Toward Total Health for All
2021 Environmental, Social, and Governance Report
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Message From Our Chair and Chief Executive Officer

Kaiser Permanente has been committed to our mission for 77 years – to provide high-quality, affordable health care services and to improve the health of our members, patients, and communities we serve. As a nonprofit health care organization, we have and will continue to dedicate our resources toward delivering on this mission and honoring our history by ensuring equitable care, healthy communities, and a more sustainable world.

Founded on the radically simple idea that everyone deserves the chance to live a healthy life, Kaiser Permanente stands for equity and inclusion for all, and throughout our history we have been committed to respecting and representing the diverse communities we serve. As a multicultural, multiracial organization we believe that our differences are among our most extraordinary assets, and actively work to cultivate this richness so everyone feels they belong. We know this makes us better able to deliver equitable care, and helps to strengthen everything we do at Kaiser Permanente.

We also know we cannot have healthy people or communities without a healthy planet, and that people in marginalized populations are most impacted by unhealthy conditions. The health care industry is at the epicenter of climate change. Kaiser Permanente is committed to addressing the upstream factors of social and economic drivers of health and the downstream factors including minimizing our own environmental impact, from how we power our facilities to where we purchase food and medical supplies. Kaiser Permanente became the first health care organization in the United States to achieve carbon-neutral status in 2020, and we will continue to advance and build on this work and the role we play.

Our commitment to our mission and toward honoring our history serves as the foundation for our future and our approach to the strategies outlined in this Environmental, Social, and Governance report. We share this inaugural ESG report both as part of our commitment to transparency and as an incentive to others in health care to do as much or more, as we all strive to improve. We hope that in small and large ways we can serve as a catalyst for further advancement and to help unite our industry, so we can work collectively together toward the greater good.

Greg A. Adams
Chair and Chief Executive Officer
Kaiser Permanente
Message From Our Chief Health Officer

Kaiser Permanente is proud to share the work we’re doing to improve health and health equity, build healthier communities, and create a more sustainable world.

Our inaugural Environmental, Social, and Governance report highlights our efforts to support thriving people and communities, and a thriving planet, and to lead a mission-driven, responsible enterprise. Every function contributes to our ESG efforts, and their accomplishments are reflected in our industry leadership and repeated recognition and accolades.

Because we believe that improving health means delivering equitable health outcomes for all, we strive to build an organization with a diverse and inclusive workforce, and strong business ethics and integrity. We work to use all our assets as a business for social value, and that includes dedicating resources toward good stewardship to create safe and sustainable environments. And we look upstream to create good conditions for health and equity in our communities.

We believe all these efforts are valuable and deliver meaningful benefits by themselves, and we also believe they are an important part of how we are improving health - across our organization and in every community we touch. We are proud of our 2021 accomplishments and invite you to review the report to gain a deeper understanding of our ESG activity.

From creating equal and just opportunities for housing, food, and financial well-being, to supporting health and wellness in schools and advocating for better health policies in our nation, we are taking action, using our voice, and sharing what we’ve learned along the way.

Bechara Choucair, MD
Senior Vice President and Chief Health Officer
Kaiser Permanente
Kaiser Permanente Overview

Kaiser Permanente’s mission is to provide high-quality, affordable health care services and to improve the health of our more than 12.5 million members and the more than 65 million people who live in the communities we serve in 8 states and the District of Columbia. Founded in 1945, Kaiser Permanente is recognized as one of America’s leading health care providers and nonprofit health plans and is the largest and most complex health care organization of its kind in the nation, with more than $93 billion in revenue in 2021, and a hospital and care delivery system with 39 hospitals and more than 734 medical offices. We also operate one of the largest pharmacy distribution services in the country and are a leader in home health, and serve as a major, independent medical research organization.

Care for members and patients is focused on their total health and guided by their personal Permanente Medical Group physicians, specialists, and team of caregivers. Our expert and caring medical teams are empowered and supported by industry-leading technology advances and tools for health promotion, disease prevention, state-of-the-art care delivery, and world-class ongoing disease management. Kaiser Permanente is dedicated to care innovations, clinical research, health education, and the support of community health.

Providing accessible, affordable, high-quality health care is at the heart of Kaiser Permanente’s mission — and has been throughout our history. Our leadership in prevention, diagnosis, and treatment is how we help our members live healthy, engaged lives.
Kaiser Permanente is accountable both to provide the most appropriate and necessary care to each individual member, and to serve as a steward of resources on behalf of our entire membership. This accountability aligns incentives to keep people healthy, rather than seeking to generate revenue when they are sick. Our approach enables our physicians and other caregivers to practice person-centered, high-quality care that embraces the latest innovations in medicine, which enables them to make decisions with the best interest of the patient in mind. This leads to more effective and efficient care for our patients and members, and better health outcomes.

Our mission defines what we do, our model enables us to do it effectively, and our people are our greatest resource: Their inspiring commitment, industry-leading expertise, and extraordinary work every day make a real difference in people’s lives. Our organization combines the skills of more than 220,000 employees, including over 65,000 nurses, who work with more than 23,000 physicians, representing all specialties, to serve our members and communities. Our shared purpose inspires and drives us.

Kaiser Permanente’s commitment to improving conditions for health in our communities extends beyond the delivery of health care and is another foundational part of our mission. Central to Kaiser Permanente’s model is a focus that extends beyond our members into the communities where they live, work, and play. We are a leader in recognizing that healthy individuals need healthy communities, and healthy communities need healthy people to thrive. That is why we are working to improve the economic, social, and environmental conditions for health and equity in our communities by addressing the root causes of many health issues. We target social drivers of health such as economic opportunity, access to quality and nutritious food, affordable housing, safe and supportive schools, and a healthy environment. We invest significantly in the states and regions where we operate by supporting community organizations and providing social health resources. Through these efforts we are working to create communities that are among the healthiest in the nation.
Thriving Planet:
How we drive inclusive environmental stewardship to protect and promote a sustainable world
Environmental stewardship

Climate change is a public health crisis.

Our highest commitment at Kaiser Permanente is protecting the health and safety of our members, communities, and employees. Our work in community health extends this commitment beyond patient care to comprehensively support the total health of over 68 million people who live in the communities we serve.

Kaiser Permanente knows that climate change poses a public health and health equity crisis. Climate change is impacting our patients, our communities, and our operations today. Our physicians and nurses treat patients experiencing health challenges impacted by our changing climate, while our operations teams continuously monitor and respond to climate threats in our service areas.

Our holistic approach

As one of the nation’s leading health care providers and nonprofit health plans, we at Kaiser Permanente recognize our obligation to steward the environment we live, work, play, and deliver care in. Our foundational approach to stewardship is anchored in protecting and promoting the health of our communities.

In 2016, as part of our focus on total health, we committed to a comprehensive set of ambitious 10-year environmental goals around energy, water, waste, our built environment, and environmentally preferable purchasing. Our performance against each goal is explored in this report.

We know that our work to eliminate our greenhouse gases directly benefits the health of our patients and our communities while reducing health disparities.

In 2020, we became the first U.S. health care organization certified as carbon neutral. In 2022, we publicly committed to reducing greenhouse emissions by 50% by 2030 and to reaching net-zero emissions by 2050.

Today, we’re committed to reducing the health risks associated with climate change and other environmental factors. We lead health care in the U.S. in our commitments and real-world results – from how we power our facilities, purchase medical supplies, and manage waste to how we support our communities and partner with leaders in developing policies and systems that strengthen community health and protect our environment.

Our 3-part environmental stewardship approach centers health and health equity in everything we do.
Climate change

Vulnerability

Social and behavioral context
- Age and gender
- Race and ethnicity
- Poverty
- Housing and infrastructure
- Education
- Discrimination
- Access to care and community health infrastructure
- Preexisting health conditions

Exposure pathways
- Extreme weather events
- Heat stress
- Air quality
- Water quality and quantity
- Food security and safety
- Vector distribution and ecology

Environmental and institutional context
- Land-use change
- Ecosystem change
- Infrastructure condition
- Geography
- Agricultural production and livestock use

Climate-sensitive health risks

Health outcomes
- Injury and mortality from extreme weather events
- Heat-related illness
- Respiratory illness
- Water-borne diseases and other water-related health impacts
- Animal-borne diseases
- Vector-borne diseases
- Malnutrition and food-borne diseases
- Non-communicable diseases
- Mental and psychosocial health

Health systems and facilities outcomes
- Impacts on health care facilities
- Effects on health systems

Adaptation of World Health Organization and Environmental Protection Agency Graphic
Overview of climate-sensitive health risks, their exposure factors, and social/behavioral and environmental/institutional context.
Low-carbon, sustainable operations

Climate and health imperative

Our evidence-based approach recognizes that when it comes to our climate, the impact of greenhouse gas emissions has long held scientific consensus, and transformation toward a low-carbon economy is essential for the well-being of this and future generations. A growing number of peer-reviewed publications also underscore the direct impacts of emissions on human health, including asthma, chronic obstructive pulmonary disorder, and auto-immune disorders.1 Additionally, Kaiser Permanente recognizes that the health impacts of climate change are inequitably distributed across historically underserved communities. Urgent, equity-centered action is needed to help mitigate climate change and build capacity for adaptation and resilience in our changing climate.

Kaiser Permanente has historically worked to reduce our greenhouse gas emissions and lower our carbon footprint. We committed to becoming carbon neutral to reduce our contribution to climate change and its impact on our communities. Through a successful combination of energy use reduction, improved energy efficiency, investment in large-scale wind and solar energy, and third-party verified carbon offset projects, we achieved this goal in 2020. We are now certified as carbon neutral across scopes 1 and 2 as well as select scope 3 emissions. We were the first U.S. health care organization to achieve this milestone.

In June 2022, we expanded our climate action by publicly committing to becoming net-zero across all our emissions by 2050, with a mid-term target to reduce our absolute emissions by 50% by 2030.

- Our energy approach allows us to obtain all our electricity from renewable sources, such as wind and solar.
- As of 2021, over 100 of our facilities – including 31 of our hospitals – host on-site solar panels. The Richmond Medical Center microgrid is the first microgrid at a hospital in California.
- 51% of Kaiser Permanente’s nonhazardous waste was diverted in 2021, and we have a goal to reuse, recycle, or compost 100% of waste by 2025 (excluding medical and hazardous waste).
- More than 25% of our purchased products met our environmentally preferable purchasing criteria in 2021, exceeding our goal for the year.
Responsibility across Kaiser Permanente
Our medical facilities and offices have lessened their overall carbon burden. This is equivalent to taking 175,000 cars off the road.

Stewardship in action

Solar excellence
As of 2021, 100 of our facilities — including 31 of our hospitals — have on-site solar arrays.

Anesthetic emissions reduction
Between 2014 and 2020, we achieved an 82% reduction in emissions associated with our use of halogenated anesthetic agents and a 63.4% reduction in emissions associated with our use of all anesthetic agents.

Green building
Our LEED (Leadership in Energy and Environmental Design)-certified and zero-energy health care facilities played and continue to play an essential role in our ability to reach our emissions reductions goals. We have the most LEED-certified health care square footage of any health care organization in the country.

Innovation
In 2018, we began operating California’s first hospital-based renewable microgrid at our Richmond Medical Center. Paired with a 250-kilowatt solar installation, the microgrid can store 1 megawatt-hour of renewable energy to help power the facility when it’s needed most, helping to reduce energy intensity by up to 50%.

Procurement collaboration
As part of our work to reduce our scope 3 emissions, in line with our goal to reduce our emissions by 50% by 2030, we carefully select new suppliers based on their environmental commitments. We also work with our existing suppliers on their greenhouse gas reduction goals, innovations, and process improvements to drive action and accountability.

2021 emissions

<table>
<thead>
<tr>
<th>Scope (GHG Protocol)</th>
<th>Metric tons of carbon dioxide equivalent (MTCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions</td>
<td>267,899</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>Market-based²</td>
</tr>
<tr>
<td></td>
<td>Location-based³ = 461,971</td>
</tr>
<tr>
<td>Scope 3 (Relevant upstream</td>
<td>2019 third-party assessment:</td>
</tr>
<tr>
<td>and downstream indirect emissions)</td>
<td>3,886,287</td>
</tr>
<tr>
<td></td>
<td>455,208</td>
</tr>
</tbody>
</table>

² Market-based scope 2 emissions include emissions from purchased electricity and heat from all Scope 2 entities.
³ Location-based scope 2 emissions include only emissions from purchased electricity and heat from entities with location-based emissions data.
**Scope 1**
DIRECT
On-site emissions

**Scope 2**
INDIRECT
Purchased energy emissions

**Scope 3**
INDIRECT
Other value chain emissions

- CO₂
- SF₆
- CH₄
- N₂O
- NFC₅
- PFC₅

Thriving Planet

2021 Environmental, Social, and Governance Summary
Our commitments to climate action

- Achieve third-party verification of our carbon neutral status annually, in line with the Carbon Neutral Protocol
- Reduce absolute emissions across scopes 1 and 2 as well as material scope 3 categories by 50% by 2030
- Achieve net-zero emissions by 2050
- Reduce our energy use intensity – energy used per square foot of our operated facilities – by 10% by 2025, compared to 2015 levels

Strategies for impact

Managing our energy use
We have invested in enterprise energy and emissions monitoring and management capabilities, with a formalized process to routinely evaluate and improve energy performance across all our regions and facilities.

Electrification
Our scope 1 and 2 decarbonization tactics will continue to emphasize electrification across our buildings and fleet vehicles as well as a transition to renewable, low-carbon sources of energy.

Strategy definition
In line with our environmental stewardship governance model, our decarbonization committee convenes monthly to develop and implement our strategy and roadmap for near-, mid-, and long-term emissions reductions.

Our commitment
We are taking our net-zero goals into account for every area of focus, including energy usage, water management, built environment, natural environment, waste management, impact spending, and procurement. We understand the enormity of the commitment we have made, and we will incorporate those goals into every Kaiser Permanente framework necessary to drive the change needed to accomplish them.

Energy

Climate and health imperative
According to the Environmental Protection Agency, inpatient health care is the second largest commercial energy user in the U.S., and health care facilities consume close to 10% of the total energy used in U.S. commercial buildings. The U.S. Department of Energy’s National Renewable Energy Laboratory found that states that reduced fossil fuel energy production through new renewable energy systems saw health benefits and savings. The full life cycles of these fuels include extraction, processing, storage, transportation, and use, each with significant climate, health, and equity impacts.

We have long recognized that one of the most important ways we can serve our local and global communities is to improve our emissions footprint by improving our energy efficiency and transitioning to no- and low-carbon renewable energy sources.
Stewardship in action

Carbon neutral for scopes 1 and 2 and select scope 3 emissions
We maintain this certification annually through improvements in energy efficiency, strategic investments in utility-scale wind and solar energy generation projects, and the purchase of third-party verified carbon offset projects for emissions that cannot be avoided.

Energy efficiency
In 2021, we reduced our energy use intensity by 6% compared to 2015 levels.

Solar power
We have installed solar arrays at 100 Kaiser Permanente sites, which generated 114,000 megawatt-hours by 2021, reducing carbon dioxide-equivalent emissions by 27,203 tons. We’ve also invested significantly in off-site solar, purchasing 969,000 megawatt-hours of renewable electricity.

Grid resilience
In 2018, we installed the first hospital-renewable microgrid at our Richmond Medical Center. Across Kaiser Permanente, we have 100 megawatt-hours of battery storage, and we’ll be adding battery storage to 12 solar projects to reduce demand on the power grid and increase resilience.

Measuring what matters
We instituted our energy utility optimization program, an energy and water management community of practice to educate and drive action across regions and locations.

Recognition
We were awarded Energy to Care awards from ASHE, the American Society for Health Care Engineering, at 88 facilities across 7 of our regions in 2020.

Energy Star ratings
We have 22 Energy Star-rated medical centers – including one (our Vallejo Medical Center) with a “perfect score” of 100 – and 195 Energy Star-rated buildings.

LEED-certified
Sixty-five of our buildings are recognized as LEED-certified by the U.S. Green Building Council. We are the top health care organization in the world for our number of LEED-certified buildings and we’re number one in the U.S. in terms of LEED-certified health care square footage (6.9 million square feet across all regions).

Nationally acclaimed
The International Federation of Healthcare Engineering awarded our Vallejo Medical Center its Best in Country and Best in World awards for the facility’s 13% reduction in energy usage in 2021. Ninety-nine additional Kaiser Permanente facilities were recognized for 10% reductions in 2021, and 53 additional facilities were recognized for 5% reductions.

Electrifying travel
As of 2021, more than 60 of our facilities hosted over 600 electric vehicle charging stations. Our electric vehicle (EV) charging stations produced about 971,586 kilowatt-hours, the equivalent of about 3,401,000 EV miles.
2021 energy metrics

<table>
<thead>
<tr>
<th>Type</th>
<th>Electricity use (MWh)</th>
<th>Percent electricity use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid electricity</td>
<td>1,162,295</td>
<td>72%</td>
</tr>
<tr>
<td>Estimated grid electricity (leased buildings)</td>
<td>117,070</td>
<td>7%</td>
</tr>
<tr>
<td>Fuel cell electricity</td>
<td>275,164</td>
<td>17%</td>
</tr>
<tr>
<td>On-site solar (renewables)</td>
<td>70,760</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total electricity</strong></td>
<td><strong>1,619,043</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

**Our commitments**
- Reduce our energy use intensity by 10% by 2025, compared to 2015 levels
- Grow investment in on-site solar energy
- Expand fleet electrification

**Strategies for impact**

**Measuring what matters**
We leverage smart energy analytics to drive energy conservation and efficiency in our buildings.

**Employee engagement**
We leverage our Utility Optimization Program to educate and inform our enterprisewide energy management community of practice.

**Accountability**
We establish and enforce energy efficiency targets in our design standards to drive reductions through our capital investments and strive to make every project an energy project.

**Smart shifts**
We improve the energy efficiency of our equipment and our systems.

**Zeroing in**
We focus our energy efficiency and carbon reduction investments on our highest-energy-consuming facilities.

**Low- and zero-carbon energy**
We expand the use of clean and distributed energy to further reduce grid dependency.

**Financial sustainability**
We optimize energy costs through rate optimization activities, such as direct access procurement.

**Water management**

**Climate and health imperative**
Water scarcity will continue to grow. By 2030, our global water supply will be enough for only 60% of the population. In the U.S., hospitals account for approximately 7% of water usage in all commercial and institutional facilities. By keeping pollutants from entering our oceans, groundwater, and reservoirs, as well as conserving water wherever possible, serious adverse health effects can be easily prevented.
Concerned with growing water scarcity, water-quality risks, and increasing water costs, we've stepped up our efforts to conserve water. Our goals include helping to reduce our water use intensity and improve water quality in the communities we serve.

In 2014, we instituted a national water policy to reduce our water use and support long-term access to quality water supplies in all our communities.

**Stewardship in action**

- We reduced our water use by 16.2% between 2013 and 2021.
- Our facilities in Georgia saw a 27.8% reduction in on-site water usage, and our Southern California facilities saw an 18.4% reduction in on-site water usage between 2013 and 2021.

**2021 water use metrics**

<table>
<thead>
<tr>
<th>2021 water use intensity&lt;sup&gt;a&lt;/sup&gt; averaged across all facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water use intensity (total gallons per rentable square foot)</td>
</tr>
</tbody>
</table>

**Our commitments**

- Reduce our water use intensity by 25% by 2025 compared to 2013 levels
- Protect the water supplies of the communities we serve

**Strategies for impact**

**Spread best practices**
We identify and spread best practices across Kaiser Permanente, including innovative technology and creative employee engagement approaches.

**Employee engagement**
We leverage our internally developed Utility Optimization Program to educate and inform our enterprise water conservation community of practice.

**Smart metering**
We leverage smart watering technology to address leaks more quickly, gain a better picture of water usage, and validate conservation measures.

**Flow optimization**
We optimize water flow in our fixtures to reduce water usage without increasing maintenance requirements or Legionella risk.

**Minimize irrigation**
We minimize irrigation by reducing demand (for example, with the use of xeriscaping or native, drought-tolerate landscaping), efficiently delivering water (including using drip or bubbler sprinkler systems), eliminating waste (such as leaks and overspray), and smartly controlling irrigation schedules.
**Thriving Planet**

**Efficiently heating and cooling water**
We maximize the water efficiency of our cooling towers and heating systems to safely condition our facilities with the least amount of water needed.

**Water-efficient medical equipment**
We invest in water-efficient medical equipment and processes.

**Built and natural environment**

**Climate and health imperative**

The way we construct our buildings and interact with the land around them can have a huge impact on the environment and the communities in which those structures are located. By prioritizing an environmentally conscious strategy for all building and upgrade projects, we can reduce greenhouse gas emissions and eliminate potentially harmful effects of our day-to-day facility operations. By recognizing the link between the health of the environment and human health, we have sought to make our health care facilities among the most sustainable around. To that end, Kaiser Permanente has played a key role in developing nationally recognized green building strategies for the health care sector.

Kaiser Permanente currently tops LEED ratings for health care facilities, demonstrating our longtime dedication to improving community health and protecting the environment. Efficient water use, solar energy, and access to public transportation are just some of the many considerations that go into the planning and construction of a sustainable building. These energy-efficient practices are very much top of mind at Kaiser Permanente as we work to improve the physical and environmental health of the communities we serve.

**Stewardship in action**

Kaiser Permanente has embraced LEED as a tool for all our new major construction projects since 2013. We are focused on ensuring that our buildings – from our emergency rooms to our medical offices – are as efficient as possible.

**Leading the way**

In 2021, we were recognized as the top health care organization in the world for our number of LEED-certified buildings. We’re also number one in the U.S. in terms of LEED-certified health care square footage, with 6.9 million square feet.

**Lowering emissions**

By building to LEED standards, our buildings are able to contribute up to 50% less greenhouse gas emissions due to water consumption, 48% less greenhouse gas emissions due to solid waste, and 5% less greenhouse gas emissions due to transportation, compared to conventionally constructed buildings.
Verified results
ASHE awarded 88 of our medical facilities across 7 of our regions Energy to Care awards in 2020.

Impactful collaboration
In partnership with the California Energy Commission, we led an advanced heating, ventilating, and air conditioning technology demonstration project to reduce natural gas use in medical facilities.

Ventilation research
Our outcomes-based ventilation project demonstrated a safe and effective variable air volume conversion. It also provided natural gas savings of up to 29% over baseline and electricity savings of up to 39% over baseline.

Mercury elimination
Mercury is banned from all our medical facilities.

Environmental responsibility
We work to reduce chemicals in the environment by procuring products that are environmentally friendly.

Resiliency through microgrids
We improve our enterprise resiliency in climate-related emergencies by installing microgrids. These microgrids, which are functional and operate all the time, are designed to be “backups to the backup” if diesel generators (which operate only in emergencies) fail during a power outage. In 2018, we installed the first California state-approved solar microgrid, which aids in our fuel efficiency efforts and helps reduce most purchases from the grid. We are committed to expanding this innovation into more of our facilities.

Built environment metrics
- Certified Energy Star projects in 2019: 15
- Certified Energy Star projects in 2020: 21
- LEED-certified buildings: 65
- Sites with solar panel arrays installed: 100

Our commitments
- Achieve LEED certification for all major construction projects
- Implement outcomes-based ventilation in our facilities
- Use our strategies for sustainable facilities to protect our patients, our employees, and the environment

Our strategies for impact
Building an accessible toolkit
Working with architects, engineers, and public health care advocates, Kaiser Permanente helped design and test strategies for Health Care Without Harm’s Green Guide for Health Care, which is the first quantifiable and sustainable design, construction, and operations toolkit customized for the health care sector. We further worked with Health Care Without Harm to create “The Path to Carbon Neutral Guide,” which was made publicly accessible in 2020.

Standardizing the industry
We collaborated on the design of the LEED-HC (LEED for Healthcare) rating system, a premier tool for building facilities that are healthier
for employees, patients, communities, and the environment. Kaiser Permanente was the first health care organization to be rated under the LEED-HC rating system.

**Expanding our innovation**
We increase our organizational resiliency through expanding innovative infrastructure and protection against grid outages.

### Waste

#### Climate and health imperative

On average, U.S. hospitals generate over 29 pounds of waste per bed per day, adding up to almost 6 million tons of waste each year. In addition to waste products such as paper, cardboard, bottles, cans, and compostable organic waste, health care generates unique waste streams – including medical waste (such as items contaminated with blood or other potentially infectious materials, sharps, and nonhazardous pharmaceutical items), hazardous waste (lab solvents, cleaners, disinfectants, and some pharmaceuticals), and universal waste (such as batteries and electronic equipment).

These products, which are made from increasingly scarce natural resources, often end up in landfills where they emit greenhouse gases and other pollutants. Proper sorting and handling of these waste streams are essential for the health of our environment and our communities.

We are committed to reducing our waste, motivated by our 2025 goal to ensure 100% of all nonhazardous waste is diverted from landfills through reduction, reuse, recycling, and composting. We are also committed to advocating for proper waste management among the entire health care sector.

**Stewardship in action**

**Reduced landfill waste**

Just over half (51%) of our nonhazardous waste was diverted in 2021, including:

- More than 39,000 tons of waste collected for recycling
- More than 1,500 tons of organic waste collected for composting
- More than 216 tons of single-use medical devices collected for reprocessing

In addition, 1,300 tons of plastic waste was avoided by our use of reusable sharps containers.

**Eliminated mercury**

Mercury is banned from all our medical facilities.

**Recycled content**

We decreased nonrecyclable packaging and increased recycled content in our procured products.

**Safe community collection**

We have collection processes in place to help our members dispose of unused medications and used sharps. We aim to provide responsible disposal processes for these items to reduce the risk of diversion and improper use of medications, sharps injuries, and needlesticks in the community.
2021 waste metrics

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Weight (tons)</th>
<th>Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical waste</td>
<td>27,329</td>
<td>83% autoclaved and then landfilled; 17% incinerated</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>3,057</td>
<td>34% recycled as universal waste; 66% incinerated and then landfilled</td>
</tr>
<tr>
<td>Nonhazardous pharmacological waste</td>
<td>3,687</td>
<td>100% incinerated</td>
</tr>
</tbody>
</table>

Our commitments

- Reuse, recycle, or compost 100% of waste by 2025 (excluding medical and hazardous waste)
- Reduce the toxicity of waste
- Enhance the use of recycled materials in products and materials

Organic waste
We improve the collection of organic waste for composting or treatment via anaerobic digestion.

Standardize waste management
We’ve standardized waste bin labeling and waste bin placement in all our buildings to make it easier for staff and members to choose the appropriate waste bin. We also provide annual training for all Kaiser Permanente staff on waste disposal requirements.

Real-time analysis
We use data analysis to identify opportunities to reduce compactor and dumpster pickup frequencies, seek out opportunities to implement real-time monitors on compactors, and work to identify underperforming sites with opportunities for improvement.

Reuse and reprocess.
We reduce waste volumes by reusing and reprocessing items when feasible.
- We work with third-party organizations to reprocess sharps containers so they can be reused.
- Single-use clinical devices are collected and safely reprocessed and remanufactured for reuse.
- When possible, IT equipment is refurbished and then redeployed.

Strategies for impact

Waste reduction
We drive waste reduction and increase recycling rates via integration with cost savings and regulatory compliance initiatives.

Optimize waste streams
We identify new opportunities for waste streams that can be recycled or composted.

Procurement collaboration
In addition to thoughtfully managing our waste, we also focus on how we can work upstream by employing sustainable sourcing strategies. Our supply chain team constantly collaborates with key suppliers and distributors to identify opportunities to:
• Decrease nonrecyclable packaging and increase recycled content in products
• Implement product stewardship (take-back) programs
• Support product designs that advance reprocessing and purchase reprocessed single-use items
• Assess the toxicity of materials that will become waste to reduce hazardous waste

Responsible procurement and impact spending

Climate and health imperative overview

What we buy matters. Without responsible procurement, purchased goods and services can lead to high carbon footprints, unnecessary waste, and adverse effects on human and environmental health.

As part of our mission to improve the health of our members and the communities we serve, Kaiser Permanente implemented a set of Environmentally Preferable Purchasing guidelines, which are comprised of a holistic set of environmental criteria aligned with our commitment to promoting cleaner energy, safer chemicals, resource conservation, waste reduction, and sustainably sourced food.

We are committed to applying the Environmentally Preferable Purchasing principles to all our major, strategic, and critical purchasing decisions. We prioritize understanding the fullest picture of the life-cycle impacts of our purchased equipment and services.

Stewardship in action

Eliminated harmful ingredients

More than 20 years ago, we began eliminating the use of soaps, lotions, and sanitizers containing triclosan and triclocarban. We further worked with our suppliers to keep polyvinyl chloride, or PVC, and diethylhexyl phthalate, or DEHP, out of our IV solution bags since 2012.

Prohibited harmful materials

Since 2004, we have banned the purchase of building products containing PVC in our furnishings, including flooring, carpet, carpet backing, cove bases, corner guards, wall protection, handrails, bumper guards, perimeter edging on tables, signage (vinyl lettering), and above-ground piping. We have also prohibited the purchase of fabric, furniture, finishes, and building materials containing fluorochemical additives or treatments and the purchase of upholstered furniture containing chemical flame retardants.

Procurement excellence

Every year since 2014, Kaiser Permanente has received the Electronic Product Environmental Assessment Tool Purchaser Award for excellence in the procurement of environmentally preferable electronic equipment.

Access to fresh, local food

Starting in 2003, we began hosting facility and community-based farmers markets. We have hosted more than 50 seasonal markets and farm stands at our medical facilities and in our communities across the country.
2021 impact spend metrics

- Product purchases meeting Environmentally Preferable Purchasing criteria: 26.45%, exceeding our 2021 goal of 25%

Our commitments

- Use our purchasing power to support diverse suppliers to address economic, racial, and environmental disparities that impact the health of our members and the communities we serve
- Increase the proportion of purchased products and materials that meet our environmental standards to 50%

Strategies for impact

Eliminate hazardous waste
We work to ensure products do not create hazardous waste, are made of 10% or more post-consumer recycled content, and are commercially recyclable.

Prioritize recycled materials
We work with suppliers to encourage the use of primary packaging that contains more than 10% post-consumer recycled content and secondary packaging that contains more than 30% post-consumer recycled content. We also communicate that paper-based packaging should be Forest Stewardship Council-certified, recyclable, and labeled with consumer-friendly recycling information.

Utilize purchasing power
We support impact investments aimed at addressing key social issues that have a significant impact on health. We also purchase goods and services from local businesses owned by underrepresented groups and women as a way to improve the economic health and well-being of the communities we serve and contribute to their success and resilience.

Encourage awareness and action
As part of our work to reduce the greenhouse gas emissions associated with health care, we work with our major suppliers on their greenhouse gas reduction goals, product innovations, and process improvements.

Holistic cost analysis
As part of our Environmentally Preferable Purchasing evaluation process, we look beyond the up-front costs of a product or service and calculate the total cost of ownership.

Healthy, equitable, sustainable communities
Our mission reflects the belief that where and how people live has a meaningful impact on their health and well-being. Kaiser Permanente’s national community health strategy is dedicated to improving the health of our communities. We seek to address the root causes of health inequity by supporting economic opportunity, affordable housing, health and wellness in schools, and a healthy environment.

By listening to our communities, we can make impactful investments and increase innovations that advance the future of community health and equity. Our publicly shared Community Health Needs Dashboard, which builds on the work of our regular Community...
Health Needs Assessment used across our service areas, highlights place-based environmental impacts on health.

We are committed to environmental stewardship efforts beyond our walls. Through partnerships and investments, we work to improve the conditions for health in our communities, advance our mission, and create healthier and more equitable communities. See the Healthy Communities section for more information on our community initiatives.

We work in our communities to mitigate the effects of climate change, including climate-related impacts on health, and help community members adapt to our changing climate.

- We provide ongoing support to the international organization Health Care Without Harm in its work to transform the health care sector in the age of the climate crisis. We also support the National Academy of Medicine’s Action Collaborative on Decarbonizing the U.S. Health Sector.

- In Santa Rosa, California, we supported the retention of an equity and public health planner, including by mapping the social determinants of health across the city and implementing an empowerment and outreach plan to reach priority communities.

- We provided support for the Climate Action Campaign’s 2021 Community Choice Energy Forum. The forum brings cleaner and more affordable energy to residents and businesses in San Diego and Orange counties and will pave the way toward 100% clean energy.

- In Oregon, we supported the city of Portland’s Sunday Parkways, a program that opens streets connecting parks and neighborhoods to promote community connections and healthy, physical activity each year.

- In Washington, we supported the Everett Station District Alliance’s Equitable Neighborhood Development Community Collaborative. This multiyear collaboration aligns public and private investments, programs, and policies to meet the needs of marginalized populations and reduce disparities by providing access to quality education, living wage employment, a healthy environment, and affordable housing and transportation.

- In Georgia, we supported Pride, which is committed to improving the health and wellness of Atlanta’s communities by engaging them in neighborhood parks and greenspaces. Park Pride’s community building team uses engagement and education to strengthen and support Friends of the Park groups on Atlanta’s Westside and South DeKalb neighborhoods.
• In the District of Columbia, we supported the Washington Regional Food Funders’ Windward Fund, which drives coordinated action to advance a healthy, sustainable, and equitable food system in the region. We also supported the Green Scheme’s Code Green summer program, which partnered with housing authority camp participants to promote healthy habits, educate youth on agricultural processes and the effects of healthy diets, and provide access to healthy food.

Leading and engaging
Solving the climate crisis and prioritizing health equity requires collective action. No single organization, business, or sector can solve this alone. We catalyze change through our leadership and engagement with stakeholders, partners, and collaborations.

Partnering for impact
Our decades of experience and lessons learned in environmental stewardship give us the ability to build coalitions and lead the health care industry in decarbonizing operations and building health care resilience. Through our partnerships with community-based organizations, we’ve forged crucial relationships that help us listen and respond to community challenges and opportunities.

We also work across industries and sectors to broaden collaborations and spark insights and strategies that center health and health equity in the climate narrative and our collective action. Our environmental leadership has allowed us to cultivate strong, long-lasting relationships with diverse groups of partner organizations, including:

• Practice Greenhealth – This nonprofit membership organization was founded on the principles of positive environmental stewardship and best practices by organizations in the health care community. Practice Greenhealth has been instrumental as a source for information tools, data, resources, and expert technical support on our sustainability initiatives.

• Health Care Without Harm – This organization works to transform health care worldwide so that the industry reduces its environmental footprint, becomes a community anchor for sustainability, and a leader in the global movement for environmental health and justice. Along with other Health Care Without Harm partners around the world, we share a vision of a health care sector that should do no harm and promote the health of people and the environment. We are working alongside Health Care Without Harm to achieve the goal of implementing ecologically sound and
healthy alternatives to health care practices that pollute the environment and contribute to disease.

- **California Health Care Climate Alliance** – Launched in collaboration with Health Care Without Harm, the alliance is a leadership body of California health care organizations committed to protecting the public from the health impacts of climate change, becoming anchors for resilient communities, and contributing to meeting the state’s climate goals.

- **Health Care Climate Council** – The council is a leadership body of health systems committed to protecting their patients and employees from the health impacts of climate change. Member health care organizations are committed to being anchors for resilient communities. We learn from other Health Care Climate Council members through sharing innovative climate solutions, providing inspiration and support to act, and using their trusted voices and purchasing power to move policy and markets that drive the transformation to climate-smart health care.

- **Greenhouse Gas Protocol** – This organization established a comprehensive, global, standardized framework that we use to measure and manage greenhouse gas emissions from our operations, value chains, and mitigation actions.

- **RE100** – As a global corporate renewable energy initiative, RE100 brings together hundreds of large and ambitious businesses committed to 100% renewable electricity. We are united with other conscientious businesses that are just as passionate about lessening fossil-fueled grid reliance and achieving 100% renewable, clean energy for our operations.

- **Healthcare Anchor Network** – More than 70 leading health care organizations are part of this growing national collaboration working to build more inclusive and sustainable local economies. As a member, Kaiser Permanente is committed to making sure our institutional and operational resources are aligned with their clinical mission of tackling the structural determinants of health.

- **Ceres** – This think tank focuses on advancing leadership among investors, companies, and capital market influencers to drive solutions and act on the world’s most pressing sustainability issues.

- **National Academy of Medicine** – The academy launched the Climate Grand Challenge, a multiyear global initiative that aims to communicate the climate crisis as a public health and equity crisis; develop a roadmap for systems transformation; catalyze the health sector to reduce its climate footprint and ensure its resilience; and accelerate research and innovation at the intersection of climate, health, and equity. We are excited to be a part of this challenge as its goals align with the core purpose of Kaiser Permanente’s environmental stewardship mission.

2 A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between 2 parties for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled attribute claims. Greenhouse Gas Protocol Scope 2 Guidance, World Resources Institute, 2015, p. 4, ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf.


8 Water use intensity refers to the rate at which water is used in a given area. It is an indicator of how much water a building requires during its occupation and informs sustainable water allocation.


Equitable Care: Improving health for members, patients, and communities
At Kaiser Permanente, our mission is to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. Our definition of health refers to physical, mental, and emotional well-being—more simply put, it’s total health. Total health goes beyond the doctor’s office. It goes deep into our communities where people live, work, learn, and play.

Our first priority is always the health and safety of our patients, members, communities, and employees. Our care teams—empowered to collaborate seamlessly within Kaiser Permanente’s model of integrated care and coverage—have a shared commitment to preventing disease, healing illnesses and injuries, managing complex and chronic conditions, and improving mental health. Our front-line employees, clinicians, and labor partners all work to meet the health needs of our members and communities and continue to be an industry-leading voice for advancing evidence-based care. We seek to lead the nation in delivering person-centered care that is safe, effective, timely, efficient, and equitable.

We are proud of the work we did to deliver high-quality care and coverage to our members and communities in 2021. We also recognize that more needs to be done to push ourselves and others in health care to improve health in our country by making high-quality care more accessible, coordinated, and affordable.

Care and health equity

At Kaiser Permanente, we are committed to providing health care equitably and strive to eliminate disparities in health outcomes for all. We believe that all members and patients, regardless of their physical, mental, or socioeconomic status, have the right to equitable health outcomes and a personalized, high-quality care experience. We’re a recognized leader in eliminating care disparities, and we continue to drive progress by seeking to address care gaps among underserved populations.

Health equity is rooted in our mission. We take equity into account when we evaluate the quality of the care we provide and the outcomes we deliver to our members. This helps us identify and eliminate disparities in care and outcomes as we strive to provide the best care possible.

Measurement

In 2021, we committed to examining all our quality metrics through the lens of equity by looking at results by race, ethnicity, and social drivers of health. This applies to the measures of quality required by regulators and accreditors as well as to a new set of clinical outcome measures we have begun to collect across our enterprise. The purpose of these measurements is to identify and inform the success of interventions designed to eliminate inequities in health care delivery and outcomes across different population groups.

Equal medical care is not enough to end disparities in health outcomes. We are working to achieve health equity.
To date, we have demonstrated success in addressing health disparities for hypertension control, diabetes care, and colorectal cancer screening. While we’re proud of this progress, we’re committed to doing more to deliver equitable health outcomes for our members. With the help of equity workgroups that include our internal experts from Quality, Community Health, Member Services, Human Resources, as well as the Permanente Federation and Permanente Medical Groups, we are creating a health equity framework to guide our approach to identifying and addressing care gaps.

As part of this work, we established the Health Equity Advisory Council, a senior executive oversight team that will advance our institutional equity and health equity commitments – and specifically the elimination of inequities - through education, leadership subject matter expertise, and counsel. The council will be organizational stewards and bold disrupters for sustainable and equitable change by reviewing our current organizational structures and operations to identify and eliminate anything that might enable or perpetuate racism or inequities.

**Workforce**

We are dedicated to delivering culturally responsive care with multilingual outreach. Our call center staff members are fluent in more than 140 languages, and our medical facilities are uniquely focused on the needs of specific communities. For example, several medical facilities are home to Culturally Competent Care Centers of Excellence serving Latino, Chinese, Black, Armenian, Vietnamese, and LGBTQ+ communities. Member communications are printed in various languages, and translators are available to help patients and their families. See the Responsible Business section for more information on our approach to workforce development, diverse representation, and inclusivity.
**Training**

As a leading health care provider and mission-driven organization, it is particularly important that we address racial inequities resulting from what we do or don’t do, and from how we design our systems and processes. Only then can we achieve our mission and truly create a better health care organization for everyone.

Kaiser Permanente is committed to addressing racism through ongoing work in care delivery and community and social health as well as within our workforce. We are a multiracial and multicultural organization serving communities with great diversity. Our membership represents more than 260 ethnicities and speaks over 100 languages. Our workforce, most of whom are also members, are highly representative of our membership, with over 69% being people of color. This diversity enables us to best meet the unique needs of each of our members if we can fully understand and embrace the power of our diversity. We all benefit from racial equity, regardless of the color of our skin.

But racism – both interpersonal and structural – affects care experiences and outcomes for our diverse members, physicians, and employees and is a barrier to us fully realizing our mission. Our mission can’t be fulfilled unless our care is equitable and inclusive.

We are working to reduce the barriers to racial equity that exist for our workforce in our systems and processes, as well as individual thoughts and actions.

- Removing bias in how we recruit, develop, and advance people helps us build the most diverse, engaged, innovative, and satisfied workforce at all levels, with high retention.

- Adhering to our equity principles and gaining a common understanding of bias and racial inequities helps us identify and eliminate bias in our thinking and actions, as well as inequities in our systems and processes.

We understand that health equity cannot be achieved without workforce equity. Having a diverse, inclusive, engaged workforce is a necessary ingredient to optimize culturally responsive experiences and the care we provide to our members and communities. We must equip our workforce to disrupt bias and address structural and system racism. To support this, we introduced Belong@KP, a culture transformation initiative to embed inclusion and social justice into everything we do. Learn more about how we’re creating an inclusive and psychologically safe environment in our Responsible Business section.

**Leading the national dialogue**

The Joint Commission and Kaiser Permanente came together in 2021 to establish the National Award for Excellence in Pursuit of Healthcare Equity. This annual award recognizes health care organizations and their partner institutions for leading initiatives that achieved a measurable, sustained reduction in one or more health care disparities. It honors the memory of our late chair and CEO, Bernard J. Tyson, who worked tirelessly to address the health care disparities that plague the U.S. health care system.
### Care innovation

Alongside expert physicians and highly rated care facilities, our robust research capabilities help advance care, improve our members’ experience, and identify solutions to improve the health of our members, patients, and the communities we serve. Our research and clinical practices are integrated to promote continuous improvement and leading-edge care delivery.

Our research teams are at the forefront of examining how innovations in care delivery can address disparities and inequities. Our large, diverse, and long-term membership enables us to study groups of people who are often underrepresented in research.

Our physicians connect our patients to clinical trials that offer cutting-edge treatments, such as immunotherapy and precision medicine for the care of patients with cancer, cardiovascular disease, and other major life-threatening illnesses. Our research on the coronavirus and COVID-19 contributed to the rapid development of vaccines, treatments, and other therapeutic strategies that helped save millions of lives across the country.

We opened the Kaiser Permanente Bernard J. Tyson School of Medicine in 2020. There, we teach future physicians about the social and environmental factors that affect the health of patients and populations that are under-resourced, underserved, and culturally diverse. Students learn in an environment that reflects the changing demographics of America and the multifaceted health care issues our country faces. They also have the opportunity to learn from the physicians and care teams in Kaiser Permanente’s integrated health care system. By reimagining how physicians are trained, the school aims to create outstanding physicians who will be skilled advocates for their patients and communities and drive change in the health care profession.

As a part of our mission, we’re always working toward making it easier and more convenient for members to get high-quality care and service. We invested in technologies to enable safe and convenient care that helped meet the increased demand for virtual care offerings during 2021. As we continue to invest in new and leading technology, equipment, care facilities, and more, we do so with a member- and patient-first approach. As part of this effort, we

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<td>Lab results viewed online</td>
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<td>Members with digital access</td>
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<td></td>
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<tr>
<td>E-visits</td>
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address digital inequities: Currently, only about 84% of our members have digital access.

The need for telehealth and remote care remained high throughout 2021. Kaiser Permanente focused on more than just meeting the need for increased safety and convenience for our members. We also expanded our virtual care to include preventive care as well as advanced treatment of complicated and chronic health conditions.

Kaiser Permanente provided approximately 28.8 million scheduled phone and video visits and more than 44.6 million in-person ambulatory care visits in 2021. Our teams also adjusted resources and services to help meet the increased mail-order pharmacy demand, filling an average of 116,000 prescriptions by mail each day.

In 2021, we set out to make 24/7 virtual care available to members with the launch of Get Care Now on kp.org. It provides another personalized way for our members to talk with a clinician and get convenient, high-quality care. During each phone or video visit, a Kaiser Permanente clinician can access the member’s electronic health record and use the person’s medical history to help inform care decisions, order prescriptions, schedule follow-up procedures, or make a referral to a specialist.

Remote patient monitoring helped Chatney Russell’s care team keep tabs on her blood pressure – and ensure a safe pregnancy for her and her baby. Read more about how virtual care brings peace of mind.

COVID-19 response

In 2021, Kaiser Permanente continued to navigate through the pandemic with 3 major surges of COVID-19. We endured incredible loss but also gained renewed hope as the newly approved vaccines promised an ability to save lives. We cared for more than 800,000 patients with COVID-19, including providing inpatient care for more than 60,000 patients.

Kaiser Permanente was among the first health care organizations to administer vaccinations when the COVID-19 vaccine became available at the end of 2020. Due to short supplies, obtaining the vaccine for our members was a severe challenge at first, but we soon were able to demonstrate to local, state, and federal agencies our ability to get more people vaccinated quickly, safely, and equitably. As we received larger amounts of the COVID-19 vaccine, Kaiser Permanente helped open and run mass vaccination sites and events to improve access. Our teams administered more than 10.5 million vaccine doses, including boosters, to members and nonmembers alike during 2021. We also conducted 9.4 million COVID-19 diagnostic tests that same year.

The pandemic and events since 2020 have brought to light the health inequity, social injustice, and racism that persist in our country. A disproportionate percentage of COVID-19 illness and deaths has occurred within Black, Latino, and other underrepresented communities. These inequities and injustices were also evident in the drive for COVID-19 vaccinations, with underrepresented communities having limited access to health care and resources, along with a lack of trust in the health care system.

When the COVID-19 vaccine became available to the public, we designed, built, and adjusted outreach campaigns to increase
Overall, Kaiser Permanente worked to ensure fair and equitable administration of vaccinations in communities most affected by COVID-19. The organization partnered with cities, states, community and religious organizations, and federally qualified health centers to distribute vaccinations safely and equitably in these communities. We set up community clinics to make it easier to get a vaccination. We helped deliver messages and information to more than 7 million people from trusted voices, leaders, and organizations that have consistently served our communities in need. Kaiser Permanente invested over $71 million in more than 200 community-based organizations to help address misinformation, support social needs, remove barriers to vaccine access, and deploy grassroots strategies to increase COVID-19 vaccinations.

We developed and freely shared our Vaccine Equity Toolkit, which provided our equitable vaccine administration approach and best practices, with other care delivery organizations, health plans, and state and local governments. The toolkit continues to help deepen our existing partnerships and supports ongoing opportunities for mutual learning.

### Social health

We are also interacting with and listening to our members – virtually and in person – to better understand and address a range of social factors affecting health, including food security, housing stability, and education. In the routine health screenings we conduct with members, where we ask about clinical conditions like diabetes, heart disease, and cancer, we are now adding questions that address social factors, asking about finances, housing stability, and other potential social vulnerabilities.

As social health screenings increase and help identify people who need support with social factors, we are creating support systems to help address their needs by connecting people to resources in our communities. Thrive Local, launched in 2019, is a transformative social health program to help millions address social needs, including food, housing, and transportation. This comprehensive searchable platform provides current information on a wide range of local community-based organizations’ social service programs. Many of these programs accept electronic referrals from us on the platform and also provide real-time status updates, so we can track whether members receive the help they need. The platform is integrated into our electronic health record system for our care teams to use to support members and provide whole-person care that includes their physical, mental, and social health.

Because we know addressing social factors won’t always happen in the clinical setting, we created new ways to reach and support our members. We added an online community resource directory to our website so anyone can search for resources in their communities. Visitors can search the directory 24/7 at their own convenience at kp.org/communityresources or call a toll-free number during...
business hours to talk to a specialist who can help find nearby programs that help with food, housing, childcare, and more. Both services are offered at no cost.

To help members afford healthy food during the pandemic, we accelerated our efforts to expand our Food for Life SNAP enrollment program.

- Roughly 5,000 community-based organizations, offering some 12,000 programs, participated with Kaiser Permanente in our community networks, and another 20,000 were listed in the resource directory by the end of 2021.

- Between direct referrals to our community network partners, our online resource directory, and dedicated phone line, Kaiser Permanente helped connect nearly 100,000 members to community resources.

Recognizing the growing importance of digital resources, we’re also working to understand the challenges individuals face in accessing and using these tools so we can intervene to help overcome barriers.

We also designed interventions to address prevalent conditions, such as food insecurity, homelessness, and social isolation. Major areas of this work include the following:

- **Food for Life:** Our Food for Life initiatives are transforming the economic, social, and policy environments connected to food security. In 2021, we reached the milestone of helping 95,000 people apply for the Supplemental Nutrition Assistance Program through a texting-based outreach campaign. And recognizing that healthy meals can support people with chronic conditions after hospital discharge, we enrolled 2,100 members in our medically tailored meals program in 2021, which provided more than 116,000 meals to members and their households with chronic conditions recently discharged from hospitals. In 2021, we registered 23,000 eligible members in the Healthy Savings coupon program, which offers discounts on a range of healthy food items at over 3,000 retail locations. Additionally, our no-cost COVID-19 meals program supported members who were in isolation or were quarantined due to COVID-19. More than 2,400 members and families participated in 2021.

- **Housing assistance:** To help patients and their families experiencing homelessness secure permanent housing and improve their mental and physical health, we launched Project HOME in 2021. The pilot project provided navigation, assistance, and tenancy-sustaining services to a segment of our unhoused patient population through strategic partnerships with community-based organizations. We also supported our members by developing medical-legal partnerships, in which legal services were built into care delivery. Through the Health, Housing, and Justice: Medical-Legal Partnership Initiative, we are building capacity in the legal services sector and increasing access to legal services to prevent individuals and families from losing their homes. In 2021, more than 100 of our front-line staff were trained by legal aid partners to assess, resolve, and escalate members’ legal needs.
• **Social isolation:** In 2021 we also launched a campaign pilot to address social isolation. The multifaceted health communications campaign was designed to decrease social isolation and loneliness among older adults by offering them stories and tips for healthy living, and simple ways to connect with others either virtually or in person, including volunteering, and cooking and crafting classes. In 2021, more than 22,000 people accessed these resources by visiting the website.

Learn more about our work around [social health](#).

### Health care access and affordability

Equal access to care is an important part of our mission to provide high-quality, affordable health care services to the communities we serve.

We recognize that we have a responsibility to provide our members with better value through a combination of high quality, access, and affordability. We provide care and coverage together and share medical and financial responsibility for our members’ health care. That shared responsibility means we don’t benefit when our members get sick. With traditional fee-for-service care delivery, providers get paid more when they submit more claims. In contrast, our clinicians strive to meet clinical quality benchmarks, which means members get the right care and have better outcomes. We use our scale and connectivity to maximize efficiency while continuously improving quality. As a nonprofit health plan and care delivery organization, net income goes back into the organization to serve our members. The superior outcomes of our coordinated and connected model show that high-quality, affordable care and coverage – and the promise of total health – are possible for the communities we serve.

In our communities, improving access to care for people with limited resources is a more complex and critical component of affordability and our mission. For many people with low incomes and without medical coverage, an emergency room is the only place they can get the care they need. We’re working to change that – with programs that lower financial barriers, provide free or deeply subsidized health coverage, and improve access to public health care programs in underserved communities.

Through our Medicaid, Charitable Health Coverage, and Medical Financial Assistance programs, we deliver high-quality care and coverage, and we improve health care access for people with limited incomes and resources. In 2021, we served nearly 1.3 million Medicaid and Children’s Health Insurance Program participants. We also provided health care coverage through our Charitable Health Coverage programs in 2021 to nearly 14,000 people with low incomes who don’t have access to other public or private health coverage. And we provided more than $463 million in medical financial assistance to patients in need in 2021.
By partnering with community health centers, public hospitals, local health departments, and school health centers, Kaiser Permanente helps deliver care to many low-income and marginalized communities. We also invest in making health care more accessible for our most vulnerable populations – including support for training and scholarships, program development, and expanding evidence-driven population management programs. In addition, Kaiser Permanente clinicians spend hundreds of hours each year providing medical care, consultation, and technical assistance in care delivery to underserved communities.

We believe that high-quality care can be affordable to all. This commitment remains as true today as it was when our organization was founded in 1945. Today, we must continue to focus on affordability and access in health care so current and future generations can lead fulfilling, healthy lives.

Through our community health grants, we provide more options for people who need help to get care.

**Telehealth access grants**
Funding for community organizations to increase virtual care services for people with low incomes

**Transportation support**
Partner with local groups that provide rides to vaccine sites and clinics

**Convenient mobile clinics**
Partner with local groups that provide rides to vaccine sites and clinics
Healthy Communities:
How we create equitable opportunities and conditions for health
Kaiser Permanente was founded on a commitment to keeping our members healthy and restoring them to health after injury or illness. Since our inception we have also had a larger goal – based on our belief that high-quality health care should be accessible and affordable to all – to improve the health of our communities.

As one of the nation’s largest nonprofit integrated health care organizations, we are driven by our mission to improve the health of our members and the communities we serve. We believe that being healthy isn’t just a result of high-quality medical care. Through our resources, reach, and partnerships, we address unmet social needs and community factors that impact health. Equity and inclusion are at the core of our work.

In 2021, the second year of a global pandemic, our commitment to community health continued to play an important role in helping individuals, families, and entire communities as they face ongoing health, economic, and social justice challenges.

As the health effects and economic toll of the COVID-19 pandemic continued throughout the year, our accelerated efforts broaden the scope of our care and services to address all factors that affect people’s health. Having a safe place to live, enough money to pay the bills, access to healthy meals, and meaningful social connections is essential to total health. Our mission, values, and commitment to health compel us to do all we can to improve the health of our communities.

**Equity and COVID-19 response**

While COVID-19 vaccination rates increased throughout the year, our communities endured virus surges and outbreaks that disproportionately impacted people of color. During each phase of the pandemic, our response rapidly evolved to meet changing community and social health needs, keeping equity at the core of our efforts.

Kaiser Permanente continued to dedicate substantial resources to support public health initiatives to reduce the damage caused by COVID-19. We believe it is crucial that we lend our voice and our support to improving our nation’s public health infrastructure and demonstrate the value of public-private partnerships in confronting our collective challenges so that we’re better prepared for the next crisis.
**Economic opportunity**

Financial inequality and financial insecurity have direct consequences on health, particularly mental health and chronic stress. How much money a person can earn or save determines how well the person can manage unexpected expenses or a sudden loss of steady income, and whether it’s possible to take a break from work to recover from illness, or take time off to support a family member in need.

We know that people with low incomes are more likely to face food insecurity and housing insecurity, which bring their own health-related consequences. Studies are also beginning to demonstrate connections between poverty and cognitive development.

In 2021, we increased our focus on building equitable economic opportunities in our communities.

- We invested in businesses with missions and business practices that align with our own to enhance inclusiveness in local economies. During 2021 we continued to focus on providing relief to entrepreneurs of color, helping to protect their businesses and preserve the jobs they provide in the community.

- We consulted with expert small-business-serving organizations across the country to understand what was needed and provided support to groups, such as Local Initiatives Support Corporation and Pacific Community Ventures that improve small businesses’ access to capital and offer one-to-one support and advice.

- We worked with and provided funding to organizations, such as the National Association for Latino Community Asset Builders, National Coalition for Asian Pacific American Community Development, Prosperity Now, and the African American Alliance of CDFI (community development financial institutions) CEOs, whose members are reaching the most vulnerable entrepreneurs in our communities.

Since June 2020 our efforts have helped more than 18,000 entrepreneurs – 78% of whom are people of color – connect to capital, technical training, and financial coaching. With these business supports, those entrepreneurs helped retain or create over 14,000 jobs in our communities between 2020 and 2021.

**Housing for health**

Safe, stable housing is critical to good health and the health care industry can play a key role in the effort to solve the affordable housing and homelessness crisis. Chronic homelessness can have devastating effects on a person’s long-term health – a troubling reality for far too many people. In 2021, we continued to lead efforts to end homelessness and preserve affordable housing by making strategic impact investments, shaping policy, and catalyzing innovative partnerships.
The health consequences of chronic homelessness led us to partner in early 2019 with Community Solutions, a nonprofit working to end homelessness, to support communities across the nation with evidence-based, data-driven approaches to reducing and ending chronic homelessness, especially among veterans. We have seen measurable progress through this work in 30 communities, 3 of which have achieved functional zero, meaning they have ended homelessness for a specific population, and 8 are sustaining reductions in the population of homeless people.

In October 2020, we also followed through on a pledge to invest $25 million to help California combat homelessness. Our support of Enterprise Community Partners, a national affordable housing nonprofit, assists in its work with the state to provide operating subsidies, wraparound services, and technical assistance for 22 Project Homekey properties (a California program to purchase and convert buildings into permanent, long-term housing). Overall, Project Homekey created 6,000 interim and permanent supportive housing units, housing over 8,200 individuals experiencing homelessness.

In 2018, we launched our $200 million Thriving Communities social impact investment fund, focused on addressing affordable housing and other factors that contribute to the homelessness and housing crisis. Through the fund, we invested $50 million in early 2021 in the SDS Supportive Housing Fund, a real estate fund managed by Los Angeles-based SDS Capital Group, which is working to finance up to 1,800 units of permanent supportive housing. As of December 2021, our Thriving Communities Fund has allowed us to produce or preserve over 7,000 affordable housing units by creating or contributing to a handful of funds, with over 3,100 of those units built in 2021.

To respond to increased vulnerability to COVID-19 among people experiencing homelessness in California, we partnered with the University of California, San Francisco Benioff Homeless and Housing Initiative and the National Health Care for the Homeless Council to develop the Antigen Testing in Congregate Shelters: Process Outline and Implementation Playbook. The playbook provides key considerations to successfully implement a frequent antigen testing program in homeless shelter settings. Over 440 individuals representing local health departments, homeless health care clinics, and other homeless-service providers and public health agencies across hundreds of communities accessed the playbook in 2021.

To keep a light shining on the ongoing challenges and tell powerful stories that can lead to system and policy change, we supported the launch of Season 2 of “The Way Home,” a short-form documentary series that examines the homelessness crisis in California and beyond. The films tell human stories that illuminate the complex factors that led to an epidemic of homelessness across the nation, while lifting up potential solutions to the crisis. Our screening
Healthy Communities

campaign, including 4 large, virtual events and 42 smaller screening
events in schools and other community organizations, reached over
3,000 attendees in 2021.

Watch: The Way Home
season 2: Homeless in
a pandemic

Thriving Schools

Schools are dedicated to ensuring that all students succeed, but
they can't address the health of their employees and students alone.
Kaiser Permanente created our Thriving Schools initiative to allow
our organization to serve as a valuable partner in health to schools
and districts across the country.

Our groundbreaking research about ACEs, or adverse childhood
experiences, back in 1998, made us one of the first organizations to
recognize the link between childhood trauma and health. This work
has been core to Kaiser Permanente for decades.

Our Thriving Schools initiative supports K-12 school systems in being
equitable, healthy, and vibrant places for all. Through the initiative,
we partner with schools and districts to help ensure that teachers,

staff, and students have the support they need to thrive, in learning
and in health.

In 2021, we continued to strengthen our Thriving Schools strategy,
launching an enhanced Thriving Schools website with a library of
credible resources to support schools and districts in their efforts to
foster health.

Alongside our partners at Alliance for a Healthier Generation,
we developed and launched the Thriving Schools Integrated
Assessment, a no-cost tool to help schools and districts identify
opportunities for promoting student achievement and supporting
the well-being of students, staff, and teachers amid the
COVID-19 pandemic.

Our RISE initiative, or Resilience in School Environments, continued to
support school staff, teachers, districts, and the community address
the underlying factors of stress in schools and develop strategies and
practices that foster more positive school environments.

Our combined Thriving Schools initiatives and resources have
reached more than 12,000 educators and schools from 2018 to 2021.
Advocating for good health policy

As a leader in health care, Kaiser Permanente engages in active policy advocacy at the federal, state, and local levels. We work on issues related to affordable health care, universal coverage, drug pricing, public health, tobacco use, gender equality, racial justice, voting rights, mental health care access, and reduction of mental health stigma.

For more information on Kaiser Permanente’s work to help shape policy, read Community Drivers of Health: Policy Paper Series on our Institute for Health Policy site.

CityHealth

Through Kaiser Permanente’s ongoing partnerships with community organizations, municipal leaders, and public health advocates, we are working to incorporate health, equity, and sustainability considerations into public policy and the built environment in ways that influence how neighborhoods take shape and grow.

CityHealth, Kaiser Permanente’s ongoing collaboration with the de Beaumont Foundation, advances a package of tried and proven policy solutions that will help millions of people live longer, better lives in vibrant, prosperous communities. CityHealth’s policy recommendations are based on evidence and supported by experts, and have a track record of bipartisan support.

In its annual policy assessment, CityHealth rates the nation’s 40 largest cities on the number and strength of policies that have lasting impacts on quality of life. In the 2021 ratings, 4 cities served by Kaiser Permanente earned gold medals for overall policy work. In 2017, when CityHealth began the annual policy assessment, only about 50% of the nation’s largest cities earned a medal for overall policy work. In 2021, over 90% of cities included in the ratings earned a medal for overall policy work, with more than 44 million people benefiting from policies that promote health.

In response to the evolving challenges cities face, in 2021 CityHealth released an updated package of 12 policy solutions, including new and revised recommendations for affordable housing trusts; Complete Streets (street planning, design, and maintenance); earned sick leave; eco-friendly purchasing; flavored tobacco restrictions; green space; healthy food purchasing; healthy rental housing; high-quality, accessible pre-K; legal support for renters; safer alcohol sales; and smoke-free indoor air.

To support all cities in establishing health-promoting policies, CityHealth released a report in 2021 about safer alcohol sales, shared funding strategies, and a self-assessment framework for city pre-K leaders. For more information about the CityHealth initiative, visit the CityHealth website.
Preventing firearm injury

Gun violence is a preventable public health crisis that claims lives and creates trauma with untold, long-lasting consequences. As a health care organization, we believe we must do more to prevent gun violence and educate on its health implications in our society. We are in a unique position to expand, amplify, and implement promising work underway by health care and public health leaders to prevent future gun-related injuries and deaths.

Through the Kaiser Permanente Task Force on Firearm Injury Prevention, established in 2018, and our pledge of $2 million in funding, we are supporting research studies and testing firearm screening tools and counseling interventions that focus on how physicians and clinicians can help prevent firearm injuries. The resulting research is examining the efficacy of clinical screening for firearm ownership, safe storage, and suicide prevention.

Addressing intergenerational trauma

In 2021, Kaiser Permanente announced it was providing financial support to 13 organizations across the United States whose work focuses on ending the generational cycles of trauma caused by structural racism and injustice experienced by Black Americans and other communities of color. The organizations provide services such as safe housing and counseling for teen mothers, violence prevention and social-emotional learning programs, trauma-informed and resilience-focused skill building for caregivers, and approaches for healing racial stress for families in Los Angeles.

Trauma often manifests in situations and actions that hurt children by causing adverse childhood experiences, known as ACEs, which have negative lifelong consequences for health and well-being. Original research by Kaiser Permanente and the Centers for Disease Control and Prevention in 1998 established that ACEs such as abuse, neglect, and household dysfunction are associated with a long-lasting stress response that has been linked to risky health behaviors and chronic health conditions.

Evidence from subsequent studies shows that experiences such as discrimination, community violence, death of a parent or guardian, bullying, or separation from a primary caregiver may also lead to a harmful toxic stress response. Kaiser Permanente has committed to doing more to address social inequity and systemic racism, and help end the generational cycles of trauma experienced by communities of color.

Read: Systemic racism and trauma spur action for healing

Safety net support

Kaiser Permanente is committed to building partnerships with community institutions that play a critical role in delivering health care for the uninsured and underserved, often referred to as the health care safety net. Ensuring health access means that
we recognize the importance of the health care safety net for connecting people with wraparound supports like social services, housing, oral health care, and support for mental health and addiction treatment.

Safety net clinics are essential community partners in our shared goal of improving the health of individuals and communities. Community-funded clinics, rural health clinics, free clinics, school-based health centers, and federally qualified health centers are vital parts of the health care safety net, providing quality care for the country’s most under-resourced populations.

To help protect vulnerable communities, Kaiser Permanente provides grants and other resources to help close gaps in care. We launched the Virtual Care Innovation Network to bring together safety net organizations across our communities to redesign care so virtual care models continue to thrive and improve access after the pandemic abates.

Our Safety Net Vaccine Equity Initiative grants awarded flexible funding to health care safety net clinics working to increase access to vaccinations. These funds supported mobile vaccination operations, safe transportation to vaccination sites, language services, and adequate staffing at clinic sites.

Employee volunteering in our communities

We are proud of the commitment of our workforce to actively engage in improving our communities. Employee volunteering programs enable our employees and physicians to help put inspiration into action.

KPCares.org provides an easy way to find, share, and participate in volunteer activities in communities where our workforce lives and work. Staff members can post a new project and recruit the volunteers needed. They can match appropriately skilled volunteers for disaster relief, indicating the needed medical specialties, languages spoken, and certifications. During 2021, 78,050 volunteer hours were logged in KPCares by our employees and physicians.

At Kaiser Permanente, Martin Luther King Jr. Day is honored as a day of service, an annual opportunity to serve our communities across the country. During the pandemic, MLK Day of Service continued those efforts as a week of service with opportunities to volunteer virtually. During the week of January 17, 2022, nearly 2,000 Kaiser Permanente employees volunteered in over 90 service projects. Close to 3,000 volunteer hours were served, which benefited over 17,000 people. Volunteer projects included blood drives, food donation drives, letter- and card-writing campaigns, compassion calls to senior citizens, resume review workshops, and making blankets, assembling hygiene kits, and stuffing teddy bears.

Read: Virtual Care Innovation Network – supporting access to telehealth
Environmental stewardship

We strive to improve the physical and environmental health of the communities we serve and are committed to being environmentally responsible throughout our organization – in how we power our facilities; purchase food, medical supplies, and equipment; manage waste; and invest in our communities. Learn more about our strategies for environmental stewardship in our Thriving Planet section.

Responsible Business:
Inclusive, equitable, and responsible business for positive impact
Kaiser Permanente’s high-quality, affordable health care and coverage are powered by our core business functions including human resources, procurement, real estate and facilities, and treasury and investments – all of which operate at the highest levels of business integrity and ethics. We seek to optimize the social value provided by our business beyond simply the health care we provide. We understand that advancing social and economic justice starts with how we run our business.

We strive to align our business practices to advance **equity, integrity, and access to opportunity** in our industry, our business and clinical operations, and our communities. We activate our business assets to protect and promote the health of our communities.

### A history of equity, inclusion, and diversity at Kaiser Permanente

At Kaiser Permanente, we believe in equity and inclusion for all. To make equity, inclusion, and diversity a reality for our workforce, members, and communities, we value each other equally. We weave equity and inclusion into the fabric of everything we do. Through our equity, inclusion, and diversity strategy, we strive for the following achievements in our workplace, through our care delivery, and in our communities.

- **Workforce:** All people of Kaiser Permanente have the equal opportunity to reach their full potential benefiting from an inclusive, psychologically safe workplace.
- **Health equity:** Equity in health outcomes and experience will be achieved through the elimination of systemic barriers such as racism and other forms of oppression in health care.
- **Community:** We engage, influence, and invest in community capacity to address the impacts of systemic barriers to health and economic opportunity.

### Long-standing commitment

Kaiser Permanente began in the shipyards, where women and men of all races, ethnicities, and abilities **worked side by side as peers**. In the 1940s, when many hospitals were segregated, we had integrated wards, built diverse teams of employees and physicians, and treated all our patients equally, regardless of race. Today, equity, inclusion, and diversity continue to be elevated to Kaiser Permanente’s highest level of strategic priority.

Kaiser Permanente commits to playing a significant role in creating equity for all and addressing all barriers that are unjust, unequal, and preventable. We will change foundational systems and processes using our voices, resources, and influence to help disrupt bias and racism, and correct oppressive systems in our society. We are owning and addressing areas that need more focus and are key to building an inclusive, psychologically safe workplace where everyone feels included and has an equal opportunity to reach their full potential.

For over 40 years, Kaiser Permanente has hosted an annual event to highlight current barriers and opportunities to advance diversity. Our National Ethics, Compliance, and Diversity Conference continues to bring together and inspire physicians and employees across the enterprise to champion equity, inclusion, and diversity for all.
Inclusive and psychologically safe environment

Achieving our mission can only be accomplished by fully including and engaging people with diverse backgrounds and different ways of thinking among our workforce, all focused on doing our best for the people we serve. We are building a highly inclusive, engaged, and psychologically safe workplace where all our physicians and employees have equal opportunity to use their diverse perspectives and strengths to support our mission.

Responses to our semiannual workforce engagement survey, People Pulse, are organized into 10 key topic areas, or indices, that measure critical aspects of our work environment. Our inclusion and speaking up indices allow us to track and measure employee sentiment around inclusive climate and psychological safety. We also use equity, inclusion, and diversity listening sessions across the organization to hear directly from our employees and physicians about their experiences and opportunities at Kaiser Permanente. As a result of these data inputs, we introduced a number of tools and initiatives that help equip our managers and workforce.

• **Leader guide on our racial equity and social justice actions** – This dialogue and action guide helps managers increase awareness, education, and engagement throughout the organization on the issues of racial equity and social justice.

• **Equity principles** – Our equity principles define the expectations and accountabilities for the people of Kaiser Permanente in promoting individual actions to uphold the racial, health, and workforce equity standards that reflect our mission, values, and history. These principles are being integrated into our code of conduct and into our core talent programs.

• **Equity resource guide for managers** – This detailed guide provides managers the tools needed to support our equity principles. Manager workshops and listening sessions were also held to equip managers with the language and understanding needed around equity.

• **Belong@KP** – This multiyear training program combats bias, racism, and social injustice and promotes an environment where all our physicians and employees feel they are valued and treated fairly, and that they belong. It is designed to help participants understand bias and systemic racism, build new habits to disrupt bias, and make decisions with a lens for identifying and eliminating bias and inequities. More than 100,000 employees have taken the disrupt bias learning modules.

• **Health equity portal** – This repository offers internal and external resources to employees and physicians to advance equitable care.

• **Equity-centered design** – This holistic approach to problem-solving is based on equity, humility-building, integration of history and healing practices, addressing power dynamics, and cocreating with our workforce, members, and community. We use this approach to improve equity across our systems and practices.
Improving ethnic, racial, and culturally diverse representation

We’re committed to advancing diversity at every level of our organization.

Our efforts to improve diverse representation include the implementation of equitable and inclusive practices across the employee life cycle. Our intent is to identify, recruit, develop, mentor, assess, and retain diverse talent. These efforts include:

- Engaging external experts to help us reduce bias in talent recruitment and selection, job descriptions and structure, performance management, and compensation programs and policies
- Matching high-potential identification with formal sponsorship opportunities, with strong emphasis on diverse talent
- Creating common job structures across the organization to ensure fair job leveling and enable pay equity analysis
- Tracking diversity statistics through each step of the executive search process to ensure we’re being inclusive throughout our hiring process
- Automatically sharing all external job postings across hundreds of niche diversity job sites to cast a wide net for candidates and increase awareness of openings

Our diversity

Our organization reflects the ethnic, racial, and cultural diversity of the communities we serve. Nearly 70% of our employees are members of racial, ethnic, and cultural groups, and 72% are women.

Percentages as of October 2022; data represents Kaiser Foundation Health Plan and Hospitals employees and does not include physicians.
• Establishing clear workforce equity goals and measures for leaders to drive accountability and track progress and impact relating to representation by organization level as well as key talent actions in hiring, promotion, and retention rates.

Business resource groups
• Since 1989, our business resource groups have brought people with shared life experiences together to foster a culture of belonging, support our mission, and advance equity and inclusion for all.
• Today, we have 10 business resource groups creating experiences and opportunities that reinforce our organizational values and priorities for our workforce, members, and communities.

• Our business resource group program is expanding our focus on intersectionality – or the way in which different facets of a person’s identity combine to create unique life experiences – to more deeply understand how identifying with more than one group shapes our interactions at work and our life experiences.
• Nearly 9,000 of our employees and physicians are members of a business resource group.

Building and strengthening our dedicated workforce
At Kaiser Permanente, we have robust facilities, deploy leading-edge technology, and develop and follow evidence-based medical practices. But it is our people who make our mission come to life and truly set us apart. We are committed to responsible and inclusive practices in who and how we hire, and in access to development and advancement opportunities for our incumbent workforce.

We are a partner in the largest, longest-running private labor-management partnership in the country. The Labor Management Partnership leads organizational change, creates an environment of continuous learning and improvement, and involves the workforce in decision-making.

Investing in workforce development and advancement
Kaiser Permanente’s workforce development is industry-leading, and helps tens of thousands of employees earn credentials, access professional coaches, and secure higher-earning positions every
Our approach to workforce well-being

Kaiser Permanente’s workforce well-being program aims to foster a culture of workplace wellness and give all employees the tools and resources they need to achieve and reinforce total health—a state of physical, mental, and social well-being. Total health encompasses all that we do at Kaiser Permanente, where well-being is an integral part of our work, because when we thrive, so do our members, our communities, and our organization.

We believe in helping our employees thrive by encouraging wellness, supporting balance, and empowering action so that everyone can be their very best self. Our work helps accelerate a culture of workplace health and well-being through a collaborative effort with multidepartmental partnerships across the organization. Our well-being model includes 6 key areas of focus.

1. Physical health and safety
2. Mental health and wellness
3. Healthy relationships
4. Community involvement
5. Career wellness
6. Financial wellness

These elements of well-being are interrelated, so the programs and activities offered to our workforce intentionally touch on all 6 areas to provide holistic support.
Programs and activities

Kaiser Permanente created Rise&Renew in 2021, an enterprisewide initiative to support the mental health and well-being of our workforce, with resources that focus on addressing burnout and impacts of the pandemic. The program supports leaders, managers, physicians, and employees through training and activities that educate about the key drivers of burnout, help to facilitate new work norms, and provide monthly team activities that support employees on a variety of well-being topics.

We are also committed to eliminating the stigma of mental health conditions in the workplace and are taking action to address this challenge. An online training was developed to give all employees access to information about mental health conditions and how to care for their mental health, reduce stigma in the workplace, foster a supportive environment, and find available resources. More than 53,000 employees completed the online mental health training by the end of 2021. We also offer the Kaiser Permanente Employee and Physician Assistance Program for confidential assessment, short-term counseling, and referrals by licensed, trained clinicians for all Kaiser Permanente physicians, employees, and their dependent family members. A national Mental Health Advocate network was launched to increase support from employees who are particularly interested in spreading mental health and wellness education to their local departments and areas. Advocates have access to tools, resources, and activities they can share with their teams to create a supportive, stigma-free workplace environment – normalizing the conversation about mental health. The advocate role is voluntary, and as of August 2021, 409 advocates had joined the effort across Kaiser Permanente.

In response to lifestyle changes caused by the pandemic, we placed renewed focus on physical health featuring new Go KP campaigns “Worldwide Wellness” and “Walktober.” The campaigns promote walking and outdoor activities as ways to increase fitness, support mental health, and build connections with...
co-workers by participating on teams. In 2021, 17,400 employees participated in physical activity campaigns.

**Leader and manager development and training**
Our workforce well-being program incorporates leadership development and training for senior leaders, managers, and front-line staff to become leaders in health and well-being. We offer managers a series of training sessions on how to create a culture of health, along with an evidence-based playbook for supporting health and well-being in the workplace.

**Unit-based teams health and safety champions**
Through the Labor Management Partnership, the Unit-Based Teams Health and Safety Champion program was created to embed health and well-being activities into the workplace through a network of 3,000 volunteers. The champions lead employee-powered well-being projects across the organization. In 2021, 2,418 well-being and safety-related projects were initiated across the organization.

**National well-being policies**
Kaiser Permanente believes in making the healthy choice the easy choice and has implemented several workforce well-being policies to help support our employees. These include a campuswide no-smoking policy, a healthy catered food policy for company-sponsored meetings and events, a lactation support policy for new mothers returning to work, and a healthy workplace activities policy that encourages physical activity and mental wellness during the workday.

Kaiser Permanente strives to foster an environment that supports health and well-being, including psychological safety, enabling our workforce to thrive. These programs also equip our workforce to embed inclusive and equitable practices into how we identify, recruit, develop, mentor, assess, and retain diverse talent.

**Employee engagement**
Kaiser Permanente’s mission to improve health requires the full engagement of our people. By sharing their voices about their work experiences, employees can drive change that makes Kaiser Permanente an even better place to work. People Pulse, our employee engagement survey, helps us understand our internal strengths and opportunities for improvement, and guides actions so employees can continue to contribute to achieving our mission.

In 2021, we significantly expanded our capacity to measure the well-being of our employee population through the launch of our Employee Well-Being Questionnaire. This self-reported questionnaire asks a set of validated questions on well-being status, burnout, and social health needs. In 2021, the questionnaire enabled the organization to target support to highly impacted areas during the pandemic, and provided managers a tool to assess the current state of their team’s well-being so that targeted solutions and actions could be implemented.

**Higher Culture of Health Index scores**
Higher Culture of Health Index scores correlate with 79% fewer workplace injuries and 84% fewer lost workdays. Employees who are engaged in well-being through their unit-based teams show consistently favorable health outcomes as well in lost sick days, health screenings, and blood glucose test results.
Across the organization, a link has been established between high scores on Kaiser Permanente’s People Pulse Culture of Health Index and better performance on certain business outcomes.

**Workplace safety**

Kaiser Permanente prioritizes the health and safety of its workforce and has a comprehensive approach to managing workplace safety across all administrative and clinical settings. We believe that an injury-free workplace is an essential ingredient of high-quality, affordable patient care. We have set the goal of eliminating all causes of work-related injuries and illnesses to create a workplace free from harm. Through the Labor Management Partnership with the Coalition of Kaiser Permanente Unions and the Alliance of Healthcare Unions, Kaiser Permanente established and maintains a strong workplace safety program and strategy with a structure based on 4 key pillars: leadership and employee engagement, safety management systems, risk reduction, and performance management.

The workplace safety program is led by Kaiser Permanente and labor leaders at the national, regional, and medical center levels, and is highly visible. Reports are provided regularly to the Kaiser Foundation Health Plan and Hospitals Boards of Directors. Kaiser Permanente sets goals and benchmarks its performance against Occupational Safety and Health Administration recordable injury data published by the U.S. Bureau of Labor Statistics, incorporating the Total Health Care and Social Assistance industry codes in the North American Industry Classification System. Each quarter, the Workplace Safety Scorecard provides a broad audience at Kaiser Permanente with a summary of progress toward goals and targets, areas of highest risk, and mitigation strategies.

Kaiser Permanente maintains policies that promote consistent practices in compliance with federal, state, and local laws and regulations to support a culture of health and safety and to protect the environment of the communities in which we provide services, operate, or are the building owner. This includes policies to provide clear roles, responsibilities, and requirements for staff and managers who work directly in the clinical care and transport of patients and members.

We take preventive measures to provide a safe environment for everyone on our premises and in our working environments and expressly prohibit acts or threats of violence or intimidation that involve or affect work or that occur on Kaiser Permanente premises.

As a leader in preventive care and to safeguard our members, workforce, and communities during the COVID-19 pandemic, Kaiser Permanente implemented in 2021 a mandatory COVID-19 vaccination program and policy for our workforce – including contractors, volunteers, and students – in compliance with federal, state, and local law.

Over 90 employee safety training modules covering a broad range of topics from blood-borne pathogens to ergonomics to fire safety are maintained in Kaiser Permanente’s enterprise learning system, KP Learn. Regulatory-required training is monitored for compliance. Additional, nonregulatory-required employee safety training modules specific to employees’ roles, responsibilities, and interests are available and accessible to all of our employees. Kaiser Permanente’s online resource application, SafetyNet, provides centrally accessible information about employee safety programs, resources, and contact information.
**Other employee benefits**

Our employees work hard every day to support our mission. In return, we offer market-leading compensation and benefits, comprehensive health coverage with little to no cost share, retirement programs, and robust time-off policies designed to help our employees and their families stay healthy, meet their financial goals, and generally thrive in and beyond work. Financial assistance for higher education is offered to employees through several programs that offer scholarships to employees, and a tuition reimbursement program that provides up to $3,000 a year.

Kaiser Permanente implemented special temporary programs to support our front-line staff who were caring for our patients, members, and communities during the COVID-19 health crisis. The pandemic presented significant, unprecedented challenges for employees at work while they faced managing sudden and traumatic changes in their daily and family lives. A set of temporary supplemental COVID-19-related benefits and pay programs to help these employees and their families included additional time off, grants to pay for child care, and short-term housing near our medical offices for certain situations.

**Access to economic opportunity: Our anchor strategy**

As one of the nation’s leading health care providers and integrated nonprofit health plans, we employ over 220,000 individuals, we purchase tens of billions of goods and services annually, and we have billions of dollars in assets under management, including our more than 750 hospitals, medical offices, and administrative buildings.

We recognize that we have tremendous economic power and can influence local economies, and we strive to contribute to inclusive economic opportunity in the communities we serve. We believe that this approach will provide mutual, sustainable benefit to our business, our employees, our business partners, and our communities.

At Kaiser Permanente, we consider ourselves an anchor institution in all the communities where we provide coverage and care. Per the National Academy of Medicine: “Anchor institutions are large, usually nonprofit organizations tethered to their communities, like universities, medical centers, or local government entities. They have significant economic and social impact on their communities, and they also have an economic self-interest in making sure these communities are healthy and safe.”

Anchor institutions are place-based, mission-driven entities such as hospitals, universities, and government agencies that
leverage their economic power alongside their human and intellectual resources to improve the long-term health and social welfare of their communities.

We understand that income-earning and wealth-building opportunities are foundational to healthy communities, supporting access to health care and education, housing stability, and food security.

Underrepresented communities, including low-income communities and communities of color, face disproportionate barriers to economic opportunity, impeding good health and intergenerational economic mobility. In line with our foundational institutional commitment to racial equity, our anchor strategy seeks to intentionally benefit people of color, people with disabilities, people who identify as LGBTQ+, veterans, and other groups that have faced sustained structural economic disadvantage in America.

**Our anchor strategy encompasses commitments to:**

- Responsible sourcing and supplier diversity
- Responsible and mission-aligned investment
- Responsible and inclusive hiring, development, and advancement
- Facilities planning, design, and construction

Our approach recognizes that real-world, systemic change is best catalyzed and reinforced through partnership. Kaiser Permanente’s industry leadership has allowed us to cultivate strong, long-lasting relationships with partner organizations including the Healthcare Anchor Network, a national collaboration of more than 70 leading health care systems building more inclusive and sustainable local economies, which we helped found in 2016.

### Responsible and inclusive hiring, development, and advancement in our communities

The many programs and initiatives at Kaiser Permanente to recruit, hire, develop, and advance our employees are also an element of our anchor strategy. In addition to the comprehensive work already described, we undertake additional initiatives designed to develop talent in the communities we serve.

We believe that building and supporting a more stable, diverse public health and clinical workforce is a critical piece of how we can create economic opportunity for communities of color and be better prepared to meet the needs of our communities.

We are working to empower people from all backgrounds to achieve academically and gain the skills needed to improve their access to quality, well-paying jobs.
In 2018, we launched a formal strategy called High-Impact Hiring, a talent-sourcing and workforce planning strategy to create career pathways for our most vulnerable unemployed and underemployed community members. High-Impact Hiring strategies seek to increase diversity, support local employment, and improve community health.

In 2021, our Talent Acquisition teams engaged in over 300 unique relationships with schools, colleges, and universities and community-based workforce development programs to support people with disabilities, people who identify as LGBTQ+, people of color, and veterans to pursue career pathways in health care and explore careers at Kaiser Permanente. Recruiters and other Kaiser Permanente staff supported career exposure, resume review, job interviews, and in some cases, employment.

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**Responsible procurement and supplier diversity**

Health care organizations purchase a wide range of supplies and services, such as uniforms, furniture, housekeeping equipment and supplies, linen services, waste disposal, and translation services. Kaiser Permanente leverages our purchasing power to promote economic opportunity for diverse small businesses and to support healthy, diverse, equitable, and sustainable economies.

**Making an impact**

Ingrid is a 55-year old immigrant from Nicaragua, who moved to the United States 6 years ago. Ingrid was exposed to the medical field through the years her mother spent receiving medical care due to multiple illnesses. Ingrid studied to be a medical assistant and phlebotomist, but was unable to secure employment due to her lack of experience. She started working as a bank teller without losing hope that someday she would work as a medical assistant. While scanning job postings, she came across the Jewish Vocational Services Medical Assistant Refresher posting and knew it was exactly what she needed. Ingrid successfully completed the refresher course and her work based experience at Kaiser Permanente in San Francisco, where her enthusiasm and commitment were always noted.

She almost immediately started working with a staffing agency as a medical assistant. Unfortunately, she only stayed one day due to poor working conditions. Refusing to give up, she continued to apply for other positions; 2 weeks later, she found a permanent full time job as a medical assistant earning $22 per hour, with full benefits. At Milagros Medical in the Mission District in San Francisco, she is able to fully utilize her professional skills, and her culture and language skills are greatly appreciated by the staff and her patients. Ingrid is in the process of taking her certified clinical medical assistant exam in order to be state certified as a medical assistant.
Our annual procurement spending generates substantive economic impact in local communities by supporting jobs, generating indirect income, and contributing to federal, state, and local taxes. $18.7 billion in procurement in 2021 is estimated to have supported 148,132 jobs, and generated $10 billion in income and $2.9 billion in federal, state, and local taxes.

In 2014, Kaiser Permanente joined the Billion Dollar Roundtable, a network of companies that each annually spend at least $1 billion with diverse suppliers. Each year, we increase our spending with businesses owned by people of color, women, veterans, people with disabilities, and people who identify as LGBTQ+. In 2021, we reached $2.9 billion in spending with these diverse suppliers.

In 2021, Kaiser Permanente signed the Impact Purchasing Commitment with other members of the Healthcare Anchor Network committing to improve supplier diversity, environmentally sustainable sourcing, and procurement-driven job creation. The signatories of the commitment pledge to collectively increase purchasing by at least $1 billion by 2025 with businesses owned by people of color or women and local, employee-owned businesses.

In addition to influencing purchasing decisions, Kaiser Permanente offers support to our suppliers. In response to the COVID-19 pandemic, we created an online Supplier Restoration & Resilience Toolkit for developing business continuity plans to recover and rebuild after major disruptions. We also launched the Thriving Leaders Program to help our diverse suppliers strengthen their mental well-being and support their emotional resilience through facilitated group workshops and peer support circles.

**The Economic Impact of our procurement spend**

Our 2021 procurement dollars drove economic impact by supporting jobs, generating indirect income, and contributing to Federal/State/Local taxes.

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<th>$18.7B</th>
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<td>Kaiser Permanente procurement</td>
<td>Jobs supported</td>
<td>Income generated</td>
<td>Federal/State taxes</td>
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**Responsible and mission-aligned investment**

Kaiser Permanente investment assets funds are invested in a combination of equity, fixed income, alternative investments, and cash designed to deliver long-term returns that satisfy or exceed plan liabilities to participants and beneficiaries.

We embrace responsible investment practices as a way of conducting our investing program, recognizing that ESG – or environmental, social, and governance – factors can have a material positive impact on risk and outcomes, and creating and preserving capital. Kaiser Permanente was one of the earliest, if not the first,
large-scale organizations to take into consideration ESG-related factors when making investment decisions. Kaiser Permanente was an early adopter of ESG funds, which are offered in the defined contribution plans to its participants. We continue active engagement with our investment partners on ESG elements, and ESG dimensions are increasingly present in investment decision-making, which is done solely in the interest of participants and beneficiaries consistent with the plan fiduciary’s duties. The Kaiser Permanente investment funds currently have 2 specific investment exclusions: tobacco and retail firearms manufacturers. As part of our long-standing commitment to addressing the climate crisis, we have invested for over 10 years in renewable energy.

We believe that equity, inclusion, and diversity, as attributes in how investment teams are managed, increase our capability to improve long-term returns. By integrating equity, inclusion, and diversity in the full process of managing investments, our investment program is exposed to, and informed by, a wide range of perspectives, ideas, and opinions, ultimately producing better investment outcomes. We expect all our managers to develop and promote talented women, people of color, veterans, people who identify as LGBTQ+, and people with disabilities as investment management professionals. Further, we expect that our investment managers will pursue and encourage equity, inclusion, and diversity in their leadership ranks.

In 2018, Kaiser Permanente established the Thriving Communities Fund, an initial $200 million allocation from our general balance sheet specifically set aside for impact investments — investments that directly seek to proactively invest in drivers of health in Kaiser Permanente communities while also attaining financial returns (ranging from below market to market rate). In particular, the fund focuses on affordable housing and advancing economic opportunity, in alignment with Kaiser Permanente’s mission to improve length and quality of life, as well as equity of health outcomes in Kaiser Permanente communities. Thriving Communities Fund’s impact investing strategy seeks to promote sustainable, systemic change for our communities’ most underserved populations.

As of 2021, the Thriving Communities Fund had committed $190 million to affordable housing and $30 million in economic opportunity investment funds, with over $100 million fully deployed by those funds in Kaiser Permanente communities. Over 7,000 affordable and permanent supportive homes have been preserved and produced and over 1,000 high-quality jobs created in communities of color with the deployment to date. The commitment to be a leading impact investor has only grown, with the Thriving Communities Fund allocation increased to $400 million in 2021.

Facilities planning, design, and construction

Since 2017, we have had a new way of thinking about how we plan and build new facilities. With close to $3 billion spent annually on constructing, renovating, and maintaining facilities, the opportunity to do this in a way that confers value to the community is tremendous. By working with the community in deeper ways to understand need, connecting people who face barriers to employment to jobs in construction and health care, addressing neighborhood blight through land redevelopment, and increasing access to meeting spaces and Wi-Fi, we can meaningfully improve communities.

When building new facilities, we follow a set of requirements intended to engage local communities and maximize economic benefits extended to them from our facility development. These include:

- Diverse purchasing requirements determined by project size and applied to general contractors and their vendors
• Diverse and local trade hiring requirements institutionalized in individual contracts

• Data analysis (including Community Health Needs Assessments, Neighborhood Deprivation Index, and Kaiser Permanente aggregated member health data) and community engagement to identify needs and opportunities and to determine what the building can contribute

• Sustainable building materials

• Major construction projects achieving LEED, or Leadership in Energy and Environmental Design, Gold or Platinum certification

• Engagement of local artists for facility decoration

Of our 65 LEED-certified buildings in 2021, 10 have achieved the highest possible LEED Platinum level. Our renewable energy program has installed more than 60 megawatts of solar generation at 100 hospitals and medical buildings throughout California, and we are contracting the energy output of off-site wind and solar projects. All of these initiatives are a large part of our overall sustainability strategy, described in the Thriving Planet section.

We are committed to supplier diversity and to supporting the growth of minority-owned businesses in the construction industry. In 2021, we spent $264 million in Tier 1 and $102 million in Tier 2 spending with diverse suppliers for design and construction services. We also hosted multiple informational events to build minority-owned construction firm capacity to work directly with Kaiser Permanente or serve as a subcontractor on our projects.

We are also working with our union and general contractor partners to promote careers in the construction and building trades industries. In 2021, our internally delivered projects employed 234 apprentices. We also supported the Construction Industry Education Foundation to engage 2,200 young people from low-income backgrounds in exposure and experiences in construction and building trades through Trades Day, a day for construction career exploration, and Design Build, a 2-day competition with high school students and probation departments.

For our Kaiser Permanente Watts Medical Offices opening 2024 in Watts, California, we hosted outreach events for vendors, contractors, and local hires. More than 560 businesses attended our supplier diversity events. Read about how our expansion in Watts is part of a broader community health commitment.
Creating and preserving trust through an ethical culture

More than ever, people care not only about what companies do, but also about why and how they do it. Organizations that lead with ethics do well by doing good. The people of Kaiser Permanente, from leadership to front lines, are collectively dedicated to holding themselves and others accountable for doing the right thing. Our ethics and compliance program creates and protects the trust that our customers, employees, partner organizations, government, and communities place in Kaiser Permanente. We strongly believe it also enables Kaiser Permanente to have a greater impact in the communities we serve.

Code of conduct

Kaiser Permanente maintains an enterprisewide code of conduct – the code – which provides guidance on the expectation that employees, physicians, dentists, contractors, and agents of the organization conduct themselves ethically and honestly. It emphasizes that compliance is everyone’s responsibility and directs them to resources to help resolve any questions regarding appropriate conduct in the workplace. The code is provided upon hire, presented annually as a part of Ethics and Compliance Training, and made available to all employees on the Kaiser Permanente intranet. The Kaiser Foundation Health Plan and Hospitals Boards of Directors has also adopted and is accountable to adhering to an ethical code of conduct, which centers on the organization’s mission, includes the foundation of the organizational values and expectations, and serves as a framework to help exercise good judgment and make ethical decisions. Periodically we review the code, and any necessary enhancements are recommended to the board-designated committee for adoption.

Our core values and guiding principles include, but are not limited to:

- **Doing the right thing** by integrating ethics and compliance into the work we do every day
- **Preserving the trust of our members, patients, and customers** by keeping our data confidential, private, and secure
- **Striving to make Kaiser Permanente the best place to work** by respecting one another and being recognized for our equity, diversity, and inclusion
- **Making objective and fair decisions** by understanding and acting with integrity without conflict
- **Knowing how to get help** by providing a number of avenues to report concerns and promoting a psychologically safe speak-up culture

The ethics and compliance program

Our ethics and compliance program is designed to provide awareness and to monitor and promote an ethical environment in compliance with laws and regulations. Kaiser Permanente maintains the program by leveraging guidance from the United States Department of Health and Human Services Office of Inspector General, the Centers for Medicare and Medicaid Services, and the United States Sentencing Commission’s Federal Sentencing Guidelines, and applicable state guidance. The program is intended
to provide added assurance that Kaiser Permanente:

- Supports our employees and third-party partners in fulfilling their legal, professional, and ethical obligations
- Complies with applicable laws, regulations, policies, and procedures related to its operations
- Satisfies conditions of participation in health care programs funded by state and federal governments, the terms of its contractual arrangements, and applicable requirements associated with Centers for Medicare and Medicaid Services models
- Detects and prevents fraud, waste, and abuse, or other forms of misconduct by our employees, contractors, and agents who work on our behalf
- Develops procedures that allow prompt, thorough investigation of alleged misconduct by the organization; and timely, appropriate corrective action

To support the effectiveness of the ethics and compliance program, the Kaiser Foundation Health Plan and Hospitals Boards of Directors set forth a charter establishing a governance and structure designed to facilitate oversight by the boards while maintaining sufficient independence from the business operations. The organization designates a chief compliance and privacy officer and Executive Compliance Committee charged with the responsibility of implementing and monitoring the program. The work is structured to support the independent governance and overall effectiveness of the program across the organization. It consists of functional, regional, and market compliance teams.
Scope and responsibilities of the ethics and compliance program

Kaiser Permanente seeks to be in compliance with all applicable federal and state laws and organizational policies, including in 7 key areas:

- Fraud, waste, and abuse
- Privacy and security of protected health information
- Member and patient rights
- Regulatory requirements impacting care delivery
- Regulatory requirements impacting the operation of health plan products
- Documentation, coding, charging, and billing
- Adherence to the organization’s compliance policies and code of conduct

Enterprisewide policies, procedures, and workflows

Kaiser Permanente develops and maintains enterprise, national, regional, facility, and department policies and procedures to support business and care delivery operations. The policy and procedure repository is accessible to all employees, physicians, dentists, and contractors. Policy development is monitored to validate approval of policies and procedures, prevent conflicting policy requirements, avoid redundancy, and comply with licensing and accreditation requirements.

Kaiser Permanente also develops policies that establish compliance expectations and accountabilities across the organization. Centered by our code of conduct, these ethics and compliance policies address expectations around topics including non-retaliation; conflicts of interest; business record retention; compliance training; reporting to regulators; privacy and security; and fraud, waste, and abuse.

Example: Our policies for protecting privacy

Medical records and patient information are stored in areas with limited access. In addition, electronic health records, claims, and other sensitive information in data systems are protected by network security safeguards such as firewalls, antivirus software, and passwords. Staff members keep member information confidential when speaking with colleagues or with anyone over the phone. Staff members who have access to such information are trained and monitored for compliance within confidentiality and security guidelines.

Ethics and compliance training and education

Kaiser Permanente requires both general and specialized ethics and compliance training. As a condition of employment, employees are provided ethics and compliance training upon hire and annually thereafter. They are requested to review and attest to the code of conduct and encouraged to share matters of concern to their supervisor or compliance officer, or through the Ethics
and Compliance Hotline. Targeted training is also provided for employees, and for contractors and agents, as determined by job function. It focuses on laws, regulations, and ethics and compliance policies and procedures directly relevant to their responsibilities.

Effective lines of communication
Kaiser Permanente is committed to fostering a culture where everyone is free to speak up. Our goal is that all employees, whether seeking answers to questions or reporting potential instances of noncompliance, will know who to turn to for a meaningful response and should be able to do so without fear of retribution. In addition, we have adopted the appropriate policies that support a safe, nontreating environment. As part of our commitment to ethical behavior, employees are required to report any actual or suspected violations of law or ethical standards so that they can be appropriately investigated and addressed. Employees can raise concerns in several ways, including contacting their supervisor or a human resources, legal, or ethics and compliance representative; calling our toll-free, 24-hour, anonymous hotline; or submitting a concern online.

Kaiser Permanente provides its customers and members with information and descriptions of policies and practices to secure protected health information and other personally identifiable information. Learn more about protecting your privacy.

Ethics and Compliance year in review
2021 investigations

- **14%** reports submitted anonymously (Industry benchmark: 58%)
- **28%** of cases reported directly to Ethics and Compliance
- **93%** investigations completed within 90 days (Internal benchmark: 80%)

**12,547 reports received**

**Top investigation categories**

- **40%** Privacy and Security
  Unauthorized access and disclosure of protected health information
- **36%** Human Resources
  Work environment, unprofessional behavior, and timecard concerns (these cases are handed over to HR for follow-up)
- **12%** Fraud, Waste, and Abuse
  Misuse/theft of KP assets and resources
- **12%** Other
**Vendor code of conduct**

Vendors play an integral role in our organization’s goal to comply with all applicable laws, regulations, and adherence to internal policies. At Kaiser Permanente, we strive to demonstrate high ethical standards in our business practices and have created a [vendor code of conduct](#) outlining the minimum standards they are expected to follow.

**Conducting internal monitoring and independent auditing**

Kaiser Permanente measures its effectiveness and adherence to applicable policies and regulatory requirements through internal monitoring and independent auditing. The ethics and compliance function monitors or partners with departments throughout the organization to monitor activities and processes so that compliance with various relevant requirements and standards may be assessed. Monitored activities and processes include but are not limited to the following:

### Fraud, waste, and abuse

Kaiser Permanente performs data mining to identify anomalies that may indicate an opportunity to recover funds, avoid inappropriate payments, or detect diversion of funds or assets, for example for controlled substances. Compliance and operations teams regularly partner to develop and refine studies targeted to risk areas. Investigators regularly receive data mining reports to evaluate potential concerns.

### Conflicts of interest

Employees have a duty to disclose potential conflicts via the annual disclosure process and as they arise. To meet the expectations of regulators and the obligation of the Kaiser Foundation Health Plan and Hospitals Boards of Directors to monitor conflicts of interests, Kaiser Permanente administers an annual questionnaire to members of the boards of directors, officers, and employees, including researchers, in positions with greater potential for conflict between personal interests and the best interests of Kaiser Permanente.

### Federal and state health care programs exclusion list

Kaiser Permanente screens individuals and entities that it engages with both initially and, at a minimum, on a monthly basis, against federal and state exclusion lists, and only engages with individuals and entities that are not identified on the state and federal exclusion lists unless an approved exception exists.

### Independent auditing of the ethics and compliance program

The effectiveness of Kaiser Permanente’s ethics and compliance program is evaluated annually by the Internal Audit Services Department or another independent third party. Compliance risk areas are periodically audited by Kaiser Permanente’s internal audit services department or other appropriate internal or, as necessary, external audit resources. Compliance-related audit results are reported to senior leadership and the appropriate boards of directors committee, as applicable.
Responding promptly to detected offenses and developing corrective action

Kaiser Permanente has established comprehensive internal investigation and corrective action protocols that enable the timely, complete, and objective investigations of reported noncompliance. The effort is designed to ensure that corrective action and preventive measures are identified, documented, and implemented as appropriate upon conclusion of an internal investigation.

Kaiser Permanente communicates compliance-related issues and activities to internal and external stakeholders, as appropriate, to promote transparency, meet regulatory requirements, and establish and maintain a sustainable ethical and compliant culture within Kaiser Permanente. At least annually, the boards of directors is provided a report outlining significant compliance and ethics activities for the year. Various regional, facility, business unit, and applicable functional teams submit routine reports of ethics and compliance-related issues within the scope of their associated jurisdiction.

Kaiser Permanente regularly interacts with external agencies through required reports to regulators, self-disclosure reporting, coordination of audits, or referrals to law enforcement. Kaiser Permanente’s ethics and compliance policy outlines accountability to disclose issues of noncompliance or detected fraud to federal and state agencies. Overpayments received under state and federal health care programs are reconciled and repaid timely in accordance with applicable regulations. Kaiser Permanente reports information related to data breaches, including personally identifiable information or protected health information to regulatory agencies in compliance with law and regulation. (For more information, see the U.S. Department of Health and Human Services – Office for Civil Rights.)

Organizational governance

Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals are nonprofit, public benefit, tax-exempt organizations described in Section 501(c)(3) of the Internal Revenue Code. They are organized for public and charitable purposes and not for the private gain of any person, and operate to improve the health of the communities they serve.

The boards maintain and enhance the success of Health Plan and Hospitals’ activities, including carrying out the charitable mission of the organizations and ensuring they fulfill their charitable purpose to operate in a manner that benefits the community. Strong corporate governance serves as the foundation for the organizations to fulfill their purposes and mission.

Throughout our history, Kaiser Permanente’s mission and values have led us to embrace diversity and pursue equity for our members and patients, our employees and physicians, and the communities we serve. We strive to have leadership and a workforce that reflects the rich diversity of our members and communities, understands their needs and preferences, and delivers culturally responsive and competent care and services. As of December 31, 2021, 38% of the members of the boards were female and 38% were racially or ethnically diverse. Further, 12 of 13 directors are nonmanagement and independent.