



UNITED NATIONS GLOBAL COMPACT REPORT

Communication in Progress and Global Citizenship, 2015

Cleveland Clinic compiles our sustainability report for our patients, caregivers, communities and global stakeholders. As a leader in the healthcare industry, we hold ourselves accountable for our social, environmental and economic impacts. We develop this report to highlight both our accomplishments and communicate our challenges as we strive to reach our goals.

As a signature of the United Nations Global Compact, Cleveland Clinic has pledged to promote sustainability policies and practices to advance our organization in ways that benefit the economies and societies we serve.

This year marks our sixth consecutive Communication on Progress and reflects our work in the 2014 calendar year. In addition to addressing the 10 principles of the U.N. Global Compact, this report applies the Global Reporting Initiatives G3.1 guidelines, the world's most common standard for sustainability reporting.

To align our reporting process with our environmental stewardship goals, we have developed an online report. Here we include our GRI Index and table of U.N. Global Compact Principles with the appropriate links to our online report: *Serving Our Present, Caring for Our Future*.

Please view our complete sustainability report at by clicking here (<http://portals.clevelandclinic.org/ungc2015/Home/tabid/9246/Default.aspx>) or use this index to guide your progress.

Dear Patients, Caregivers and Community Members,

We are pleased to present our sixth Communication on Progress as part of the United Nations Global Compact. Cleveland Clinic shares the UN Global Compact's Principles of human rights, environmental responsibility and corporate integrity. This report uses guidelines developed by the Global Reporting Initiative to measure our performance in these areas.

Cleveland Clinic continues to model healthcare for the future as American medicine moves from a volume-based to a value-based system. Innovation and new knowledge are making it possible for us to do more for more patients than ever before. At the same time, we face accelerating challenges of chronic disease, demographics and access. North America must cope with an epidemic of obesity and consequent rise in cases of heart disease, diabetes, stroke and joint disease. As the population ages, we are already seeing a dramatic rise in neurological conditions related to aging. Governments and payers strain to meet the costs of treating these diseases.

Cleveland Clinic sees these challenges as opportunities. The collaborative approach to medicine pioneered by Cleveland Clinic in 1921 continues to be an efficient and effective model for care. All of our doctors, nurses and support caregivers are on the same team, with the same incentives to control costs, improve quality, and provide courteous, attentive and empathetic care. We are collaborating with our partners and communities to make care more affordable, support innovation, and most importantly, promote healthy behaviors that prevent disease and lower the need for expensive treatments.

Sustainability is an essential part of our strategy. We are committed to responsible purchasing and resource use, intentional and beneficial enterprise growth and community preventive health programs. We have joined with local governments and community groups to promote weight loss and smoking cessation. Cleveland Clinic's Stephanie Tubbs Jones Health Center's Mobile Food Pantry provides free healthy meal options, promotes healthy eating and improves health outcomes for community families. We urge leaders at all levels of society to promote nutrition, exercise and greater personal responsibility for health.

In 2014, Cleveland Clinic provided medical services to more patients from more places than ever before. We have been recognized among the World's Most Ethical Companies by Ethisphere Institute, honored as a top five hospital by DiversityInc and ranked as a Top 25 hospital by Practice Greenhealth.

We are proud to share the information in this year's Communication on Progress. Thank you for your interest.

Sincerely,



Delos M. Cosgrove, MD
Cleveland Clinic President and CEO

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Profile Disclosure	Description	Response
PROFILE DISCLOSURES		
1.2	Description of key impacts, risks, and opportunities.	Link: 2014 Annual Report
2.1	Name of the organization.	Cleveland Clinic
2.2	Primary brands, products, and/or services.	Link: Organizational Profile
2.3	Operational structure of the organization.	Link: Where We Operate, Governance
2.4	Location of organization's headquarters.	Cleveland, Ohio, U.S.A.
2.5	Countries where the organization operates.	Link: Where We Operate
2.6	Nature of ownership and legal form.	The Cleveland Clinic Foundation is an Ohio nonprofit corporation. As such, it is not owned by any individuals or corporate entities. The Cleveland Clinic Foundation serves as a direct or indirect parent or as the "sole member" or "sole regular member" of each affiliate within the Cleveland Clinic Health System (CCHS).
2.7	Markets served.	In 2014, 72% of patients came from Cleveland and the seven adjacent counties. This distribution has remained constant for the past several years. In 2014, 62% of patient care was paid by private insurance companies, 33% from government sources and 5% was patient self-paid. Cleveland Clinic received \$9.1 million in net HCAP payments for charity care in 2014 from the state.
2.8	Scale of the reporting organization.	Link: By the Numbers
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Link: Annual Report
2.10	Awards received in the reporting period.	Link: Awards
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Calendar year, January – December 2014.
3.2	Date of most recent previous report (if any).	May 23rd, 2014
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report or its contents.	For more information regarding this report's content, contact Cleveland Clinic's Corporate Communications Department at 216.444.0141.
3.5	Process for defining report content.	Link: Materiality
3.6	Boundary of the report.	Link: Scope
3.7	State any specific limitations on the scope or boundary of the report.	Link: Scope
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	Affiliated, divested, partially leased and international operations are excluded from this report based on availability of information and our shared control over these operations unless otherwise noted.
3.9	Data measurement techniques.	Data was compiled following GRI Indicator protocols whenever possible or applicable.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	Link: Annual Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None.

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Profile Disclosure	Description	Response
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Index.
3.13	External assurance for the report.	Cleveland Clinic will not pursue external assurance for this report. Internal assurance has been performed on certain measurements including our historic and present energy data.
4.1	Governance structure of the organization.	Link: Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	No. The Chair of the Board of Directors holds the highest Board position, but is not an executive officer, employee or staff member of Cleveland Clinic.
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	As of February, 2015, there are 21 members of the Cleveland Clinic Board of Directors. These include two senior members of the Cleveland Clinic Board of Governors. There are also five female and two African-American Directors. Of the 21 members of the Board of Directors, there are 16 Directors (12 males and 4 females) who are independent under the Cleveland Clinic's Board Independence Policy. Under this Policy, an independent Director is a Director whom the Governance Committee, after considering all relevant facts and circumstances in accordance with the policy, advice and guidance of the Chief Governance Officer, and upon the recommendation from the Board Conflict of Interest and Managing Innovations Committee, has affirmatively determined that he/she has met certain criteria, as defined in the Cleveland Clinic's Board Independence Policy. A Director will not be determined to be independent if certain conditions are met, including but not limited to if the Director is employed by the Cleveland Clinic, received compensation from the Cleveland Clinic or is a director or executive officer of an entity with gross payments to or annual receipts from the Cleveland Clinic of more than 1% of the receiving entity's gross revenues for the applicable year.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Committees use existing organizational feedback mechanisms, such as the compliance hotline to collect feedback from stakeholders, staff and employees. Employees have the opportunity to respond to "Toby's Blog" and quarterly communications from Dr. Cosgrove, the highest governing body. Employees use My2Cents, another mechanism for providing feedback that is directed to the appropriate department and/or institute. Link: How We Engage
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance.	Directors and Trustees are dedicated community leaders, selected on the basis of their expertise and experience in a variety of areas beneficial to CCHS and are not compensated for their services.

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Profile Disclosure	Description	Response
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	<p>The Cleveland Clinic Board of Directors Conflict of Interest and Managing Innovations Committee is responsible for (a) determining the existence of, assessing, resolving and managing, any conflicts of interest arising from an individual interest of a Director, Trustee or Officer of CCHS or from an interest held directly or indirectly by Cleveland Clinic, in accordance with the current Board of Directors Conflict of Interest Policy and (b) supervising the Cleveland Clinic Professional Staff Conflict of Interest Committee in the performance of its responsibilities for professional staff conflicts of interest matters. The Committee conducts its duties in accordance with all applicable rules and regulations, including those applicable to nonprofit and tax exempt charitable organizations.</p> <p>On an annual basis, the Cleveland Clinic distributes a questionnaire to CCHS directors, trustees, officers and key employees to determine independence, as defined by the United State Internal Revenue Service and Cleveland Clinic Conflict of Interest Policy. This questionnaire is also designed to ascertain information relating to business affiliations and transactions that might give rise to potential conflicts of interest.</p> <p>Directors and Trustees who are not independent are entitled to participate fully in their duties as a Board member, subject to the Cleveland Clinic's Conflict of Interest policies and the requirements applicable to Board members to recuse themselves from any actions that involve a personal interest. A Director or Trustee who is deemed not to be independent is nevertheless assumed to be always acting in the best interests of the Cleveland Clinic.</p> <p>The Cleveland Clinic Board of Directors Conflict of Interest and Managing Innovations Committee discharges the obligations set forth in the Cleveland Clinic Code of Regulations for the Board of Directors. These obligations relate to (a) determining the existence of, assessing, resolving and managing, any conflicts of interest arising from an individual interest of a Director, Trustee or Officer of CCHS or from an interest held directly or indirectly by Cleveland Clinic, in accordance with the current Board of Directors Conflict of Interest Policy and (b) supervising the Cleveland Clinic Professional Staff Conflict of Interest Committee in the performance of its responsibilities for professional staff conflicts of interest matters. The Committee conducts its duties in accordance with all applicable rules and regulations, including those applicable to nonprofit and tax exempt charitable organizations.</p> <p>On an annual basis, the Cleveland Clinic distributes a questionnaire to CCHS directors, trustees, officers and key employees to determine independence, as defined by the United State Internal Revenue Service and Cleveland Clinic Conflict of Interest Policy. This questionnaire is also designed to ascertain information relating to business affiliations and transactions that might give rise to potential conflicts of interest.</p> <p>Directors and Trustees who are not independent are entitled to participate fully in their duties as a Board member, subject to the Cleveland Clinic's Conflict of Interest policies and the requirements applicable to Board members to recuse themselves from any actions that involve a personal interest. A Director or Trustee who is deemed not to be independent is nevertheless assumed to be always acting in the best interests of the Cleveland Clinic.</p>

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Profile Disclosure	Description	Response
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	The Cleveland Clinic Board of Directors, as the governing body of the Cleveland Clinic, regularly evaluates its membership with a view to increasing its diversity and including qualified representatives from the communities it serves. The Governance Committee of the Board of Directors regularly reviews the composition of the Board, based on various factors, so as to ensure a balanced membership that includes ethnic and gender diversity, as well as business and community expertise. The Governance Committee also seeks recommendations from Board members of candidates that will add value to the Board of Directors and Board of Trustees.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Link: Organizational Profile
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Members of the Cleveland Clinic Board of Directors adhere to the principles set forth in Cleveland Clinic's Code of Conduct. Included in these principles are standards relating to environmental protection, family and work, business ethics, conflicts of interest, fraud/waste/abuse, insider trading, antitrust and anti-kickback laws. Additionally, Directors receive an annual mailing that not only includes a questionnaire for disclosure of activities that may give rise to conflicts of interest, but also includes documentation relating to IRS regulations pertaining to intermediate sanctions provisions. Cleveland Clinic conducts a formal annual risk assessment to identify risks in the health system. Significant risks, such as the impact of healthcare reform and the maintenance of a high level of clinical quality, safety and security, and the mitigating efforts, are communicated to management and the Board using a risk matrix and dashboards.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Each Board Committee is governed by a charter, which includes specific goals and responsibilities. On an annual basis, Board Committees are responsible for conducting annual self-assessment surveys to assess performance. For example, in addition to other responsibilities, the Audit Committee is charged with the task of reviewing the adequacy and effectiveness of administrative, operating and internal accounting controls, policies and procedures for the Cleveland Clinic health system. At the end of each year, the Audit Committee distributes a self-assessment survey tool to its members so that Committee members document their comments relating to the Committee's performance and effectiveness in meeting this and other goals as stated in its Committee Charter. In addition, the Board of Directors, with assistance from the Governance Committee, routinely reviews its performance and the performance of its members, particularly when a director's term is about to expire and the Board has to determine whether the individual should be re-elected.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	We apply the precautionary principle in the care of our patients and in our approach to our environmental impacts.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Link: Memberships, Awards
4.13	Memberships in associations and/or national and international advocacy organizations.	Link: Memberships

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Profile Disclosure	Description	Response
4.14	List of stakeholder groups engaged by the organization.	By virtue of its scope and operations, Cleveland Clinic engages many stakeholder groups. These include its patients, employees and leaders. As a major employer within the State of Ohio, and having significant operations in Florida, Nevada, Canada and the United Arab Emirates, Cleveland Clinic also interacts regularly with the citizens, governments and businesses of the communities served by Cleveland Clinic, including those cities and municipalities that are home to Cleveland Clinic facilities. Link: Stakeholders , The Reporting Process , Government Relations .
4.15	Basis for identification and selection of stakeholders with whom to engage.	Link: Stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Link: Materiality
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Link: Materiality , Government Relations
Indicator	Description	Response
PERFORMANCE INDICATORS		
ECONOMIC		
DMA	Disclosure on Management Approach -EC	Link: Community Engagement , Community Impacts , Where We Operate
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Link: By the Numbers , Annual Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Link: Annual Report , Climate Resilience
EC3	Coverage of the organization's defined benefit plan obligations.	Link: Human Rights and Labor Standards
EC4	Significant financial assistance received from government.	Link: By the Numbers , Annual Report
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Link: Community Impacts
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Link: Community Impacts
ENVIRONMENTAL		
DMA	Disclosure on Management Approach-EN	Link: Conserving Energy , Climate Resilience , Transportation , Environment , Environmental Performance , Waste Reduction
EN3	Direct energy consumption by primary energy source.	Link: Environmental Performance Metrics

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Indicator	Description	Response
EN4	Indirect energy consumption by primary source.	Link: Environmental Performance Metrics
EN5	Energy saved due to conservation and efficiency improvements.	Link: Energy Conservation, Healthy Buildings, Innovative Leadership and Environmental Performance
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Link: Energy Conservation, Healthy Buildings, Innovative Leadership and Environmental Performance
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Link: Energy Conservation, Healthy Buildings, Innovative Leadership and Environmental Performance
EN8	Total water withdrawal by source.	Northeast Ohio's regional water utility has struggled with accurate billing, monitoring and volume data. In 2014, we began implementing a utility bill-pay vendor that reliably tracked enterprise-wide water usage. Cleveland Clinic is currently establishing a baseline water use for 2014.
EN9	Water sources significantly affected by withdrawal of water.	The region's water is collected from four intake cribs located 3-5 miles off Lake Erie's shoreline. Lake Erie is a part of the Great Lakes watershed.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Link: Healthy Buildings
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Link: Healthy Buildings
EN13	Habitats protected or restored.	Link: Healthy Buildings
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Link: Healthy Buildings, Climate Resilience
EN16	Total direct and indirect greenhouse gas emissions by weight.	Link: Environmental Performance Metrics
EN19	Emissions of ozone-depleting substances by weight.	Link: Environmental Performance Metrics
EN20	NOx, SOx, and other significant air emissions by type and weight.	Link: Environmental Performance Metrics
EN22	Total weight of waste by type and disposal method.	Link: Environmental Performance Metrics
EN23	Total number and volume of significant spills.	Cleveland Clinic has not had an significant spills during the 2014 calendar year.
EN24	Weight of transported, imported, exported, or treated hazardous waste and shipped internationally.	Cleveland Clinic has not shipped any hazardous waste internationally during the 2014 calendar year. Link: Waste Reduction, Environmental Performance Metrics
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Link: Environment
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Cleveland Clinic has not had any fines for environmental non-compliance during the 2014 calendar year.
EN30	Total environmental protection expenditures and investments by type.	Link: Healthy Buildings, Energy Conservation

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Indicator	Description	Response
SOCIAL: LABOR PRACTICES AND DECENT WORK		
DMA-LA	Disclosure on Management Approach	Link: Caregiver Safety, Human Rights and Labor Standards, Talent Development
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Link: Diversity and Demographics
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Link: Diversity and Demographics
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Link: Human Rights and Labor Standards
LA4	Percentage of employees covered by collective bargaining agreements.	Cleveland Clinic has collective bargaining agreements with various groups of employees working at certain subsidiaries in a variety of roles. Cleveland Clinic believes that its relationships with the unions are positive and that any expiring collective bargaining agreements during the current or upcoming fiscal years will be renegotiated without any disruption in service or operations of the related facilities.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Link: Caregiver Safety
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Link: Caregiver Safety, Patient Safety, Community Engagement
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Link: Talent Development
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Link: Talent Development
SOCIAL: HUMAN RIGHTS		
DMA-HR	Disclosure on Management Approach-HR	Link: Caregiver Safety, Diversity and Demographics, Human Rights and Labor Standards, Talent Development
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Currently Supply Chain sources the majority of products domestically and we do not currently have contracts that contain clauses incorporating human rights.
HR4	Total number of incidents of discrimination and corrective actions taken.	During the calendar year 2014, no findings of probable cause were issued by any administrative agency.
SOCIAL: SOCIETY		
DMA-SO	Disclosure on Management Approach-SO	Link: Anti-Corruption, Community, Culture of Principles, Government Relations, Transparency
S02	Percentage and total number of business units analyzed for risks related to corruption.	Link: Anti-Corruption

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Indicator	Description	Response
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Link: Anti-Corruption
S04	Actions taken in response to incidents of corruption.	Link: Anti-Corruption
S05	Public policy positions and participation in public policy development and lobbying.	Link: Government Relations, Memberships
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Link: By the Numbers, Annual Report
SOCIAL: PRODUCT RESPONSIBILITY		
DMA-PR	Disclosure on Management Approach-PR	Link: Patient Safety, Transparency . Cleveland Clinic is compliant with all safety regulations. Patient safety is our first priority.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed.	Link: Patients, Patient Safety, Quality of Care, Patient Satisfaction, Patient Data
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Link: Patient Satisfaction
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Link: Transparency

UN Global Compact Principles

Principle	Description	GRI Indicators
CONTINUING SUPPORT		
	Statement of Continuing Support	1.1
HUMAN RIGHTS		
Principle 1	Support and respect protection of internationally proclaimed human rights	LA4, LA7-8, HR1, HR4, S05, PR1, DMA-EC, DMA-HR, DMA-PR
Principle 2	Ensure organization is not complicit in human rights abuses	HR1, HR4, S05, DMA-HR
LABOR		
Principle 3	Uphold the freedom of association and the effective recognition of the right to collective bargaining	HR1, LA4, S05, DMA-HR, DMA-LA
Principle 4	Uphold the elimination of all forms of forced and compulsory labor	HR1, S05, DMA-HR
Principle 5	Uphold the effective abolition of child labor	HR1, S05, DMA-HR
Principle 6	Uphold the elimination of discrimination in respect of employment and occupation	LA2, HR1, HR4, S05, DMA-HR, DMA-LA
ENVIRONMENT		
Principle 7	Support a precautionary approach to environmental changes	4.4, EC2, EN26, EN30, S05, DMA-EN
Principle 8	Undertake initiatives to promote greater environmental responsibility	EN3-9, EN11-14, EN16-17, EN19-20, EN22-26, EN28, EN30, S05, DMA-EN, DMA-PR
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	EN5-7, EN26, EN30, S05, DMA-EN
ANTI-CORRUPTION		
Principle 10	Work against corruption in all its forms, including extortion and bribery	S02-6, DMA-S0