

Environmental, Social, and Governance Implementation in Healthcare Organizations: A Case Study of Assuta Medical Centers

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ABSTRACT **Background:** Environmental, social, and governance (ESG) is a form of international private business self-regulation that aims to contribute to society from a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically oriented practices. The major benefit of ESG is having the organization's workers recruited for the goal of making the world a better place. There is a growing understanding regarding the extent of the environmental impacts of health services. Therefore, the interest in measuring and reporting the sustainability of health system performance is becoming crucial. As population aging and growth in healthcare demand are two of the main challenges of the current and mainly future health services, performance, and quality measurement as well as sustainability metrics are relevant more than ever. **Objectives:** To review the ESG activities at Assuta Medical Centers (AMC) that helped the organization earn the Maala Index Platinum + grade in 2021. **Methods:** We reviewed the ESG elements that were implemented at AMC. **Results:** AMC entered an ESG process in November 2019 and earned Platinum and Platinum+ grades from the Maala Index in 2020 and 2021, respectively. AMC won the Workforce Diversity prize for having many employees over 60 years of age. AMC activities are detailed as a case study for other health organizations in Israel and worldwide. **Conclusions:** A big leading health organization can spearhead a sustainable development goals model in Israel and worldwide.

IMAJ 2022; 24: 364–368

KEY WORDS: corporate social responsibility (CSR), environmental, social, and governance (ESG), healthcare organization, sustainable development goals (SDG), workforce diversity

Social responsibility, often termed as environmental, social, and governance (ESG) is also related to environmental aspects and protection of nature components [1,2]. This policy is aligned with the 17 sustainable development goals (SDG) of the UN [3] as part of the 2030 global social development agenda. Healthcare delivery, like other aspects of service, should be subject to universal ethical principles, which include human dignity and fundamental rights. Social responsibility envisions a shared vision of the greater good, accepted among health professionals and other stakeholders [2,4].

ESG is a form of international private business self-regulation [5] that aims to contribute to society from a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically oriented practices [6]. Various countries have enacted laws to compel organizations to use their authority to expand beyond individual or industry-wide initiatives of ESG. Corporate social responsibility (CSR) reporting has been legislated in many countries, including Israel [7]. In the last decade, Israel was among the lowest ranked countries regarding the proportion of companies that published corporate responsibility reports (18%) [8].

There is a growing understanding regarding the environmental impact of health services; therefore, interest in measuring and reporting the sustainability of health system performance is becoming crucial. As population aging and growth in healthcare demand are two of the main challenges of the current and mainly future health services, performance and quality measurement as well as sustainability matrices are relevant more than ever. Several large healthcare systems have invested heavily in environmental management in the United States as well as other countries. The focus of measuring the sustainability of health services and reporting it has generally concentrated on corporate social responsibility and climate risk exposure. The ability of healthcare organizations to generate and control data on environmental impacts can be limited by existing infrastructure and complex supply chains. However, just as in other performance areas, measuring the sustainability of healthcare services and reporting it must go beyond a clear conceptual framework and a statement of purpose. Measurement must reflect strategic goals

Modern society is undergoing frequent changes due to technological and scientific advances, economic and cultural globalization, and greater accessibility to information. Ethical behavior is essential in the organizational perception, and it is often regarded as a social responsibility. Organizations can achieve a particular public objective or work to increase profits and at the same time satisfy stakeholders.

rather than letting goals be dictated by ease of measurement. Today, healthcare leaders need to set clear and compelling sustainability goals, invest in internationally comparable metrics to measure success, and assimilate them into their core business [9]. Hence, quality in medicine is also sustainable and consumes resources only when needed. Overuse of medical services is defined as the provision of medical services when the potential for harm outweighs the potential for benefit. It is reflected in the gap between the desired and the actual use. This gap is expensive both in human life and in money [10,11].

Responsibility is also closely linked to reliability. The health of the public is a social benefit that scientists commit themselves to pursue, assuming an obligation to contribute to its achievement, and accept the responsibility of ensuring that the knowledge gained by scientists is used to achieve that good [12]. In addition, ethical codes were gradually incorporated in public health [13]. The public also appreciates companies that pay attention to values. In fact, 62% of consumers surveyed said they would view an organization more positively if it was taking actions to address social determinants of health [14]. Many healthcare organizations are making meaningful ESG efforts. Approximately 58% of health leaders said they expected to increase diversity and inclusion training and reporting in the next 12 months [15]. It is not surprising that social pillar has been a key focus for healthcare organizations since January 2020 [15], and 94% of the executives said that improving their supply chain overall was a priority in the next 12 months [14]. Social responsibility is recognized not only in the western world. In a cross-sectional survey of 946 healthcare workers in Iran regarding their workplace, the average score of social responsibility of hospitals was 3.0 on average (scale range 1–5). A significant association was found between the score and hospital ownership (higher in private hospitals). No association was found between social responsibility and hospital specialization [16].

The management at Assuta Medical Centers (AMC) decided not to sit and wait for external regulations, but rather to act. In November 2019 AMC implemented an ESG process within the organization. In Israel, formal participating in ESG processes is achieved by joining the Maala index. Initializing an ESG process has costs both in money and in effort, but in the long run, organizations have shown a return of investment (ROI); hence, employees are proud to work in an organization with added value that has a wide perspective and considers all stakeholders (patients, employees, external physicians, regulatory bodies, health organizations and scientific community, environment, community).

OBJECTIVES

The goal of this article is to review AMC's variety of activities that led the organization to earning a Platinum + grade within the Maala index in 2021.

METHODS

ESG CRITERIA

Each of the three elements of ESG comprises several criteria that may be considered by socially responsible investors or by companies aiming to adopt a more ESG-friendly operational stance. While many ESG criteria are rather subjective, moves are being made on several fronts that are designed to provide more objective, credible ratings of a company's performance in terms of ESG policies and actions. In the past, a company's standing in terms of ESG has often depended less on substantive practices and more on how good the company's public relations department is. Currently, there are objective standards for ESG criteria (i.e., ISO criteria for quality measurements) [17].

ESG IN ISRAEL

Corporate social responsibility is an integral part of the business values of many Israeli companies. In 2018, 150 companies voluntarily participated in the annual Maala ESG rating. These companies comprise a total of approximately 310,000 employees with annual sales of NIS410 billion (approximately US\$118 billion). They represent approximately one-third of Israel's GDP [18]. The scoring of the Maala index (the formal Israeli annual ESG index) contains elements like ethics, employees, inclusion and diversity, responsible procurement, community contribution, and environmental sustainability [Table 1] [19]. In 2021, more than 150 Israeli companies entered the index, some of them only at the basic level. AMC is one of the 83 companies that took part in the full evaluation process.

The areas reviewed in Maala index along with AMC's grades are shown in Table 2.

Table 1. Maala index 2020 categories and scoring

Scoring summary	
Sphere reviewed	Total points
A. Ethics and core values	15
B. Employees	14
C. Diversity and inclusion	9
D. Responsible procurement	10
E. Community contribution	10
F. Social involvement of employees	8
G. Environment (according to environmental impact)	15 20 25
H. Corporate governance	9
I. Social and environmental management and reporting	5
Total	100 points
Total including bonus points	106 points

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RESULTS

AMC received the highest possible score with the Maala index: Platinum +. In addition, AMC won the *Workforce Diversity* prize for having many employees over 60 years of age. In addition, 51% of the highest 10% salaries in AMC are earned by women. AMC's scores regarding each dimension of the Maala index are detailed in Table 2.

To have constant monitoring of these criteria, AMC established several relevant committees such as board of directors committee and steering committee. In addition, subcommittees for the relevant areas, when applicable (i.e., accessibility and human resources, community contribution, responsible procurement, environmental sustainability) with an integrating team for the subcommittees were formed.

Table 2. Maala grade of Assuta Medical Centers and details regarding the field measured

Company: Assuta Medical Centers
2021 Index: Platinum+
Indexed since: 2020

2020 Index: Platinum
Relation group: Private
Environment branch: medium

Treatment field and relative percentage		What was tested?	2021 Grade
15%	Organizational ethics and core values	A relevant and published code of ethics Reference to ethical aspects of relations with employees, customers, and consumers Internal communication emphasizing ethical aspects of business conduct A survey examining employee, customer, and shareholder attitudes toward corporate ethical performance	10
14%	Employees	Employees shield laws are upheld with respect to employee rights Work-life balance policy and promoting employee's health and well-being Training in the area of organized labor Attention to caregivers Aiding employees prior to retirement and dismissal Supporting low paid workers	10
9%	Diversity and inclusion (underrepresented populations in the workforce: Arab Israelis, Jewish ultra-Orthodox, people with disabilities, people of Ethiopian descent, adults aged 45+)	Percentage of new and existing workers from underrepresented populations Percentage of diversified employees in managerial positions Accessibility levels for people with disabilities (facilities, products/services, publications) Women in managerial roles and salary differences between men and women	10
10%	Responsible procurement	Securing subcontracted workers' payment terms and conditions Procurement policy including ethics, environmental performance, local procurement and SMEs Ethics policy adopted by mandated for suppliers Suppliers skills development and dialogue	10
10%	Community contribution	Cash and gifts in kind in ratio to profits/sales turnover Analysis of societal investments: education, health, welfare Bonus: Increased donations compared to last year	10
8%	Social involvement of employees	Employee and managers ad-hoc/ongoing volunteering programs Social investment policy Employee volunteering management	10
15-25%	Environmental sustainability	Environmental violations screening Environmental policy and management system	8
9%	Corporate governance	Percent of independent board members Executive compensation and diversified competencies of board members	
5%	Social and environmental management and reporting	Management and board commitment to corporate social responsibility Publication of CSR/sustainability report	10

Grade code legend

1	2	3	4	5	6	7	8	9	10
0-12.5	12.5-22.5	22.5-32.5	32.5-42.5	42.5-52.5	52.5-62.5	62.5-72.5	72.5-82.5	82.5-92.5	92.5-100

Internal scores appear in the *Detailed Company Report*, which highlights good performance and improvement goals

Encoded scores: The exact score of a company is encoded into an absolute grade on a scale of 1-10

Environmental scores are calculated in relevance to industry and environmental influence

Ranking partners: Greeneye, Tel Aviv Stock Exchange

ASSUTA MEDICAL CENTERS ACTIVITIES CONCUR WITH VARIOUS ESG STRATEGIES

Environmental: Reducing consumption of energy and water while addressing waste

Most of the energy for two medical centers within the AMC organization (Ramat Hachayal and Rishon LeZion) comes from electricity produces at a natural gas power station). In addition, AMC is increasing awareness of renewal energy consumption, reducing the use of disposable dishes in the company kitchens, and beginning a waste separation project at the Rishon LeZion site [20].

Social

AMC has many employees over 60 years old. AMC won the *Workforce Diversity* prize for 2021. In addition, AMC also employs people with disabilities, with the target for next year to expand to 3% minimum.

The company’s facilities and properties have been made accessible according to the schedules in the accessibility legislation. Employees are undergoing training in accessibility service as required under service accessibility regulations.

AMC has various plans to encourage community volunteering. Staff completed 2840.5 volunteer hours in 2021. Some of the initiatives were total organizational efforts and some were unique for each site.

AMC initiated an online course for students with disabilities in cooperation with the Ilan Association (Israel Association for Children with Disabilities) as part of a social campus.

Governance

The staff at AMC has written its own code of ethics, a profound process that started in 2015. It included the participation of all stakeholders (e.g., patients, employees, suppliers). The first edition was published in January 2020 and the third one in December 2021. The code communicates visions and values expressed at AMC [21]. All the workers attended workshops regarding the code of ethics.

Procurement

The percent of green procurement is growing each year at AMC, and includes 12 electric cars. At AMC, many of the holiday gifts given to employees are purchased from companies with social value, such as social procurement.

SCHOOL OF PROFESSIONALISM

AMC has established a school of professionalism for promoting excellence in medicine. It was launched in 2014 and serves as a model for Israel and the world. The goal of the school is to raise awareness of professional values and integrate those values throughout the organization.

Its objectives have been implemented to improve the organizational culture, imparting professional values and integrating those values within group discourse and discussion that tran-

scend job titles and the organizational hierarchy. Creating clear guidelines and a uniform language of conduct is appropriate for an organization that strives for excellence.

The goal of the training is to ensure that the organization and its employees all have extensive experience and knowledge. Classes are held in heterogeneous groups and conducted by professional moderators specially selected from the AMC internal staff. The moderators are trained in a unique course.

DISCUSSION

AMC joined the Maala index in 2019. After only 2 years, the organization received the highest possible rank. That means that the organization met the goals of the Maala index. The core values at AMC were already implemented in the organizational DNA prior to joining the Maala index. AMC’s activities and worldview were validated after the organization received the Maala score and the Workforce Diversity prize.

AMC’s activities regarding ESG fields are immeasurable. The areas of activity reflect AMC’s vision and values. The senior management has been committed to the ESG fields and the organization is doing its best to improve the ESG performance, but not at the expense of medical excellence. The messages are directly transferred to the employees by organizational mail. All of these actions show that an organization that wants to meet the standards must perform well in various fields.

Few health organizations entered the Maala index. One of them is Clalit Health Services, which received Platinum Score. AMC is an example of a win-win situation where the professional excellence and profit is not coming at the expense of high values and is not taking advantage of workers and the environment. On the contrary, it is an example of how a big leading health organization can spearhead an SDG model in Israel and worldwide.

SDG concepts show how great companies can deliver both purpose and profit. A corporation should have a purpose. Each company serves its own purpose, but all of them share a fundamental commitment to all the stakeholders. The concept was well summarized in 2018 by Larry Fink, chairman and CEO of BlackRock, an American multinational investment management corporation, said, "Companies must ask themselves: what role do we play in the community? How are we managing our impact on the environment? Are we working to create a diverse workforce? Are we adapting to technological change? Are we providing the retraining and opportunities that our employees and our business will need to adjust to an increasingly automated world? Are we using behavioral finance and other tools to prepare workers for retirement, so that they invest in a way that will help them achieve their goals?"

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Capsule

Amyloid fibrils in FTL-D-TDP are composed of TMEM106B and not TDP-43

Jiang et al. extracted amyloid fibrils from brains of four patients representing four of the five FTL-D-TDP subclasses, and determined their structures by cryo-electron microscopy. Unexpectedly, all amyloid fibrils examined were composed of a 135-residue carboxy-terminal fragment of transmembrane protein 106B (TMEM106B), a lysosomal membrane protein previously implicated as a genetic risk

factor for FTL-D-TDP. In addition to TMEM106B fibrils, they detected abundant non-fibrillar aggregated TDP-43 by immunogold labelling. These observations confirm that FTL-D-TDP is associated with amyloid fibrils, and that the fibrils are formed by TMEM106B rather than TDP-43.

Nature 2022; 605: 304
Eitan Israeli

Capsule

Age-dependent formation of TMEM106B amyloid filaments in human brains

Schwieghauser et al. used structure determination by cryogenic electron microscopy to show that residues 120–254 of the lysosomal type II transmembrane protein 106B (TMEM106B) also form amyloid filaments in human brains. The authors determined the structures of TMEM106B filaments from a number of brain regions of 22 individuals with abundant amyloid deposits, including those resulting from sporadic and inherited tauopathies, amyloid- β amyloidoses, synucleinopathies and TDP-43 proteinopathies, as well as from the frontal cortex of 3 individuals with normal neurology and no or only a few

amyloid deposits. They observed three TMEM106B folds, with no clear relationships between folds and diseases. TMEM106B filaments correlated with the presence of a 29-kDa sarkosyl-insoluble fragment and globular cytoplasmic inclusions, as detected by an antibody specific to the carboxy-terminal region of TMEM106B. The identification of TMEM106B filaments in the brains of older, but not younger, individuals with normal neurology indicates that they form in an age-dependent manner.

Nature 2022; 605: 310
Eitan Israeli