma, Director and Senior Program Officer at the Robert Wood Johnson Foundation (RWJF), described the foundation's focus on building a culture of health and why business is a critical partner in this initiative, and several ways in which the foundation has shifted its mindset to engage with business through a shared value framework.

For the past 2 years, RWJF has focused on building a culture of health in America and, through this lens, sees the connections between health and all sectors of society, both public and private, including housing, transportation, urban planning, and architecture. Paloma noted that RWJF realizes achieving a culture of health will require healthier, more equitable communities and strengthening the integration between the health and health care systems. Additionally, Paloma stressed, will take a national movement, and the business sector, because of its vast size and its ability to drive cultural change, must be at the table. RWJF has funded research showing that companies that sell healthier products are more profitable and have a better reputation with their consumers.

Paloma noted that collaborating with business has been a part of RWJF since it was founded by Robert Wood Johnson, one of the brothers of the Johnson & Johnson Company. However, the foundation has always been separate from Johnson & Johnson and was organized as a purely philanthropic foundation. The company's mindset shift to engaging with the business sector through shared value has evolved more recently.

Paloma described the key ways in which the foundation has adapted its mindset. The first is through embracing new ways of working. RWJF recognizes that it is not a business expert, and most businesses are not health experts. What RWJF can bring to these partnerships is its research, networks, broad experience, strong reputation, and demonstrated success in working to improve health. For businesses to be able to benefit from RWJF resources and for RWJF to benefit from the business expertise that companies bring, both sectors need to adapt to new ways of collaborating so they can collectively tap into each other's expertise. With this shift, RWJF has had to become more open minded about business as a player in the social movement and understand business motivations and goals. RWJF also has to understand that profit is not a dirty word. Building on

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a point made by Davidson Maffei, Paloma noted that the foundation has needed to become much more iterative and adaptive when trying, testing, and prototyping engagement opportunities to learn and build the right model together.

Paloma added that impact is another important factor for RWJF when considering collaborating with the private sector. RWJF does not partner with everyone who approaches the foundation. Instead, the foundation evaluates the potential partnership based on answers to the following questions: how does it fit with the foundation's values, what is the risk of engaging, what are the conflicts of interest and even perceived conflicts of interest, how does this affect our value in terms of charitable purpose and the public good, and what are peoples' views around proprietary information? After evaluating the potential based on these factors, RWJF then evaluates whether there is a unique role it can bring through the initiative to activate or accelerate progress, and what the potential is for the scale and spread of its impacts.

USAID

Wendy Taylor, USAID

At USAID, engaging business, often through shared value opportunities, is fundamental to how the agency views development. In the past several decades, the role of aid agencies has shifted dramatically. The percentage of capital flows in developing countries from development agencies has shrunk dramatically, while business investments are increasing. Currently, 91 percent of funding into developing countries comes from the private sector. Wendy Taylor, Director of the Center for Accelerating Innovation and Impact at USAID, suggested this increase in funding is happening as businesses realize economies in their traditional markets are slowing down and, at the same time, there are growth opportunities in emerging markets. However, Taylor noted that not all of these funding flows are focused on subpopulations within countries that are most in need. To continue to achieve development objectives, there is a need to align development agency initiatives with private-sector investments.

Taylor clarified that USAID, as well as several other development agencies, are well aware of the shift toward shared value within the private sector, that adapting to this shift requires a mindset change in how development agencies approach partnerships, and have already implemented changes in this direction. A recent review of USAID's partnerships over the past decade found that a significant number of them focused on shared value and, of those partnerships that were based on shared value, a number of them still aligned with strategic corporate

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interests. She provided a perspective on the agency's approach to partnerships, highlighting lessons learned and some of the challenges in the shift toward shared value opportunities.

While partnering with the private sector has been part of USAID's engagement strategy since its founding in 1961, Taylor acknowledged that how USAID is engaging is shifting. Traditionally USAID focused on developing its programming, bringing in an implementing partner, and then identifying a private-sector player almost as an afterthought. However, the sweet-spot of shared value is identifying collective interest and how to address problems together. It is a co-creation process that requires the private-sector partner to be at the table from the outset of the program development. Taylor admitted that, while essential, it is not always easy to do, and USAID is trying to mainstream the co-creation process into its work.

One of the lessons USAID learned is that partnerships are most effective when the core competency of the private-sector partner is engaged. To highlight this lesson, Taylor provided an example of a partnership with Coca-Cola that taps into the company's core strength. Through the partnership, Coca-Cola is lending its expertise in optimizing systems, distribution channels, and outsourcing to deliver its products to last-mile populations to teach USAID and in-country government better practices for the distribution of medicines.

A second lesson Taylor described is related to scale and sustainability. She noted that often partnerships are challenging to scale to the level needed and be sustainable. She suggested shared value partnerships can overcome some challenges of scale and sustainability and illuminated this point with an example of a multistakeholder alliance within the agriculture sector. This alliance, developed by USAID's food security team, is engaging the private sector on sustainable agriculture development in Africa. The alliance includes 45 private-sector companies that have committed to making $3 billion of investments in African agriculture if policy changes and the enabling environment in country are improved to create strategic business opportunities. Part of the equation to make the partnership work is policy changes implemented by African governments. USAID is able to leverage their relationships with the governments to facilitate these changes. The governments have incentives if all of these private-sector investments are going to come in, and other donors can be brought on board to be the catalysts to make many of these changes happen.

A third lesson Taylor described was that partnerships work best and will have the greatest development impact when they are built on notions of shared value. She illuminated this lesson through the example of the Helping Babies Breathe partnership. This multistakeholder partnership

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focused on newborn resuscitation, tackling one of the leading causes of death for infants in the developing world. The partnership is centered on a device called a neonatal resuscitator, which is cheap and can be used in developing countries. The partnership involves a company that manufactures the devices as well as training dolls to help teach health care workers how to use the devices. The American Academy of Pediatrics developed the training protocols. An implementing partner introduces these programs in each country involved. In 5 years, the partnership raised $58 million; more than half of it came from outside of USAID. It has been introduced in 77 countries and is scaling up in many of those countries. Taylor noted that the corporate partner, Lerdahl, is a small company and this program is its first initiative in the developing world. Lerdahl needed to figure out how to introduce a product in these harder to reach markets and the partnership provided the platform. It was so successful that, as a result, Lerdahl developed a new business unit to develop new innovations on maternal/neonatal health in the developing world.

Despite the great successes from USAID's engagement in shared value-based partnerships, Taylor emphasized that there are challenges and she pointed to a few of them—alignment takes time and effort; and procurement challenges can make it difficult to move money fast enough. USAID is developing the tools to help move things faster, but sometimes it is still difficult to do. To streamline some of the challenges with time and effort, Taylor suggested exploring more wholesale approaches rather than just retail. Each partnership takes time and effort to build and, once the partnership is built, it needs to be managed. Teams can easily become bogged down in managing many small-scale partnerships. Larger wholesale opportunities, such as the agriculture-focused multistakeholder alliance that she mentioned, can provide opportunities for greater impact.

On a closing point, Taylor emphasized the potential of innovative financing. Recently, impact investing has become more mainstream and major investment banks are now paying attention. However, she noted there is a ways to go in increasing innovative financing in health. Insurance and reinsurance companies are developing creative ways of thinking about how reinsurance can help in creating pandemic funds to prepare for future pandemics and forging social impact bonds. Taylor believes there will be an increase in experiments and, hopefully, more successes in innovative financing in global health.

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7

Measuring and Reporting Corporate Impact

When stakeholders across sectors and industries are convened to share experiences, approaches, and lessons learned, discussing metrics and defining terms and language are incredibly important, stressed Clarion Johnson from ExxonMobil. Otherwise, after presentations of information and ideas, there is the risk of individuals leaving with different understandings of what has been discussed. Metrics are a powerful tool for creating coherence and common understanding. Corporate reporting provides opportunity for transparency, accessibility, and dialogue, and several workshop speakers illuminated opportunities and efforts to use metrics and reporting to do so. Specifically, Alyson Genovese from the Global Reporting Initiative (GRI) discussed building transparency and trust in sustainability reporting; Sanjay Sehgal from Nestlé presented the company's approach to creating shared value and GRI reporting; Brett Tromp from Discovery Health in South Africa described efforts to include health metrics in corporate reporting; and Joy Phumaphi from the African Leaders Malaria Alliance discussed opportunities presented by the Sustainable Development Goals (SDGs). The key messages from their presentations are summarized in Box 7-1.

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BOX 7-1
Measuring and Reporting Corporate Impact: Key Messages Identified by Individual Speakers

- Risk mitigation remains central, but companies and others also view reports from a proactive opportunistic standpoint with benefits that may include recruiting and retaining key talent; attracting new investment opportunities; identifying research and development opportunities; and providing a competitive advantage. (Genovese)
- Sustainability reporting is a continuous improvement tool that provides companies with opportunities for transparency and accountability. (Genovese, Sehgal)
- The process toward shared value creation sets in place the infrastructure and the metrics on which companies can report. (Sehgal)
- Chief financial officers are concerned about the impacts of employee productivity and health on their corporate performance. (Tromp)
- The SDG Compass is designed to help companies understand their existing strategic goals and activities, map them against the SDGs, and develop new approaches and activities aligned in goals. (Genovese)
- Because the SDGs are the peoples' goals, it is essential for business leaders to increase the value of their products and productivity levels within their companies to help met the goals. (Phumaphi)

SUSTAINABILITY REPORTING

Building Transparency and Trust in Sustainability Reporting

Alyson Genovese, Global Reporting Initiative

Companies and other organizations issue sustainability reports because of the expectation to disclose to their key stakeholders financial and nonfinancial data about their social, economic, environmental, and human impacts. Sustainability reports are a mechanism for disclosing this information. Alyson Genovese, Head of Corporate and Stakeholder Relations for the United States and Canada at GRI, shared that sustainability reports often are issued in concert with annual financial disclosure, but sometimes are issued separately, are performance based, and reflect past activities as well as look to the future. She emphasized that it is important to think of reports not as a static end document, but as a continuous improvement tool for corporations and others.

Reflecting on the evolution of sustainability reporting, Genovese explained that originally companies reported their sustainability activi-

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ties to mitigate risk. Such reporting provides a tool to understand and measure their risk from a regulatory standpoint in terms of disclosure. However, over time, a myriad of reasons why companies and other organizations report on their sustainability activities has developed. Risk mitigation remains central, but companies and others also view reports from a proactive opportunistic standpoint with benefits that may include recruiting and retaining key talent; attracting new investment opportunities; identifying research and development opportunities; and providing a competitive advantage. Genovese emphasized that managing sustainability impacts provides companies and other organizations with opportunities to examine the impacts both reactively and proactively.

Genovese believes the value of the sustainability reporting process is in ensuring that companies are transparent in considering their impacts on a range of critical issues in terms of risks and opportunities. In her opinion, this increased transparency fosters greater trust and better dialogue among stakeholders, who are now equipped with the information needed to interact more effectively with the organization.

Sustainability reporting is carried out by companies and organizations of all types and sectors. Ninety-three percent of the world's largest 250 corporations report on their sustainability performance. GRI manages a publicly available sustainability disclosure database of all sustainability reports uploaded by companies every year. Genovese noted that there has been a significant uptake in sustainability reporting globally, and GRI includes about 30,000 reports that can be sorted by year, sector, and type of report issued. Growth in reporting is seen every year, and about 8,000 organizations are currently represented in the database (Global Reporting Initiative, 2016). Recent reports indicate that sustainability reporting among companies in the S&P 500 increased from 20 percent in 2011 to 75 percent in 2014 (Governance & Accountability Institute, 2015). Genovese observed that there have been improvements in the effectiveness and credibility of reporting, which has attracted the attention of the investment community. In 2014, one in every six dollars or assets under management in the United States were in socially responsible investing, a 76 percent increase from 2012.

The Global Reporting Initiative seeks to create an environment where sustainability is integral to the decision-making process of every organization by providing a global standard for companies and other organizations to report on their sustainability activities and a thorough process of material and stakeholder engagement. Its sustainability reporting standard is probably how most people know GRI, Genovese observed. She explained that there are other standards globally, but about 78 percent of companies that report on sustainability use GRI standards. GRI standards are deeply focused on materiality and on how companies can evaluate

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which sustainability-related topics are of most concern to them. GRI also provides support and services to organizations that are reporting as well as stakeholder communities, including nongovernmental organizations (NGOs), foundations, investors, and governments.

In addition to an increase in companies choosing to report, GRI is seeing growth globally in government regulation of sustainability reporting. Genovese shared that more than 40 governments have specific requirements for companies that operate within their jurisdiction to disclose sustainability data. Looking forward, Genovese expressed that SDGs are changing the conversation for companies around expectations and their ability to demonstrate impact on social and development issues. Part of GRI's role is to help translate SDGs for companies to be able to understand their role in supporting them. Genovese noted that GRI championed a strong private- sector role in the development of target six of goal 12 that states countries are encouraged to require companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (UN General Assembly, 2015). Genovese noted that GRI has worked with the World Business Council for Sustainable Development and the UN Global Compact to develop the SDG Compass (see Figure 7-1). The objective of the SDG Compass is to guide companies on how they can align their strategies as well as measure and manage their contribution to SDGs. The SDG Compass is designed to help companies understand their existing strategic goals and activities, map them against SDGs, and develop new approaches and activities aligned in the goals.

When asked to provide recommendations for how NGOs can engage in the stakeholder processes of developing reporting standards and frameworks and increasing the inclusion of health impacts as part of reporting, Genovese responded that the GRI framework includes a feedback process for stakeholder groups, and the framework is always evolving based partly on this feedback.

Nestlé's Approach to Creating Shared Value and GRI Reporting

Sanjay Sehgal, Nestlé

Providing an individual company's experience with GRI reporting and shared value creation, Sanjay Sehgal, vice president of Nutrition, Health and Wellness at Nestlé USA, described what the company identifies as its key milestones in its shared value journey and lessons learned from its approach to reporting. According to Sehgal, for Nestlé, creating shared value is a mindset that requires redefining a company's business priorities, processes, and organizational structures. The process toward

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FIGURE 7-1 SDG Compass.
NOTE: SDG = Sustainable Development Goal.
SOURCE: As presented by Alyson Genovese on December 3, 2015; available at www.sdgcompass.org.

shared value creation sets in place the infrastructure and the metrics on which companies can report.

Sehgal said that the goal of Nestlé globally is to improve the lives of millions of consumers by offering tastier and healthier products, engaging with its supplier network, and contributing to the economies in which it operates. In addition to directly employing 339,000 people, Nestlé supports the livelihoods of more than 700,000 farmers and contributes to the earnings of more than 4 million farmers.

Sehgal noted that Nestlé's mission statement "to be the recognized leader in Nutrition, Health and Wellness and the industry reference for

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financial performance, trusted by all stakeholders" has three important dimensions—Nestlé is a commercial organization, the company has a responsibility to its shareholders, and the company desires being the industry reference for the best financial performance service in a manner that is trusted by stakeholders and contributes to the health and wellness of the population. Sehgal explained that these three dimensions are not mutually exclusive and together drive what Nestlé defines as its shared value creation. Sehgal noted that shared value creation within an organization needs a top-level endorsement, to be driven by the entire leadership of the company, and supported by internal management.

Sehgal provided an example of a shift in Nestlé's operating model that the company points to as part of its movement toward shared value. For years, Nestlé has used a tool called 6040, which is a blind product test that all strategy products go through to assess consumer perceptions of their taste and to ensure products are competitive in terms of taste. When the company began its journey to shared value, Nestlé realized it needed to introduce a nutritional dimension to its product testing. Today, Nestlé has an internal set of criteria that all of the products manufactured globally are assessed periodically on nutritional dimensions in addition to taste. Sehgal noted that Nestlé did not start with the goal of reporting on the nutritional profile of its products, but rather developed the tool to help focus internal business leadership.

In terms of reporting, Sehgal summarized how Nestlé's global reports have transitioned from reporting on achievements to reporting in alignment with the comprehensive reporting standard set by GRI, the GRI G4 criteria. In 2010, Nestlé hired Bureau Vitas Solutions, an external body to ensure that its reports give stakeholders confidence in the accuracy and validity of the reporting as well as the reliability and objectivity of the information. In 2011, the report met the GRI plus requirements indicating that the report was held against highest levels of disclosure and transparency, and that the report was externally assured by GRI. For the 2014 report, Nestlé transitioned to reporting in accordance with the comprehensive option of GRI G4 criteria, which it will continue to use, Sehgal noted. While reporting on these global achievements, Nestlé started to evaluate individual markets and noted the trend toward producing national reports based on particular markers. Nestlé USA released its first Creating Shared Value report in 2014. The second report (Nestlé USA, 2015) outlined the company's accomplishments and forward-looking commitments in nutrition, health and wellness; environmental sustainability; and social impact.

Regarding health metrics, Sehgal noted that Nestlé has surrogate measures of behavioral changes that reflect possible positive health outcomes. He added that Nestlé is also looking to build a collaboration of

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like-minded organizations and individuals that can get behind a community to develop a scalable model. With such programs, outcomes can be actively measured. For example, with the Nestlé Healthy Kids Global Program, Nestlé is actively working with nearly 300 partners in 80 countries to raise nutrition and health knowledge, and promote physical activity among school-age children around the world. This program reaches approximately 8 million children globally.

Reflecting on what Nestlé has learned over the years, Sehgal said that the first step was to engage and listen to stakeholders across all relevant areas, including regulatory, academic, and scientific communities. The second step was a materiality analysis to assess the relevant issues from both the business and stakeholders' perspectives. The third step was to identify future opportunities based on the materiality analysis. Through this process, Nestlé was able to establish an internal dialogue and evaluate potential opportunities and new directions. Nestlé now has 38 indicators, against which it measures and reports, that are assessed using the GRI system. Sehgal concluded by commenting that GRI is about ownership and accountability and should be considered as a tool to improve and focus performance.

INTEGRATING HEALTH METRICS INTO CORPORATE REPORTING

Brett Tromp, Discovery Health

From his perspective as a chief financial officer, Brett Tromp presented on the importance of health to a company's financial performance and how his company, Discovery Health, is working to integrate health metrics into corporate reporting. To set the stage, Tromp gave a brief overview of Discovery. Discovery is an insurance company in South Africa whose purpose is achieved through a business model that incentivizes consumers to be healthier. The company is a recognized leader in shared value creation and, in 2015, at number 17, Discovery was the only insurance company included in *Fortune* magazine's global ranking of companies that have made significant progress addressing major social problems as a core part of their business strategy (*The Economist*, 2011; MGI, 2015; Porter et al., 2014).

Tromp noted that Discovery's model is built around behavioral economics, technology, and incentivizing individuals to be active. Vitality, Discovery's wellness program, is the world's largest scientific, incentive-based wellness solution for individuals and corporations. He argued that getting people active requires changing the parameters in which they operate and providing incentives. When, through research, Discov-

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ery realized individuals were incentivized through instant rewards, the company partnered with Apple to start "Active Reward." The program awards members weekly based on their level of activity. Tracked through an Apple Watch, members who achieve fitness goals are rewarded. Tromp said that they have seen a dramatic increase in how people behave by wearing a watch. This same principle is applied to Discovery's other insurance product incentives. For example, realizing that poor driver behavior is the leading cause of vehicle accidents and fatalities, and making drivers more aware of their driving behavior has the potential to reduce their risks, Discovery introduced Vitalitydrive. Through the Vitalitydrive program, drivers are incentivized to drive well through meaningful rewards.

While Discovery has seen the returns on its own initiatives, Tromp described how the company is working to engage more companies in recognizing the shared value opportunities for their companies through health promotion. Tromp has been leading efforts to influence the chief financial officer (CFO) community in South Africa to be conscious of the impacts of health on their companies. The starting point for these discussions is that globally noncommunicable diseases will cause far more deaths than communicable diseases going forward. Tromp then reviewed a few surveys to identify the key challenges facing finance leaders in Africa, specifically South Africa (see Table 7-1). One of the surveys he

TABLE 7-1 Key Corporate Challenges Facing Finance Leaders

South Africa	The Rest of Africa
1. Government policies	1. Attracting/retaining qualified employees
2. Employee productivity	2. Rising input or commodity costs
3. Regulatory requirements	3. Currency risk
4. Currency risk	4. Economic uncertainty
5. Economic uncertainty	5. Rising wages or salaries
6. Rising input or commodity costs	6. Inflation
7. Rising wages or salaries	7. Government policies
8. Attracting/retaining qualified employees	8. Employee productivity
9. Employee morale	9. Geopolitical/health crises
10. Inflation	10. Data security

SOURCES: As presented by Brett Tromp on December 4, 2015; African Business Outlook survey, a joint effort among Duke University, South African Institute of Chartered Accountants, and *CFO* magazine.

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reviewed indicated that within the top 10 issues, human capacity and productivity were issues that CFOs really worried about but did not openly address.

The Discovery Healthy Company Index is the biggest survey of workplace wellness in South Africa aimed to assess and understand the health status of South African employees. He mentioned that results from the 2012 survey, which included 19,001 employees, found that on average, employees have a Vitality Age that is 6.4 years older than their actual age (Discovery Health, 2012). Specifically, 50 percent of employees had five or more risk factors outside the healthy range, 68 percent did not meet recommended physical activity guidelines, 34 percent had poor nutrition, 43 percent were at an unhealthy weight (high body mass index), and 53 percent did not have all their preventive health check-ups. The survey also found that work absenteeism cost the South African economy $1.1 billion per year, and the average employee took 8 days of sick leave, costing the employer $700 per year. Tromp pointed to research done in the United States that showed that companies that build a culture of health by focusing on the well-being and safety of their workforce yield greater value for their investors (Fabius et al., 2013). He added that a recent study in South Africa found that corporate health and wellness contributed positively to South African companies' financial results (Conradie et al., 2016).

At the conference of the South African Development Community, which represents 15 countries in the southern parts of Africa, Discovery's health metric reporting strategy was endorsed (Discovery Health, 2015). He noted how he was able to mobilize South African finance leaders through a series of key engagements with the private sector and government to incorporate health metrics in corporate reporting, adding that Discovery was the first company in South Africa to include it in their integrated report. He noted that there is evidence to show CFOs that there are real tangible performance issues and productivity issues, adding that CFOs have actually started to get real tangible data in the business of how people behave based on their health. He emphasized the need for CEOs to be behind health programs, citing that Discovery founder Adrian Gore believes that companies will not be sustainable or exist at all without having a shared valued ethos or creating a culture of health.

Tromp concluded by outlining the roadmap for stakeholders in implementing health metrics in reporting (The Vitality Institute, 2016). From a shared value point of view, Tromp suggested, a great cultural and economic change would be seen if people start to take health seriously in the workforce.

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The Experience of African Leaders Malaria Alliance in the Development Arena

Joy Phumaphi, African Leaders Malaria Alliance

In her opening remarks, Joy Phumaphi, executive secretary of the African Leaders Malaria Alliance (ALMA) said she believes the concept of shared value is actually a concept that all humanity shares. She noted that shared value is the pulse of sustainable development and should be able to be measured.

Phumaphi summarized her experience in the development arena. She said ALMA is a coalition of 49 African heads of state and government working across country and regional borders to eliminate malaria by 2030. In 2011, ALMA heads of state and government requested the ALMA secretariat to establish an accountability and transparency framework to track progress, facilitate a rapid response to emerging issues and bottlenecks, and allow for the sharing of lessons learned. She noted that ALMA provides the heads of state and government with the ALMA Scorecard for Accountability and Action (ALMA, 2011), a matrix that consists of a semi-automated database that tracks progress across key indicators covering malaria policy, financing, intervention coverage, and impact, and includes tracer maternal and child health metrics. This matrix enables more focused attention on the interventions necessary to control malaria by the heads of state; strengthens country health management by increasing the availability and use of evidence for political and technical actors; improves performance and policy visibility across heads of state and government and their ministers to drive change; and increases accountability and transparency for heads of state and government, and ministry of health staff, to track action and progress on malaria and reproductive, maternal, newborn, and child health. She noted that the ALMA scorecard and quarterly reports are accessible to members of the public to provide national stakeholders with management insights for action and accountability. She continued that the results are produced in partnership with all of the world malaria partners, including civil society groups, private sector, multilaterals, countries and everybody involved in the fight against malaria. The results are as transparent and factional as possible, and focused on action and results, she noted. Phumaphi added that the scorecard supports a continuous cycle of evidence-based action and accountability.

Phumaphi noted that since the introduction of this mechanism in 2011, the progress in the fight against malaria on the African continent has really accelerated. She mentioned that based on the success of the ALMA Scorecards, heads of state and ministers of health requested support for

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reproductive, maternal, newborn, and child health at the country level. She added that the countries that are operationally using this mechanism at the country level are finding it to be rewarding.

Discussing the implications of the ALMA Scorecard for SDGs, Phumaphi argued that unlike the Millennium Development Goals, which were developed by multilaterals, SDGs were developed by the people. The SDGs are a shared value agenda; they are peoples' goals, she added. Some of the things that governments have been doing to address this issue were pointed out by Phumaphi. These include mandating businesses to institute family-friendly policies; requiring health insurance plans for all families; mandating tax breaks and subsidies to encourage businesses and other entities to adopt family-friendly policies; providing public funding for family-friendly interventions and services; granting subsidies and funding for public education; funding and maintaining family-oriented public facilities; encouraging family- and youth-friendly policies among public agencies and services; and using its influence to encourage family-friendly policies. Phumaphi emphasized that because SDGs are peoples' goals, it is essential for CEOs, CFOs, and managers of businesses to increase the value of their products and productivity levels within their companies and not to wait for the government. She added that the peoples' goals are actually defined by that human capital that companies want to be able to produce at its best capacity within the organization.

Phumaphi thinks that given the SDG era, a shared value approach to development and running of companies is essential. She pointed to SDG 3—Ensure healthy lives and promote well-being for all at all ages (UN General Assembly, 2015) and argued that the targets give an idea of the interests and concerns of people around the world. That is going to determine their productivity levels, and their ability and capacity to deliver that product and operate optimally, she added. Phumaphi suggested that the SDG era is the time for companies to work more closely with other corporations and institutions as well as governments and NGOs in defining this reporting, strategizing for results, and investing in people. It is also the time that companies need to ensure that the cycle of action and accountability is not limited to the area of financing and profit, but also assigned to the quality of human capital and the health of the communities in which they operate. She explained that the type of shared value matrix needed for the SDG era must be integrated into our accountability frameworks, as well as the ways in which we work, interact with our communities and society, and report.

Phumaphi said shared value is not just about profit making, but building a civilization that will not be threatened by instability. When Phumaphi was asked if integrating organization preparedness for crises

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and developing indicators, and ways to report on them as part of a global plan to upgrade our preparedness as a society, may be necessary, she answered that it is absolutely critical and that the private sector has responsibilities in the shaping and facilitating of preparedness, enabling capacity to be developed, and supporting the building of that capacity.

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Appendix A

Applying Shared Value Principles to Improve Global Health

Prepared by Rachel Taylor[1]

On December 3–4, 2015, the National Academies of Sciences, Engineering, and Medicine's Forum on Public–Private Partnerships for Global Health and Safety (PPP Forum) will hold a public workshop on Exploring Shared Value in Global Health and Safety. The workshop is intended to examine the relationship between shared value creation and meeting the health and safety needs of communities around the globe, and to illuminate the impacts and implications of an increased movement toward shared value creation for all global health and safety stakeholders, especially corporations, but also nongovernmental organizations, government agencies, foundations, academia, and civil society. The PPP Forum was launched in late 2013 with the objective to foster a collaborative community of multisectoral health and safety leaders to leverage the strengths of multiple sectors and disciplines to yield benefits for global health and safety. The Forum workshops are an opportunity to share lessons learned and promising approaches and discuss how to improve efforts going forward in areas of global health and safety promotion that have been prioritized by the Forum members. Exploring Shared Value in Global Health and Safety is the fourth public workshop of the PPP Forum and it is reflective of the growing impact of shared value creation on the work and activities of the Forum members and the global health community more broadly. This paper is intended to provide a brief

[1] Background paper was prepared with contributions from Derek Yach, Brenda Colatrella, Jessica Herzstein, Regina Rabinovich, and Clarion Johnson.

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background on the concept of shared value, the application of shared value principles to health, and the potential for increased positive impacts on health if more companies apply shared value principles. It is presented as a draft for discussion purposes.

WHAT IS SHARED VALUE?

Perceptions of the role of business in society are changing (Murray, 2015). Increasingly, as expectations change both internally and externally, companies are seeking opportunities to yield greater business value from their social investments and also to enhance their competitiveness by meeting societal needs. Such opportunities and their benefits were articulated in 2011 by Michael Porter and Mark Kramer as *creating shared value* (Porter and Kramer, 2011). Since then, a global movement within the corporate sector to identify opportunities to align core business strategies with the needs of society has accelerated. Highlighting this growing movement, in 2015, *Fortune* magazine published its first Change the World list to illuminate companies that have embraced shared value principles and are "doing well by doing good." Companies that are creating true shared value are using their core capabilities and competitive advantage to address a wide range of social challenges, including those in the environmental, agricultural, and financial sectors. For example, Walmart, the world's largest retailer, is partnering and working with its suppliers to eliminate waste and create sustainability throughout its supply chain, cutting costs while reducing environmental impacts. The global consumer goods company Unilever has trained farmers to grow crops responsibly and now relies on sustainable sources for more than half of the agricultural materials in its supply chain; the company's most sustainable products are its biggest drivers of growth. Mastercard is partnering with governments and pioneering financial inclusion projects to move vulnerable individuals out of the cash economy and provide access to formal financial services, expanding the company's consumer base while creating financial stability for individuals and families (Murray, 2015).

While such initiatives and opportunities have garnered greater attention since Porter and Kramer's 2011 article, the concept and implementation of company-wide initiatives that realize the business benefits of tackling social challenges are not new. Some pioneering companies recognized these win–win opportunities, establishing and continuing to benefit from long-standing initiatives with principles similar to shared value, but under the banner of different names. The global consumer products company PepsiCo implemented its *Performance with Purpose* strategy more than a decade ago to carry out its vision of strong long-term financial performance by integrating social and environmental sustainability into its

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business strategy, leaving a positive imprint on society and the environment (PepsiCo, 2013). Other companies, such as Novo Nordisk, follow the triple bottom line strategy, measuring not only their corporate profit and loss, but also how socially and environmentally responsible the company is throughout its operations (Novo Nordisk, 2015). In addition to corporate initiatives both under the banner and related to shared value creation, there has been a growth in organizations developed around similar principles. These social enterprise organizations range from micro-, small-, medium-, and large-sized businesses that are established specifically with the goal of generating positive social or environmental outcomes while generating financial returns (UNGC and The Rockefeller Foundation, 2012). Related, in the investment sector, impact investing, the placement of capital with the intent to create benefits beyond financial return, has been on the rise (UNGC and The Rockefeller Foundation, 2012). Together, the growth in social enterprise and impact investing has been referred to as the development of an impact economy based on the paradigm that the goals of financial and social success are not at odds, but rather complement, propel, and inform each other (Aspen Institute, 2011). All of these approaches are premised on the same principle of realizing financial benefit by addressing societal needs.

Not all corporate initiatives to address societal needs fall within the rubric of shared value creation or related initiatives that integrate social and financial benefits. Corporate philanthropy and corporate social responsibility (CSR) are other ways in which companies contribute to societal needs, yet they are not integrated into the core functioning of the business. Despite not being integrated into the core business activities, companies addressing social needs through philanthropy and social responsibility still seek to align their philanthropic and CSR activities with their business purpose and value, including improving their operating environment, meeting the needs of communities in which they operate, and addressing the values of important stakeholders (Rangan et al., 2015). There is different strategic value in philanthropic, socially responsible, and shared value initiatives and many companies invest in initiatives across these domains, either through coordinated or more siloed approaches (Rangan et al., 2015).

HOW HAS HEALTH FEATURED IN SHARED VALUE?

Health care, pharmaceutical, medical device, and other companies in which health is seen as core to business have identified shared value opportunities to promote and improve health globally (FSG, 2012). Within the health sector, some companies are leading the way and demonstrating shared value creation by addressing and improving the health of

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individuals and populations around the globe. Leading companies in this area include GE; Medtronic; Eli Lilly and Company; Becton, Dickinson and Company (BD); and Discovery. GE, Medtronic, Eli Lilly and Company, and BD have invested in developing and marketing products that are low cost and high quality, and provide expanded access to consumers in low- and middle-income countries and underserved communities (FSG, 2012). The insurance company Discovery has focused on promoting wellness and positive health behavior change within its consumer base through the health promotion program, Vitality (Porter et al., 2014). Through these initiatives, health-sector companies are realizing financial benefits along with positive impacts on health. However, as recognized by the World Economic Forum, to tackle the current complex global health challenges, "the mobilization of social forces and people outside of health systems is critical, as it is clear that chronic diseases are affecting the social and economic capital globally" (WEF, 2010, p. 3). Outside of the traditional health sector, health has not been a major focus in shared value discussions. This is despite opportunities for all companies to positively impact health through at least one if not several of the following domains: their core products and services, their employees, and the communities in which they operate and have a consumer base. Although limited, the examples of companies outside of the health sector that are focusing on health through shared value creation are notable. PepsiCo's *Performance with Purpose* strategy includes improving the nutritional profile of its products while reducing operating costs in the process. Eleven companies from diverse sectors—AIG, Anheuser-Busch InBev, AT&T, Chevron, Ericsson, Facebook, IBM, iHeartMedia, PepsiCo, Ryder, and Walmart—have individually recognized their shared interest in improving road safety globally and have come together to establish *Together for Safer Roads,* a private-sector coalition dedicated to using their core capabilities and resources to make meaningful changes in road safety through initiatives aligned to the United Nations (UN) Decade of Action on Road Safety (Goldberg et al., 2015).

In addition to limited inclusion in shared value discussions, health also has not featured prominently in sustainability and integrated corporate reporting and the development of related indices. Sustainability reporting is used by companies to report on their nonfinancial performance, typically focused on environmental, social, and governance (ESG) factors. Integrated corporate reporting is used by companies to integrate ESG factors along with financial information into business and investment decisions. A recent review of the literature has shown that the integration of ESG factors into company performance and investments has yielded either neutral or stronger long-term gains (Vanderseil et al., 2015). Sustainability and integrated reporting also serve as tools for companies

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to publicly communicate their ESG impacts. Companies producing such reports cut across sectors and industries, for example, the technology company Intel and the consumer product company Nestlé both have robust corporate reports to communicate their performance on ESG factors. Reporting on health metrics has largely been absent from sustainability and integrated corporate reports, despite the impacts of workplace health on employee productivity and corporate performance across all sectors and the impacts of the core products and services produced by many sectors on the health of consumers and communities. Some companies, such as Discovery, have started including health in their corporate reporting and are encouraging uptake by others. The evidence linking health and productivity to corporate performance is summarized in the following section as well as the potential for companies across sectors to influence health through their products and services, illuminating the value of including health in sustainability and integrated reporting along with ESG factors.

HOW CAN COMPANIES ADDRESS SHARED VALUE IN HEALTH?

In addition to creating true shared value through their core products and services, companies are positioned to positively impact health and increase corporate performance through investments in their employees and the communities in which they operate and have a consumer base. The size, scope, and sector of the company are contributing factors to the potential impact companies can have in each of these domains. This section summarizes the current evidence linking corporate performance to investments in employee and community health and the potential impact on the global burden of disease and injury if companies apply shared value principles to the development and dispensing of their core products and services.

Companies Can Positively Impact the Health of Their Employees

All companies regardless of sector or size have the opportunity to improve the health of their employees. There is a growing evidence base that company investments in effective workplace health promotion strategies can not only improve the health of employees, but also the financial performance of companies. Effective programs have been shown to increase employee health, reduce health care costs, enhance workplace productivity, and increase long-term financial performance (Burton et al., 2005; Fabius et al., 2013; Goetzel et al., 2014; Grossmeier, 2015; Malan et al., 2016; Naydeck et al., 2008). Companies with healthier employees will spend less on medical costs and associated absenteeism

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and employee turnover, and comprehensive health promotion programs have been shown to lower the rate of health care cost increases (Chapman, 2005; Danis et al., 2007; Hodge and Martin, 2008; Linnan et al., 2007; Mills et al., 2007; Naydeck et al., 2008; Pelletier, 2009). Employee health has been shown to be a predictor of worker productivity with cumulative effects of the benefits of improved health on improved productivity (Burton et al., 2005; Grossmeier et al., 2015). Thus, measuring the full costs of worker health risks requires integrating health care costs and productivity costs (Loeppke et al., 2007). In terms of long-term financial performance, companies that have been recognized for creating effective environments for improving the health and safety of their workforce have been shown to yield greater value for their investors in the United States and South Africa (Fabius et al., 2013; Malan et al., 2016). A growing body of evidence is showing promise that integrating workplace health promotion with workplace safety promotion strategies can yield significant benefits on health and company performance (Loeppke et al., 2015). The association between investments in workplace health promotion and both positive employee health and the company's financial performance has been shown to depend on the implementation of effective evidence-based health promotion strategies (Goetzel et al., 2014). Many workplace health promotion strategies that are not evidence based, adequately resourced, and culturally supported have not been successful in achieving health and financial benefits (Goetzel et al., 2014). To realize the benefits of investments in employee health and wellness, best and promising approaches need to be understood and applied.[2] For example, recognizing the business value of investing in its employee health, the global consumer products company Procter & Gamble (P&G) operates its workplace health strategies under the Vibrant Living initiative, which reflects the importance of the wellness, productivity, and innovativeness of employees. P&G has measured increases in self-reported well-being among the employees using the company's health services and programs. Despite the growing evidence on the link between workplace health promotion and company benefits, company investments in related strategies and programs are often viewed as costs rather than investments.

The potential impact of corporate engagement in effective workplace health promotion is significant when considering the size of the global workforce. Based on 2012 data from the International Labour Organization, globally, 43–67.5 percent of the population participates in the labor

[2] Resources on effective approaches and elements of workplace health promotion strategies include the World Health Organization Healthy Workplace Framework and Model and the National Institute for Occupational Health and Safety Essential Elements of Effective Workplace Programs and Policies for Improving Worker Health and Wellbeing.

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force (percentage range based on regional distribution). However, the potential impacts and the benefits to companies vary depending on the related costs of health coverage and health services by country as well as the make-up of the labor force and associated occupational health and safety risks by sector. Factors such as the gender ratio of the labor force participation and the status of employment vary significantly based on region and income status of countries (see Figure A-1 and Table A-1). Initiatives such as RAISE Health are establishing the business case for corporate engagement in worker health in emerging economies and within corporate supply chains. Forward-looking companies are realizing the business value in addressing the health of these workforce populations. It is worth noting that employment itself has been shown to enhance health when compared to unemployment. The potential for companies to positively impact the health of workers while realizing benefits for the company's performance are significant. However, in terms of the global workforce, the size of the potential impacts and benefits require a detailed understanding of the worker population needs and the context in which the workers are embedded.

Companies Can Positively Impact the Health of Communities

While the evidence base linking corporate benefits to investments in effective workplace health promotion strategies is growing, there is also a case for business investments in community and population health, particularly in the communities where they operate and maintain a consumer base. Poor health negatively impacts companies as increased health care costs for their workforce reduce profits, and increased out-of-pocket health expenses diminish the purchasing power of their consumers. Based on a recent environmental scan, companies that are investing in community health and other community-level programs that promote health have cited benefits to their companies from such investments as enhanced reputation in the community where they invest, increased cost savings for the company, and attracting new talent and retaining employees that are drawn from healthier communities (HERO, 2014). Additionally, companies may gain from investments in community health by learning from communities and identifying market trends and opportunities for new product and service development (Oziransky et al., 2015). The potential benefits for communities from business investments in community health include managing budgetary constraints, building capacity, leveraging technological capabilities, and reducing potential negative impacts of business practices (Oziransky et al., 2015). Recognizing that the health of the communities in which it operates contributes to the health and productivity of its employees, the Dow Chemical Company has developed

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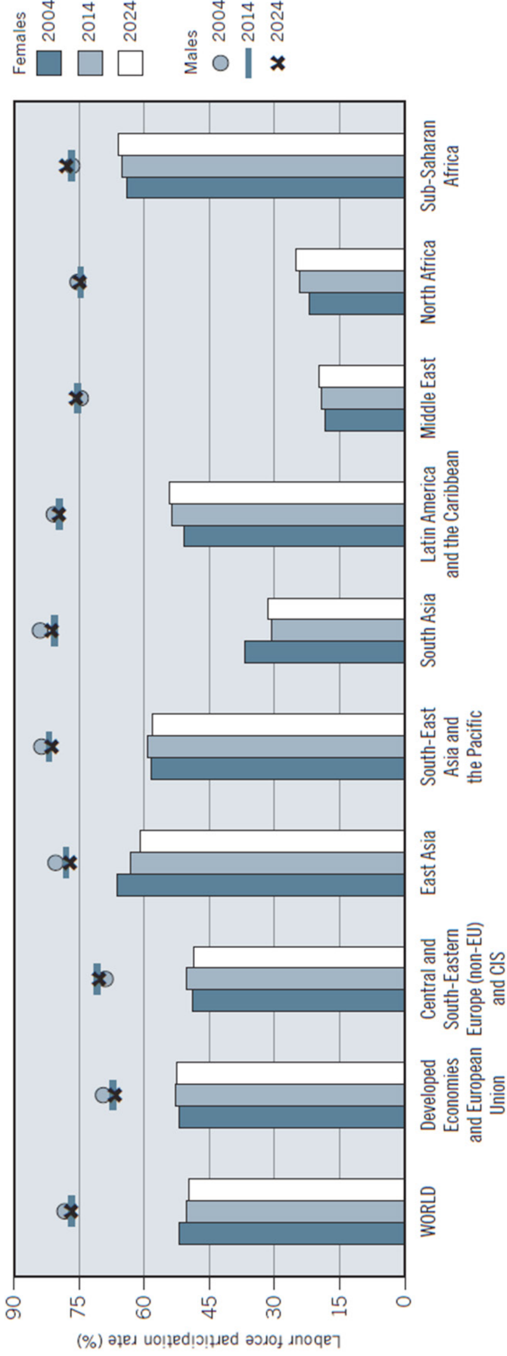

FIGURE A-1 Labor force participation by gender, world, and regions, 2004, 2014, and 2024.
NOTE: CIS = Commonwealth of Independent States; EU = European Union.
SOURCE: ILO, 2014.

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a community corporate health strategy that extends its workplace health promotion programs into communities with the objective of improving population health and thus lowering health-associated costs and increasing employee productivity (HERO, 2014; Oziransky et al., 2015). The Campbell Soup Company has identified investments in community health partnerships to reduce obesity and hunger as an opportunity to learn from communities, identify market shifts toward healthier food options, and better position its products to meet consumer needs (Oziransky et al., 2015). Business investments in community initiatives that can positively impact health and improve company performance are not limited to direct investments in health. They extend into initiatives addressing the social determinants of health, including improved community safety, education, energy use, job skills training, community economic development, and affordable housing (Pronk et al., 2015). For example, P&G operates its Children's Safe Drinking Water Program, which has delivered more than 9 billion liters of clean water globally since its launch in 2004 as a philanthropic rather than an integrated business initiative; however, P&G still benefits from return on its investment in the program through employee recruitment and retention, opportunities to gather data and learn about potential consumer markets in low- and middle-income countries, and demonstration of innovation.

Companies Can Positively Impact Health Through Their Core Products and Services

While companies can positively impact health and improve their performance through investments in effective workplace health promotion strategies and community initiatives, companies additionally can promote health and prevent disease and injury through the direct and indirect impacts of their core products and services. Companies outside of the health sector with products and services that influence health, such as food, beverage, and tobacco companies, have the potential for significant impacts on health by focusing on health-promoting rather than health-harming products and services. An analysis of potential health risks and benefits across a company's value chain can reveal the full health impacts throughout its business functioning, including R&D, manufacturing, sales, product use, and disposal (HERO, 2014). Through their core products and services and value chains, collectively companies reach billions of people with the potential for significant impacts on health. To demonstrate the potential impacts of companies on health through their core products and services, the following matrix (see Table A-2) outlines opportunities for companies to positively impact health based on core business function by industry sector and category of disease. The industry sectors included in

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TABLE A-1 Share of Employment by Status

Shares of status in total employment (%) - total					
	1991				
	Wage and Salaried Workers	Employers	Own-Account Workers	Contributing Family Workers	Vulnerable Employment
AEs	82.3	3.9	10.8	3.1	13.9
DCs	32.7	2.4	35.6	29.3	64.9
LDCs	13.0	1.0	45.0	41.0	86.0
LMIs	26.4	2.5	48.6	22.5	71.1
EEs	41.0	2.7	25.0	31.4	56.3

NOTE: AEs = advanced economies; DCs = developing countries; EEs = emerging economies; LDCs = least developed countries; LMIs = lower- and middle-income countries.
SOURCE: ILO, 2014.

the matrix represent the sectors from which in the Fortune 500 companies are drawn and the categories of disease are based on the major disease groups used to categorize the Global Burden of Disease. The matrix is not intended to be an exhausted compilation of all potential opportunities for companies to improve health, but rather illustrative of current and potential opportunities for companies to improve health globally by identifying where shared value opportunities could potentially be realized based on their core products and services and an analysis of impacts and opportunities across their value chain.

Based on the background and evidence summarized in this paper, participants at the workshop and the broader business and health sectors are challenged to consider the following:

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2013				
Wage and Salaried Workers	Employers	Own-Account Workers	Contributing Family Workers	Vulnerable Employment
86.3	3.6	9.0	1.0	10.0
42.6	2.0	40.5	14.9	55.4
18.0	1.2	53.2	27.6	80.8
31.7	2.1	50.5	15.7	66.2
58.2	2.2	29.0	10.6	39.6

- What risks to health and health outcomes can be better addressed by reformulating corporate products and services to more effectively promote health?
- What would the cumulative impact on the future burden of disease and risk be if more companies across sectors applied shared value principles to their portfolio of products and services, their employees, and the communities in which they operate and maintain as a customer base?
- What hampers progress? What would accelerate progress?

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TABLE A-2 Current and Potential Opportunities for the Corporate Sector to Reduce the Global Burden of Disease by Industry Sector and Category of Disease

TYPES OF COMPANIES*	CATEGORIES OF DISEASE*: Communicable, Maternal, Neonatal, and Nutritional Diseases	Noncommunicable Diseases	Injuries—Intentional and Unintentional
Health Companies			
Pharmaceutical	Reduce incidence through vaccine development, prevention, and access; lower treatment burden; improve treatment access; improve health literacy	Lower treatment burden; improve treatment access and health literacy	
Health care services	Increase access to care by developing innovative, cost-effective treatment models and reducing readmittance	Increase access to care by developing innovative, cost-effective treatment models and reducing readmittance	Increase access to care by developing innovative, cost-effective treatment models and reducing readmittance
Medical devices and equipment	Reduce incidence through development and access to safer products	Reduce incidence through earlier and more effective diagnostics; increase access to and use of medical devices and products	Increase access to and use of medical devices and products; reduce incidence through development and access to safer products
Health insurance	Lower preventative risks by incentivizing healthy behaviors and early screening and detection	Lower preventative risks by incentivizing healthy behaviors and early screening and detection	

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Consumer Goods			
Food and beverage	Reduce burden of undernutrition through development of products to address micronutrient deficiencies	Reduce incidence and burden through product reformulation and marketing and labeling of products	Reduce incidence by supporting government policies and research and providing access to information on alcohol-related harm
Retail		Reduce incidence and burden by focusing retail on health-promoting products and reducing sales of health-harmful products	Reduce incidence and burden by focusing retail on health-promoting products and reducing sales of health-harmful products
Telecommunications	Reduce incidence and burden through development of mobile- and Web-based technologies; increase access and reduce costs of care through mobile payment services	Reduce incidence and burden through development of mobile- and Web-based technologies; increase access and reduce costs of care through mobile payment services	Reduce incidence and burden through development of mobile- and Web-based technologies; increase access and reduce costs of care through mobile payment services

continued

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TABLE A-2 Continued

TYPES OF COMPANIES*	CATEGORIES OF DISEASE*		
	Communicable, Maternal, Neonatal, and Nutritional Diseases	Noncommunicable Diseases	Injuries—Intentional and Unintentional
Transportation—manufacturing			Reduce incidence and burden through innovation in safety standards and products
Entertainment and media	Improve health literacy through targeted campaigns and media	Improve health literacy through targeted campaigns and media	Improve health literacy through targeted campaigns and media
Financial services	Increase access and reduce costs of care by providing widespread access to savings and loans	Increase access and reduce costs of care by providing widespread access to savings and loans	Increase access and reduce costs of care by providing widespread access to savings and loans
Transportation—logistics	Improve access to treatment and care through transport logistics	Improve access to treatment and care through transport logistics	Improve access to treatment and care through transport logistics
Insurance	Increase longevity by incentivizing healthy behavior (life insurance)	Increase longevity by incentivizing healthy behavior (life insurance)	Reduce incidence and burden by Incentivizing safe behavior (motor vehicle insurance)
Technology products and services	Reduce burden through access to tools for monitoring and adherence; reduce incidence and burden through medical research and development	Reduce burden through access to tools for monitoring and adherence; reduce incidence and burden through medical research and development	Reduce incidence and burden through medical research and development

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Chemicals	Reduce burden through development and distribution of products to prevent disease transmission		
Construction	Improve access and quality of care through infrastructure development	Improve access and quality of care through infrastructure development	Improve access and quality of care through infrastructure development
Tobacco		Reduce incidence and burden through development and marketing of tobacco products with potential reduced health risks	
Extractives			
Energy	Increase access to care by developing inexpensive alternative energy sources	Increase access to care by developing inexpensive alternative energy sources	Increase access to care by developing inexpensive alternative energy sources

* The three categories of disease were taken from the Global Burden of Disease Study. The types of companies were taken from Fortune 500 rankings.

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Appendix B

Workshop Agenda

Exploring Shared Value in Global Health and Safety
December 3–4, 2015
The Venable Building | 575 Seventh Street, NW, Washington, DC

The National Academies of Sciences, Engineering, and Medicine's Forum on Public–Private Partnerships for Global Health and Safety (PPP Forum) has been established to illuminate opportunities that strengthen the role of public–private partnerships (PPPs) in meeting the health and safety needs of individuals and communities around the globe.

Workshop Objectives:

- Examine the relationship between shared value creation and meeting the health and safety needs of communities around the globe.
- Illuminate the impacts and implications of an increased movement toward shared value creation for all global health and safety stakeholders, especially corporations, but also, nongovernmental organizations, government agencies, foundations, academia, and civil society.

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Exploring Shared Value in Global Health and Safety: Workshop Summary

Workshop Approach:

Perceptions of the role of business in society are changing. Increasingly, as expectations change both internally and externally, companies are seeking opportunities to enhance their competitiveness while also meeting societal needs. The benefits of such opportunities were articulated in Michael Porter and Mark Kramer's 2011 article "Creating Shared Value." Since then a global movement within the corporate sector to identify opportunities to align core business strategies with the needs of society has accelerated. Highlighting this growing movement, in 2015, *Fortune* magazine published its first Change the World list to illuminate companies that have embraced shared value principles and are "doing well by doing good." Companies that are creating shared value are using their core capabilities and competitive advantage to address social challenges within sectors such as the environment, education, and finance. Challenges in the health sector are among those being addressed through shared value and there are demonstrated examples of how companies are positively impacting health while increasing their business value.

This workshop will explore the opportunities, limits, and challenges to maximize the benefits of shared value creation to meet the health needs of communities around the globe. The opportunities as well as the limits of shared value in health will be illuminated through an analysis of global disease priorities and the corporate domains of core products and services, employee health, and community–employer interactions. Challenges will be identified and discussed in the areas of regulation, management of conflicts of interest, and implementation of new business models. Focusing on the journey, not just the results, lessons will be learned from a range of industries as well as perspectives on addressing challenges and trade-offs both inside and outside an organization, measuring progress and results, and the impacts and implications for other global health stakeholders.

This 2-day public workshop has been planned by an ad hoc expert committee. The intended audience is the PPP Forum members and the organizations that they represent, other public and private entities collaborating across sectors to further global health and safety, and academics and researchers focused on understanding the value proposition and impact of partnerships.

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DAY 1
December 3, 2015

8:00 a.m. **Registration**

8:45 a.m. **Welcome from the Forum on Public–Private Partnerships for Global Health and Safety Co-Chair:**
Clarion Johnson, *ExxonMobil*

Introduction to the Workshop from the Planning Committee Chair:
Brenda Colatrella, *Merck*

The Evolution of Shared Value

In 2011, *Harvard Business Review* published the article "Creating Shared Value," sparking a global debate on the role of business in society and the alignment of core business strategies with the needs of society. This session provides a perspective on how the shared value strategy has been received and taken up across different sectors, how the approach to shared value has evolved as the movement grows, and what the next frontier may be for shared value.

9:00 a.m. Mark Kramer, *FSG*

Priority Issues in Health for Corporate-Sector Engagement

This session will explore where the greatest need and opportunity exist for increased corporate-sector engagement to address the current and future major contributors to the global burden of disease. The latest trends in disease and health risk will be presented, and an initial analysis of how various industry sectors can have positive health impacts by embracing shared value principles will be shared.

9:30 a.m.
- **Overview of the Global Burden of Disease:** Ali Mokdad, *University of Washington, Institute for Health Metrics and Evaluation*

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- **Analysis of Shared Value Opportunities:**
  Derek Yach, *Vitality*

Linking Performance and Investments in Health

All companies have the opportunity to have positive impacts on health, specifically through the domains of core goods and services, employee health, and community–employer interactions. This session will focus on data linking corporate investments in these domains to corporate performance.

10:15 a.m. **Moderator:** Jessica Herzstein, *U.S. Preventive Services Task Force*

- **Business Investments in Global Public Health:**
  Rebecca Weintraub, *Harvard University*

- **Core Business Products and Services:**
  Frederic Sicre, *The Abraaj Group*

- **Benefits of Workplace Health Programs:**
  Ray Fabius, *HealthNEXT*

- **Common Themes Underpinning Workplace Health Programs:**
  Ron Goetzel, *Johns Hopkins University and Truven Health Analytics*

- **Addressing Both Workplace and Community Health:**
  David Wofford, *Meridian Group International*

12:00 p.m. **LUNCH**

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The Roles of Corporate Philanthropy, Corporate Social Responsibility, and Shared Value

Many companies that implement a shared value approach also maintain initiatives that fall into the categories of corporate philanthropy and corporate social responsibility. Sometimes there is a strategic alignment across these initiatives or expectation of coordinated approaches both internally and externally. This session will highlight the differences among corporate philanthropy, corporate social responsibility, and shared value, including their different roles and strategic value within a company. Panelists will discuss expectations, challenges, and opportunities in developing and managing portfolios that include philanthropic, socially responsible, and shared value initiatives.

1:00 p.m. **Overview Presentation:**
Jane Wales, *Aspen Institute and Global Philanthropy Forum*

1:20 p.m. **Panel Discussion**
Moderator: Jane Wales

- David Barash, *GE Foundation*
- Paurvi Bhatt, *Medtronic*
- Paula Luff, *Hess*

2:15 p.m. **BREAK**

The Journey to Shared Value

This session will focus on the journey within a company or organization to a shared value approach that is aligned with its core business or mission, and the implementation throughout the company. A methodology overview for determining the right focus, approach, and mix within an organization in terms of business and social outcomes will be presented. Panelists will share experiences from their own shared value journey, including challenges that have been overcome, determinants of success and failure and how they are being measured, and unintended consequences.

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2:30 p.m. **Moderator:** Brenda Colatrella, *Merck*

Overview of Shared Value Analysis and Methodology:
Kyle Peterson, *FSG*

Panel Discussion:

- Bart Peterson, *Eli Lilly and Company*
- Mehmood Khan, *PepsiCo*
- Lori Stetz, *Aetna International*
- Cate O'Kane, *PSI*
- Nancy Mahon, *Estée Lauder*

4:15 p.m. **Facilitated Small-Table Discussions**

5:00 p.m. **ADJOURN DAY 1**

DAY 2
December 4, 2015

8:30 a.m. **Registration**

Balancing Conflicts of Interest and Advancing Global Health and Safety

This session will explore balancing conflicts of interest and advancing global health and safety, focusing on challenges in managing actual, perceived, and potential conflicts of interest for companies; the value of methods, data, and verification in managing and assessing conflicts of interest; and best practices and opportunities for effective conflict of interest policies.

9:00 a.m. Victor Dzau, *National Academy of Medicine*

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Impacts of Shared Value on Partnerships and Other Stakeholders

This panel discussion will explore the impacts and implications of an increased movement toward shared value creation on partnerships and other stakeholders in global health. Specifically, panelists will discuss if a shift toward corporate interest in shared value opportunities is impacting expectations from corporate partners and investors, creating opportunities for engaging new corporate sectors in global health and development, and/or illuminating areas where corporations are not recognizing shared value opportunities and thus creating a greater need for investments from other stakeholders, including government and philanthropy.

9:30 a.m. **Moderator:** Beth Bafford, *Calvert Foundation*

Panel Discussion:

- Abby Davidson Maffei, *CARE USA*
- Aron Betru, *Financing for Development*
- John Sargent, *BroadReach Healthcare*
- Marjorie Paloma, *Robert Wood Johnson Foundation*
- Wendy Taylor, *U.S. Agency for International Development*

11:00 a.m. BREAK

Measuring and Reporting Corporate Impact

This session will cover approaches to reporting corporate impacts on society and initiatives to create coherence, accessibility, and dialogue for sharing across corporate reports. The value of and opportunities for increasing the inclusion of health as a component of corporate reporting will be presented. Panelists will also discuss the impacts of the Sustainable Development Goals on companies and their reporting.

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11:15 a.m. **Moderator:** Clarion Johnson, *ExxonMobil*

Sustainability Reporting:
- Alyson Genovese, *Global Reporting Initiative*
- Sanjay Sehgal, *Nestlé*

Integrating Health Metrics into Corporate Reporting:
- Brett Tromp, *Discovery*
- Joy Phumaphi, *African Leaders Malaria Alliance*

The Way Forward

The objective for this closing session is to discuss and share ideas for how to maximize the benefits of shared value principles to advance global health and safety going forward. Workshop participants will be asked to reflect on the key messages from the workshop as well as their own experiences.

12:45 p.m. **Facilitated Small-Table Discussions**

1:30 p.m. **ADJOURN/LUNCH**
Conference room will remain open until 3 p.m. for networking opportunities.

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Appendix C

Speaker Biographical Sketches

Beth Bafford, M.B.A., joined Calvert Foundation in early 2014 to work on strategy, partnership development, fundraising, and capital deployment for current and future initiatives. Her main areas of focus are rebuilding iconic American cities and global health, but she also works on issues across Calvert Foundation's portfolio. Prior to joining Calvert Foundation, Ms. Bafford was a consultant in McKinsey & Company's Washington, DC, office where she focused mostly on U.S. health reform strategy for large health insurers and hospital systems. She has also worked as a special assistant at the White House Office of Management and Budget during the drafting and passage of the Affordable Care Act, as a regional field director for the 2008 Obama for America campaign, and as a senior associate at UBS Financial Services.

Ms. Bafford earned both her B.A. in Public Policy and M.B.A. in Social Entrepreneurship from Duke University. At Duke's Fuqua School of Business, she helped launch the CASE Initiative on Impact Investing (CASE i3).

David M. Barash, M.D., is the executive director of the Global Health Portfolio and chief medical officer for the GE Foundation. The Foundation's Developing Health Initiatives, along with strong partnerships and leaders, are often the answer to some of health care's most complex problems.

Dr. Barash is a practicing emergency medicine physician with more than 30 years' experience. He has focused a great deal on understanding

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how new technologies can be commercialized and delivered to effectively close the gap between brainstorm and bedside.

Prior to joining the GE Foundation, Dr. Barash was the chief medical officer of Life Care Solutions and executive medical director of Health Care Services for GE Healthcare. He was also founder and president of Concord Healthcare Strategies, where he provided strategic and operational expertise to medical technology investors and development-stage medical technology companies. Dr. Barash is a graduate of Cornell University and the author of several clinical publications.

Aron Betru, M.B.A., M.A., is the managing director of the Center for Financial Markets at the Milken Institute, with more than 15 years of experience in strategic and structured financial execution, he is a known leader in the innovative financing space. Mr. Betru will be leading strategic initiatives at CFM, where he will be exploring practical ways and models to increase and better leverage resources to social impact areas, both in the United States and in developing countries. His mandate, in part, will be to brainstorm ways to "take the next step" beyond where think tanks traditionally stop, into areas of execution and implementation. In this capacity he'll be working across the organization as well as with our external partners.

Prior to the Milken Institute, Mr. Betru was the co-founder and chief executive officer at Financing For Development, a DC-based nonprofit that specialized in innovative financing solutions for international development, Mr. Betru pioneered new ways of leveraging guarantee-backed financing of public health commodities, mobilizing millions of dollars in both commercial lending for malaria and trade financing for reproductive health.

Mr. Betru is a member of the Council on Foreign Relations and a regular contributor to the Global Health and Diplomacy magazine writing on innovative finance in public health as well as a contributor to the global dialogue on pandemic financing with speaking engagements at the National Academy of Sciences and Voice of America Interviews. He holds an M.B.A. from Columbia University, an M.A. from Johns Hopkins SAIS, and a B.A. in Economics and International Studies from Northwestern University.

Paurvi Bhatt, M.P.H., is the senior director for global access at Medtronic Philanthropy, where she leads a multimillion-dollar global strategic grants portfolio that focuses on empowering people impacted by NCDs (noncommunicable diseases), enabling frontline health workers, and advancing policy dialogue to increase access to care for the underserved. She is a seasoned global health leader with deep multisectoral experience in

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the business, nonprofit, and government sectors. She spearheaded global programs at several private companies, including Levi Strauss and Co. and Abbott. Ms. Bhatt has also managed global health technical portfolios at the U.S. Agency for International Development (USAID) and CARE USA. She has also served as an international evaluator at the U.S. General Accountability Office. Her technical expertise is in HIV/AIDS, women's health, and health systems and economics. She serves on several human resources organizations, international health and HIV/AIDS working groups, technical advisory committees, and several Boards, including the Global Business Group on Health, AIDSUnited, and GlobeMed. She holds an M.P.H. in Health Systems and Economics from Yale University and a bachelor's degree in Neuroscience from Northwestern University.

Brenda D. Colatrella, M.B.A., is executive director of Corporate Responsibility (CR) within Global Public Policy & Corporate Responsibility at Merck & Co., Inc., a central function that coordinates the development, implementation and reporting of Merck's global corporate responsibility approach on environmental, social, ethical and governance issues in support of the company's business strategy. She also oversees several of Merck's global health partnerships and relationships with key partners and is involved in the development of policies that help to expand access to medicines, vaccines and quality health care particularly in the developing world and emerging markets. Ms. Colatrella also serves as president of the Merck Foundation, a U.S.-based private charitable foundation established in 1957 that is funded entirely by Merck and is Merck's chief source of funding support for qualified nonprofit charitable organizations.

Prior to assuming this position, Ms. Colatrella was executive director, Global Health Partnerships, within the Office of Corporate Responsibility, responsible for key global health and access partnerships and Merck's relationships with a wide range of stakeholders in the global health arena. She also held the position of executive director, HIV Policy and External Affairs for the Europe, Middle East, Africa, Canada region, with a primary focus on driving Merck and industry initiatives to improve access to HIV/AIDS care and treatment in the developing world, and was senior vice-president, The Merck Foundation, and senior director, Office of Contributions, responsible for all Foundation and corporate cash grant making activities, product donations programs (e.g., the Merck Mectizan Donation Program). Ms. Colatrella received her B.A. from Muhlenberg College, summa cum laude, Phi Beta Kappa, and her M.B.A. from New York University's Stern School of Business where she was the recipient of the Dean's Award. She has published several articles on the Mectizan Donation Program, the role of the private sector in global health, and successful public–private partnership.

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Abby Davidson Maffei, M.P.A., M.A., has more than 10 years of experience creating bold partnerships with business, government, and civil society to address complex social issues. At CARE USA, she leads a team partnering with global companies to develop supply and distribution models that fight poverty and empower women and girls, while improving the bottom line. Ms. Davidson Maffei and her team also engage companies in philanthropy, marketing and consumer engagement, government relations/advocacy, and employee engagement. Her team manages partnerships in the following industries: food, beverage, and agriculture; financial services; consumer products; and health and pharmaceuticals. During her time at CARE, Ms. Davidson Maffei was also based in Johannesburg, South Africa, where she developed a regional private-sector engagement strategy with seven country offices. Prior to joining CARE, Ms. Davidson Maffei worked at the Washington, DC-based Ethics Resource Center, where she consulted with global organizations to design, implement, and evaluate ethics and compliance programs. She started her career in the office of U.S. Representative Sander Levin (D-MI), and has experience with five congressional campaigns. She holds a Master of International Relations from the Johns Hopkins School of Advanced International Studies, a Master of Public Administration from the Maxwell School at Syracuse University, and a B.A. from Brown University.

Victor J. Dzau, M.D., is the president of the National Academy of Medicine. In addition, he serves as chair of the Health and Medicine Division Committee of the National Academies of Sciences, Engineering, and Medicine. He is Chancellor Emeritus and James B. Duke Professor of Medicine at Duke University and the past president and CEO of the Duke University Health System. Previously, Dr. Dzau was the Hersey Professor of Theory and Practice of Medicine and chairman of Medicine at Harvard Medical School's Brigham and Women's Hospital as well as chairman of the Department of Medicine at Stanford University.

Raymond J. Fabius, M.D., has recently returned to his start-up HealthNEXT—a company dedicated to the development of organizational cultures of health—after serving as chief medical officer of Truven Health Analytics (formerly the health care business of Thomson Reuters), the world's leading source of intelligent information for business and professionals. In this capacity he is charged with developing and deepening relationships with customers, advising on product development, and providing counsel to the leadership on business strategy and medical issues. Formerly, Dr. Fabius served as strategic advisor to the president of the Walgreens Health & Wellness Division.

Dr. Fabius is the principal of Ab3Health LLC, an organization focused

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on population health, health and productivity, and building organizational "cultures of health." To accomplish these goals, Ab3Health uses the five-stage roadmap advocated by the American College of Occupational and Environmental Medicine as well as Six Sigma methodology. During the assessment process, organizations are compared to benchmarks to determine gaps, which are then prioritized in an implementation plan to achieve best practice.

Dr. Fabius was I-trax (AMEX:DMX)/CHD Meridian's president and chief medical officer for the 3 years prior to its sale to Walgreens. During this tenure he served on the Board of Directors and was principally responsible for converting this financially struggling organization into a workplace health leader while quadrupling the DMX market capitalization. CHD Meridian operated more than 300 workplace health centers, providing fitness centers, wellness programming, occupational health, acute episodic illness treatment, and comprehensive primary care and pharmacy services. Leveraging the trusted clinician at the workplace™ I-trax integrated wellness, disease, and disability management programs within the proven advantaged on-site model. In his role Dr. Fabius provided visionary guidance, new product development, clinical leadership, setting of the research and development agenda.

Alyson Genovese, M.B.A., is Global Reporting Initiative's (GRI's) head of corporate and stakeholder relations for the United States and Canada. GRI is an international, independent organization that helps businesses, governments, and other organizations to understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption, and many others. With thousands of reporters in more than 90 countries, GRI provides the world's most trusted and widely used standards for sustainability reporting and disclosure.

Ms. Genovese is an accomplished professional in the corporate and nonprofit sectors, with more than 20 years of experience in corporate social responsibility, public affairs, corporate citizenship, sustainability communications, and stakeholder engagement. Her broad range of experience as an internal executive, freelance consultant, and trusted advisor makes her an ideal partner for GRI's local stakeholders within North America.

Ron Goetzel, Ph.D., wears two hats. He is a senior scientist and director of the Institute for Health and Productivity Studies (IHPS) at the Johns Hopkins Bloomberg School of Public Health as well as vice president of consulting and applied research for Truven Health Analytics. The mission of IHPS is to bridge the gaps among academia, the business community, and the health care policy world—bringing academic resources into policy

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debates and day-to-day business decisions, and bringing health and productivity management issues into academia. Before moving to Hopkins, Dr. Goetzel was on the faculty at Emory and Cornell Universities. Dr. Goetzel is responsible for leading innovative projects for health care purchaser, managed care, government, and pharmaceutical clients interested in conducting cutting-edge research focused on the relationships among health and well-being, medical costs, and work-related productivity. He is an internationally recognized and widely published expert in health and productivity management (HPM), return-on-investment (ROI), program evaluation, and outcomes research. Dr. Goetzel has published well over 200 peer-reviewed articles and book chapters and frequently presents at international business and scientific forums.

Clarion Johnson, M.D., served as Global Medical Director of ExxonMobil Corporation until his retirement in 2013. Currently, Dr. Johnson is a consultant to ExxonMobil, the chair of The Joint Commission's International and Resource Boards and a member of The Yale School of Public Health Leadership Council. He serves on several boards including the The Bon Secours Hospital System; the Advisory Board of The Yale School of Public Health; the Board on Global Health of the Institute of Medicine, and co-chairs its Forum on Public Private Partnerships for Global Health and Safety. Dr. Johnson also has a U.S. Department of Health and Human Services Secretary appointment to the NIOSH (National Institute of Occupational Safety and Health) Advisory Board and was a member of Virginia Governor's Task Force on Health reform and co-chair, Insurance Reform Task Force. He is the past chair of Virginia Health Care Foundation, and the Board of City Lights Charter School in Washington, DC. He served as advisor and lecturer in the Harvard Medical School's department of continuing education "Global Clinic Course" 2005–2008. In 2013 he received the President's Award from the Oil and International Petroleum Industry Environment Conservation Association (IPIECA) and Oil and Gas Producers (OGP) for contributions to health and in 2012, he was the recipient of the Society of Petroleum Engineers (SPE) Award for Health, Safety, Security, Environment and Social Responsibility. In 2011, he received a medal from the French Army's Institute De Recherche Biomedical for "Project Tetrapole:" a public–private partnership in malaria research. Dr. Johnson is a graduate of Sarah Lawrence College and member of its Board of Trustees and the Yale School of Medicine. While on active duty in the U.S. Army, he also trained as a microwave researcher at Walter Reed Army Institute of Research. He is board certified in internal medicine, cardiology and occupational medicine.

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Mehmood Khan, M.D., is vice chairman and chief scientific officer of PepsiCo. In his role, Dr. Khan oversees the PepsiCo global Performance with Purpose sustainability agenda, including environmental, agriculture, energy, and water as well as human and talent sustainability for the company. He leads PepsiCo's research and development (R&D) efforts, creating breakthrough innovations in food, beverages, and nutrition—as well as delivery, packaging, and production technology—to drive PepsiCo's businesses forward. Before joining PepsiCo in 2007, Dr. Khan was president, Takeda Global Research & Development Center, overseeing Takeda Pharmaceuticals Company's worldwide drug development. Earlier, he was a consultant endocrinologist and faculty member at the Mayo Clinic and Mayo Medical School, also serving as the director of the Diabetes, Endocrine, and Nutritional Trials Unit in the division of endocrinology. Prior to the Mayo Clinic, he spent 9 years leading programs in diabetes, endocrinology, metabolism, and nutrition, including as chief of endocrinology for the Hennepin County Medical Center in Minneapolis, University of Minnesota. He has served as faculty both in the department of Food Sciences, College of Agriculture and the Medical School at the University of Minnesota. Dr. Khan serves as a member of the Board of Governors of the New York Academy of Sciences and on several national committees. His work has been recognized by numerous industry awards.

Mark Kramer, M.B.A., J.D., leads FSG, a 150-person nonprofit consulting firm, working from six offices in Asia, Europe, and the United States to devise social impact strategies for many of the world's largest foundations, corporations, and nonprofit organizations.

Mr. Kramer also serves as a senior fellow at Harvard's Kennedy School of Government. He co-founded the Center for Effective Philanthropy; served on the jury of the annual Excellence in Corporate Philanthropy Award; is a member of the Aspen Philanthropy Group and the Kimberly-Clark Sustainability Advisory Board; serves on the planning committee for the Clinton Global Initiative; and lectures in the Executive Education Program of Harvard Business School.

Mr. Kramer has published extensively on topics in philanthropy, collective impact, evaluation, and creating shared value. He has co-authored many influential articles in the *Harvard Business Review* with Professor Michael E. Porter of Harvard Business School, and in *Stanford Social Innovation Review* with FSG colleagues, including Philanthropy's New Agenda: Creating Value, Catalytic Philanthropy, Collective Impact, Strategic Philanthropy for a Complex World, The Competitive Advantage of Corporate Philanthropy, and Creating Shared Value.

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Prior to founding FSG, Mr. Kramer served as president of Kramer Capital Management. He is a graduate of Brandeis University, The Wharton School, and the University of Pennsylvania Law School.

Paula Luff is founder and CEO of Viso Strategies Corporation. She was vice president of Corporate Social Responsibility for Hess Corporation, a global integrated energy company based in New York City, until December 2015.

Ms. Luff established and leads formal social responsibility and philanthropy functions for the company. Prior to joining Hess, she was senior director of Global Philanthropy for Pfizer Inc., where she set strategy and led the teams that developed flagship programs in global health for the company and its foundation: the International Trachoma Initiative, the Diflucan Partnership, Global Health Fellows, the Infectious Diseases Institute, Connect HIV, Community Health Ventures and Regional Health Partnerships. She also represented Pfizer on philanthropy and global health issues with the media, public officials, bilateral and multilateral organizations, and other external stakeholders. Ms. Luff was previously with CARE, the humanitarian organization fighting global poverty.

Ms. Luff holds a bachelor's degree from the University of Wisconsin and master's degrees from New York University and the New School University. She serves on the boards of Philanthropy New York and the UN Global Compact U.S. Network Steering Committee. She has served on the boards of Grantmakers in Health and Accordia (formerly the Academic Alliance Foundation for AIDS Care and Prevention in Africa).

Nancy Mahon, ESQ, is senior vice president, Global Philanthropy and Corporate Citizenship, for The Estée Lauder Companies and global executive director of the MAC AIDS Fund. In this role, she is responsible for Estée Lauder's global corporate citizenship strategy, encompassing all philanthropic, cause-marketing, employee engagement, and product donation programs. Ms. Mahon also oversees the strategic direction and day-to-day operation of the MAC AIDS Fund. Currently, the Fund gives away $44 million annually throughout the world, particularly in the 72 countries in which MAC has affiliates.

In December 2011, Ms. Mahon was appointed as the chair of the Presidential Advisory Council on HIV/AIDS (PACHA). PACHA provides advice and recommendations to the President and the Secretary of Health and Human Services on programs and policies intended to promote effective prevention of HIV disease, and to advance research on HIV disease and AIDS.

Prior to joining MAC in June 2006, she was executive director of God's Love We Deliver (GLWD), the nation's oldest and largest provider

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of life-sustaining nutritional support services for people living with HIV/AIDS, cancer and other serious illnesses.

Ms. Mahon is a magna cum laude graduate of Yale University and New York University's School of Law, where she was an editor of the Law Review.

Ali Mokdad, Ph.D., is director of Middle Eastern Initiatives and professor of Global Health at the Institute for Health Metrics and Evaluation (IHME) at the University of Washington. In this role, he is building IHME's presence in the region through new research projects, dissemination and uptake of IHME's methods and results, and consultation with regional leaders in population health. He also leads the survey and surveillance activities at IHME with his expertise in survey methodology, health surveys, surveillance, chronic diseases, and emergency and response.

Prior to joining IHME, Dr. Mokdad worked at the Centers for Disease Control and Prevention. He served in numerous positions with the International Health Program; the Division of Nutrition and Physical Activity; the National Immunization Program; and the National Center for Chronic Diseases Prevention and Promotion, where he was chief of the Behavioral Surveillance Branch.

Cate O'Kane is the director of Corporate Partnerships & Philanthropy at Population Services International (PSI), headquartered in Washington, DC. At PSI she leads the development of philanthropic, corporate social responsibility, and shared value partnerships, integrating the worlds of both purpose and profit to deliver win–win opportunities across sectors. Using a model focused on private-sector efficiencies, PSI works across 70 countries to make it easier for women and their families to access the health care and services they need. Prior to joining PSI in DC, Ms. O'Kane was the technical services director at PSI/Botswana, where she led the platform's marketing, communications, and research programs across a multitude of HIV/AIDS interventions. She spent 16 years working in Europe and Asia, most recently as the director of JWT's (J. Walter Thompson's) North East Asia team, expanding market share for companies in this dynamic region.

Marjorie Paloma, M.P.H., who leads the Robert Wood Johnson Foundation's efforts in engaging business for health, believes the Foundation is uniquely positioned to leverage research, investments, leadership, relationships, and networks to create timely and enduring social change.

Most recently, she played an integral role in coordinating and supporting the Foundation's strategic thinking efforts, which defined direction in 2014. Throughout her tenure at the Foundation, Ms. Paloma's work

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has focused on laws and policies to improve health, with an emphasis on childhood obesity, tobacco control, and other population health issues. Her portfolio includes working with businesses, policy makers, community leaders, and stakeholders to support actions that make it easier for people to make healthy choices in the communities where they live, learn, work, and play.

Prior to joining the Foundation, Ms. Paloma managed the Wisconsin Tobacco Quit Line at the University of Wisconsin–Center for Tobacco Research and Intervention, where she designed and implemented ways to help people quit tobacco use. Prior to that, she staffed the Wisconsin Tobacco Control Board, an 18-member Governor-appointed board. In this capacity she provided guidance in the development of the state tobacco control strategy and organized and coordinated the state and local policy advocacy efforts. She believes this experience showed her how bringing diverse partners to the table can create the power and influence to achieve enduring change. Ms. Paloma earned an M.P.H. in Sociomedical Sciences from the Columbia University Mailman School of Public Health and a B.A. in Biology from the College of Notre Dame of Maryland.

Bart Peterson, J.D., joined Eli Lilly and Company in 2009 as senior vice president of corporate affairs and communications. He is a member of the company's executive committee. Mr. Peterson received a bachelor's degree from Purdue University and earned his J.D. at the University of Michigan.

From 2000 to 2007, Mr. Peterson served two terms as mayor of Indianapolis, the nation's 12th largest city. He also served as president of the National League of Cities in 2007. As mayor, along with Indiana University, Purdue University, Lilly, and the Central Indiana Corporate Partnership, he created BioCrossroads, a focused effort to push Indianapolis to the forefront as a life sciences capital. Prior to joining Lilly, Mr. Peterson was managing director at Strategic Capital Partners, LLC, from 2008 to 2009. In early 2008, Mr. Peterson was a fellow with the Institute of Politics of Harvard University's Kennedy School of Government. During the 2008–2009 school year, he was a distinguished visiting professor of Public Policy at Ball State University. In addition, he is a member of the Indiana University School of Public and Environmental Affairs Dean's Council. In 2012, Mr. Peterson was appointed by the U.S. Department of State to the Asia–Pacific Economic Cooperation Business Advisory Council.

Kyle Peterson has managed more than 100 consulting projects for FSG in the areas of strategy, program design, operations, and evaluation. He speaks frequently at social sector and industry conferences and roundtable events. Mr. Peterson has worked with the world's leading companies

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and funders, including Shell Oil Company, Aetna, Eli Lilly and Company, Pfizer Inc., Verizon, Merck, and The Bill & Melinda Gates Foundation. He is currently a member of the Global Health Council's Board of Directors.

Building on more than 25 years of international development experience, Mr. Peterson has led many of FSG's Global Health and Global Development engagements, and he has been a key contributor to the firm's shared value, catalytic philanthropy, and collective impact frameworks.

Prior to joining FSG, Mr. Peterson served as a strategy consultant at the Monitor Group, where he wrote a major regional economic study with Professor Michael Porter and led a competitiveness consulting project for President Paul Kagame and his cabinet on Rwanda's economic strategy. Mr. Peterson was also a country director in Zimbabwe and Rwanda for Population Services International, where he managed a $20 million program and launched a number of health product "firsts" on the African continent, including mass-marketed, insecticide-treated mosquito nets, female condoms, and a novel network of HIV/AIDS voluntary counseling and testing centers.

Joy Phumaphi is the executive secretary of the African Leaders Malaria Alliance, a member of the United Nations Secretary General's High-Level Panel on the Global Response to Health Crises, and chair of the Global Leaders Council for Reproductive Health. She served as member of Parliament in Botswana, holding portfolio responsibility in the cabinet, first for Lands and Housing, and then for Health. She later joined the World Health Organization as assistant director general for family and community health. She has served as vice president for human development at the World Bank. She has also served on a number of commissions and expert groups and sits on the Boards of several international nonprofit organizations working on global health.

John Sargent, M.D., is recognized globally as a health care solutions thought leader in market development strategy, health systems analytics and optimization, and public–private partnerships in emerging markets. Dr. Sargent consults to governments, multinational companies, and donor organizations. He is a popular keynote speaker at industry conferences. A member of the Board of Directors of the Fulbright Association, he was also nominated to the Devex Top 40 Under 40 Leaders in Development in 2010–2011 and recognized as a Social Entrepreneur for 2015 by the World Economic Forum and the Schwab Foundation.

Dr. Sargent co-founded BroadReach in 2003 and led the development of its global health work, securing significant contracts with the U.S. Agency for International Development (USAID): a $100 million contract for South Africa; the Kenya USAID APHIA II Western project; the USAID

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Strengthening Pharmaceutical Systems program; the USAID AIDSTAR-One project; and the Management and Leadership Training Program in Zambia. He also works closely with global life science companies and spearheads the company's analytics business.

Prior to co-founding BroadReach, Dr. Sargent consulted on strategic and operational issues related to multiple disease areas for public and private organizations in developed and emerging markets. He earned an undergraduate degree from Dartmouth College, a master's degree from Oxford University as a Fulbright Scholar, and an M.D. from Harvard Medical School.

Sanjay Sehgal is the vice president, Nutrition, Health and Wellness (NHW) for Nestlé Ltd. in the United States, responsible for driving the NHW agenda across all of the Nestlé businesses in the country. Mr. Sehgal began his Nestlé career in 1989 as part of the Nestlé India marketing team. He was named communication director for the South Asia region in 1996, and in 1999 was promoted to marketing director for Nestlé India, responsible for brand and business development and marketing communications across the entire product portfolio. In 2002, the company moved Mr. Sehgal to its headquarters in Switzerland as head of Nutrition Communications and Health Initiatives to work in the core team, driving the company's strategic evolution to being the leading nutrition, health, and wellness company. In 2006 he was named global head of the Meals & Drink business. In 2009, he became vice president and head of the Corporate Wellness Unit, responsible for driving the company's strategies toward greater nutrition, health, and wellness leadership. In 2014, he moved to the United States as vice president of NHW for Nestlé Ltd. USA.

Frederic Sicre, M.B.A., has more than 20 years of experience in engaging the private sector on global issues, regional development agendas, and community building. He is a managing director in the Global Markets team and works with leaders from all fields, including governments, private sector, media, and culture.

Prior to joining the group, Mr. Sicre spent 16 years as managing director and member of the Executive Board at the World Economic Forum, where he first established the Forum's activities in Africa and the Middle East. Mr. Sicre was responsible for the Center for Regional Strategies, with a particular focus on global growth markets and the Annual Meeting in Davos, Switzerland. He also served as editor of *South Africa at Ten*, a book celebrating the first 10 years of democracy in the country.

Mr. Sicre is the chair of the Mustaqbali Foundation and serves on the Board of Dubai Cares and Education for Employment and Junior Achievement's MENA Board. He is also a member of the United Nations

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Global Compact Business for Peace Steering Committee and is a member of the World Presidents' Organization. Mr. Sicre holds a bachelor of arts and sciences from Villanova University and an M.B.A. from International Institute for Management Development (IMD), and is a fellow of Stanford University.

Lori Stetz, M.D., M.P.H., is the senior medical director for Aetna International. Prior to joining Aetna, she practiced primary and urgent care medicine and public health in Connecticut and a number of international settings, including Kosovo, Nepal, and Thailand.

Dr. Stetz graduated from Haverford College, and holds an M.P.H. from Boston University and an M.D. from SUNY Downstate Medical Center. She is certified by the American Board of Family Medicine and has special certification in Travel Medicine.

Wendy Taylor, M.P.P., is director of the Center for Accelerating Innovation and Impact at the U.S. Agency for International Development (USAID), a center of excellence applying innovative, business-minded approaches to accelerate the development, introduction and scale-up of priority global health innovations. Joining the agency in 2010, Ms. Taylor created and built the Center; spearheaded several Grand Challenges to globally crowd source groundbreaking solutions to tough health challenges, including the successful Saving Lives at Birth and Fighting Ebola Grand Challenges; and created multiple public–private partnerships.

She has worked for the past 20 years identifying market-based solutions to address diseases and conditions of poverty. In 2004, she founded Bio Ventures for Global Health (BVGH), a nonprofit working to engage the biopharmaceutical industry to develop medicines for diseases of the developing world. She also held senior positions with Malaria No More and the Biotechnology Industry Organization (BIO), and worked in both the executive and legislative branches of the U.S. government, including the Office of Management and Budget and the U.S. House Committee on Ways and Means.

She received a Master of Public Policy from the Kennedy School of Government at Harvard University and a B.A. from Duke University. She serves on the North American Board of Medicines for Malaria Ventures and is Chair of HANSHEP, an international donor coordinating body harnessing the private sector to deliver better health care to the poor.

Brett Tromp is a qualified chartered accountant and has been the chief financial officer of Discovery Health since 2007. Prior to this role he worked for the group executive director on strategic projects and in the group finance area of Discovery Holdings for 3 years.

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Mr. Tromp has been with Discovery since 2003 and has vast experience in the health insurance industry. Mr. Tromp also has experience in treasury, due diligence, and financial modeling. He has significant international health insurance exposure, obtained during his travels into Africa, the United States, the United Kingdom, and Europe. Mr. Tromp has lived in the United States and has audited major Fortune 500 companies such as GE.

In 2013, Mr. Tromp completed a year's course at Oxford University on business strategy. He is a director at Discovery's third-party recovery services subsidiary and has recently been given the responsibility to lead Discovery's new pharmacy business, SRX. Mr. Tromp also chairs and sits on various NPO finance committees. He has been a keynote speaker around the world and is a regular monthly writer for *Accountancy SA* monthly magazine. He regularly deals with governments in Africa and is spearheading change in corporate reporting to include health metrics in company reports.

In 2015 Mr. Tromp was named as South Africa's young (under 40) chief financial officer of the year, as well as the award for the best high performing finance team in South Africa.

Jane Wales has been president and CEO of the World Affairs Council of Northern California since 1998. Ms. Wales is also president and co-founder of the Global Philanthropy Forum; vice president, Philanthropy and Society; and director of the Program on Philanthropy and Social Innovation at the Aspen Institute. She is host of the nationally syndicated weekly National Public Radio show, It's Your World. From 2007 to 2008, she served as acting CEO of The Elders, chaired by Archbishop Desmond Tutu. In 2008, Ms. Wales also chaired the Poverty Alleviation Track for the Clinton Global Initiative. Previously, she served in the Clinton Administration as Special Assistant to the President, senior director of the National Security Council, and associate director of the White House Office of Science and Technology Policy. She chaired the international security programs at the Carnegie Corporation of New York and the W. Alton Jones Foundation, and directed the Project on World Security at the Rockefeller Brothers Fund. During her tenure as national executive director of the Physicians for Social Responsibility, the organization's international arm received the 1985 Nobel Peace Prize.

Rebecca Weintraub, M.D., is an assistant professor in the Department of Global Health and Social Medicine at Harvard Medical School and an associate physician at Brigham and Women's Hospital. She serves as faculty director of the Global Health Delivery Project at Harvard and associate director of the Harvard Global Health Institute. She has led the

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publication of more than 35 Harvard Business School case studies with Harvard Business Publishing, and taught at more than 300 schools of medicine, public health, and business. Since 2008, Dr. Weintraub has led GHDonline.org, a network of virtual communities that connects more than 14,000 health professionals from more than 120 countries and 5,000 organizations. Her research on value-generating strategies in global health has been funded by the Agency for Healthcare Research and Quality, The Global Fund, The Pershing Square Foundation, and The Bill & Melinda Gates Foundation.

Dr. Weintraub co-founded Jumpstart, a national service program reaching more than 50,000 preschoolers and their communities. She serves as a technical advisor to Ashoka, promoting the work of health entrepreneurs, and as a board member of the Novartis Foundation and several other nongovernmental organizations. In 2014, Dr. Weintraub was honored as a Young Global Leader by the World Economic Forum and is currently serving as a Fellow at the Berkman Center for Internet and Society. Dr. Weintraub graduated from Yale University and Stanford School of Medicine, and completed her medical training at Brigham and Women's Hospital.

David Wofford, vice president of Meridian Group International, Inc., in Washington, DC, implements the RAISE Health Initiative, which improves the health of women and men factory and agriculture workers in developing countries through changes in global and corporate policies and workplace practices. RAISE Health is a major activity under the U.S. Agency for International Development (USAID)–funded Evidence Project, managed by the Population Council. Since 2006, he has worked on several USAID-funded projects focused on worker and women's health in corporate supply chains. Previously, Mr. Wofford worked at the International Finance Corporation on its social and environmental performance standards and its Doing Business initiative. He has also served in senior positions in the U.S. government, including the Overseas Private Investment Corporation, an agency that supports investments by American companies in developing countries and at the White House.

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