Business in the Community

Business Action on Health

Ipsos MORI

> At M&S looking after the welfare of our employees is part of our DNA.
>
> Caring for their health and wellbeing is not just the right thing to do ethically, it's the right thing to do for a business. Our founders knew that employees that felt valued as individuals were more engaged and more committed to the company. 126 years later this has not changed and the wellbeing of our employees remains essential to our success.

Stuart Rose
CEO, Marks & Spencer plc
Chairman, Business in the Community

FTSE 100 Research: Public Reporting Trends

Business &
Community

BITC WORKWELL MODEL

An integrated strategic approach



Business Benefits

Employee actions recommended by Foresight Mental Capital Report

Employer actions recommended by BITC

** Using 'good work' criteria defined by Coats and Lehki (September 2008)

> We believe that companies that focus on employee health, wellbeing and engagement are likely to derive positive results from a more committed and productive workforce. The Ipsos MORI report demonstrates that the number of FTSE 100 companies reporting on these issues has increased and that many companies are reporting quantitative data to illustrate their performance. While there is clearly room for improvement, the research provides encouraging signs that FTSE 100 companies are recognising the strong interest expressed by investors and others in how these issues are managed.
>
> **Julie McDowell**, *Head of Sustainable & Responsible Investment,*
> ***Standard Life Investments***

Foreword

A happy, healthy and engaged workforce is good business

People are what make any company great and their health and wellbeing is crucial to the performance of running a successful business. Maximising the wellness and engagement of your employees is a win/win opportunity for your people, your customers, your bottom line, UK plc and society as a whole.

Reduced productivity at work, presenteeism, accounts for 1.5 times as much working time lost as absenteeism and costs UK employers £15.1 billion a year.[1] Only 14% of employees in the UK (compared with a 21% global average) are fully engaged in their work.[2]

There is a huge opportunity for companies to maximise the productivity of their employees by creating an environment where people can make informed healthy lifestyle choices. Wellness is important because employees' level of wellness can sustain or erode their level of engagement. Business Action on Health's mission is to support employers to create the conditions that support the 'whole' individual to realise their full potential whilst maximising associated business and social benefits. The campaign takes a proactive and integrated approach to employee wellness and positions this agenda as a strategic boardroom issue.

In doing so, the campaign has developed a holistic Workwell Model which focuses on four principles that contribute to wellness and engagement: better physical and psychological health; better work, meaning a happy and engaging work environment; better relationships; and better specialist support. The Model also illustrates business benefits related to investing in employee wellness such as better engagement, better attendance, better recruitment and retention, better brand image and higher productivity. The Model is based on the principle that the relationship between wellness and engagement is mutually reinforcing in fostering sustainable performance.

When we launched Business Action on Health in 2007, our ambition was to secure the commitment of 75% of FTSE 100 companies to public reporting on employee wellness by 2011. Over the past 3 years, there has been a dramatic rise in FTSE 100 reporting from 68% in 2007 to 85% in 2009. The number of FTSE 100 companies reporting quantitatively on employee health has increased substantially since 2008, with 34 companies including quantitative indicators on employee health, compared to just 23 in 2008. The research also highlights that the best practice FTSE 100 reporting group outperformed the rest of FTSE 100 companies on average Total Shareholder Return (TSR) for 2009.

However, although the results of this Ipsos MORI research are hugely encouraging, there is still a long way to go in terms of the potential for companies to reap the business benefits associated with positioning wellness strategically. Although 99 companies out of the FTSE 100 mention some aspect of employee health and wellbeing in their public reporting, the reporting tends not to be very comprehensive or strategic. There is scope for a great deal of improvement regarding an integrated and more in depth approach to quantitative reporting.

While a minority of companies are positioning wellness as a strategic issue, there is still a lack of understanding and appreciation at a strategic level about what wellness is all about. For many businesses, the perception of employee wellness can be narrow and superficial - lettuce leaves and gym membership. Many businesses cannot see links between wellness and engagement to productivity because of complete organisational disconnect.

The health and wellbeing of the UK workforce is mission critical to our continuing economic recovery and sustainability. The challenge is to elevate this agenda so that it receives the attention it deserves.

Join the Movement and be part of something good.

We hope you will become a champion for employee wellbeing within your own business and with your supply chain. Please dedicate your company to achieving this goal - for the wellbeing of your employees, your business and the wider community.

Louise Aston, *National Director, Business Action on Health,* ***BITC***

[1] Sainsbury Centre for Mental Health, 2007
[2] Towers Watson Global Workforce survey, 2007

Ensuring our people's health and wellbeing is a key priority for Tesco. We treat people how we like to be treated. We set out to work as a team, trust and respect each other, listen, support and say thank you, and share knowledge and experience. We have these values, created by our people, because we believe they are right but also because they make good business sense. We know that if you treat people well, create a good working environment, and ensure we support them to take care of their health, they will give great service to our customers.

At senior levels, for the last 5 years, we have included health and wellbeing in our leadership development: all our directors and managers spend time understanding the importance of nutrition, work-life balance, exercise and relaxation. We know that a key part of being a strong and capable leader is that they are aware of how to take care of themselves, both mentally and physically.

In stores, we train our staff on how to maintain their health, from manual handling to exercises on the checkouts. We have offered free fruit to explain the importance of 5 a day, and the benefits of drinking sufficient water. In Distribution we spend time training our staff to be healthy through work, and how to return to work quickly if they do have a health issue. We have sponsored Race for Life now for 9 years, and actively encourage staff in stores to get involved - last year 20,000 women from all around the country walked, jogged or ran the 5 kilometres. Many of our charity fundraising events are also built around exercise, from climbing the Three Peaks to small sponsored bike rides. We set ourselves targets to get our customers and staff active - last year we helped over 6 million customers and staff around the world do just this. And we ensure that the basics on health and safety are right: last year in the UK we reduced reportable accidents by nearly half. All these things help us to support the physical and mental wellbeing of our employees, and make us a better company.

Catherine Gickman
Personnel Director to CEO of ***Tesco***

Introduction & Headline Findings

This summary provides an overview of the findings from the 2010 research into FTSE 100 public reporting of employee health and wellbeing issues. The research comprises two elements:

1. **Desk research** to establish what information on employee health and wellbeing is publicly reported by FTSE 100 companies.

2. **Statistical analysis** of the financial performance of the best reporters compared to FTSE companies as a whole.

The objectives of the research were to:

- **Track progress** in boardroom reporting since 2008 (using a fairly narrow definition of employee health issues to provide a consistent trend, for example covering physical and psychological health programmes and specialist support, such as occupational health).
- **Further analyse** the levels and content of boardroom reporting (using a more holistic definition of employee health and wellbeing in line with the BITC Workwell Model, for example including employee engagement and social relationships at work).
- Identify any **link with enhanced financial performance** among those companies found to be best performers on boardroom reporting of employee health and wellbeing, compared to FTSE companies as a whole.

The headline findings from this research are:

- 85 of the FTSE 100 companies now publicly report on employee health topics, slightly up from 81 in 2008. Companies still most commonly report in their Corporate Responsibility or Sustainability Reports.
- The number of FTSE 100 companies reporting quantitatively on employee health has increased substantially since 2008, with 34 companies including quantitative impact measures on employee health, compared to just 23 in 2008.
- Taking a more holistic view of employee health and wellbeing (in line with BITC's Workwell Model), almost all FTSE 100 companies mention some aspect of employee health and wellbeing in their public reporting (99 companies), but often the reporting on this agenda is not very comprehensive or strategic.
- Topics most commonly featuring in reporting are learning/skills development/training, employee engagement/opinion surveys, employee community volunteering, talent management/succession planning and physical health.
- But there remains several important issues which are not widely reported, including mental health/emotional resilience (mentioned by 22 companies) and the whole theme of better relationships at work (mentioned by 34 companies).
- There is also scope for more integrated reporting: only 8 companies report quantitatively across three out of the four themes, and it is relatively rare to see reporting which links employee health and wellbeing to enhanced engagement and productivity. Only 4 companies report indicators on the financial impact of any aspect of their employee health and wellbeing programmes.
- The best practice group of reporters on employee health and wellbeing (those 37 companies reporting quantitatively on at least two themes) outperform the rest of the FTSE 100 on average Total Shareholder Return (TSR) for 2009.

DESK RESEARCH
Methodology

The desk research examined FTSE 100 companies' boardroom reporting of employee health and wellbeing, taking the latest published information available in each case (i.e. reports published as of 1 March 2010). We looked at annual reports, corporate responsibility/ sustainability reports and company websites, looking for published information that can reasonably be found in c. 30 minutes.

In this context, the definition of boardroom reporting of employee health and wellbeing is as follows:

Employee health and wellbeing management (policies, systems, governance) and performance is publicly reported in such a way that it illustrates it is a strategic organisational issue.

Information is provided in the public domain, via a range of communication channels which are appropriate/relevant for the size of organisation, and which may include annual financial reports (most preferable), sustainability reports, organisational websites, organisational notice boards, etc.

Information is provided formally on a regular basis, at an interval that is appropriate/relevant to the size of the organisation (although this should be done annually at the least).

85 of FTSE 100 companies are now reporting on health issues

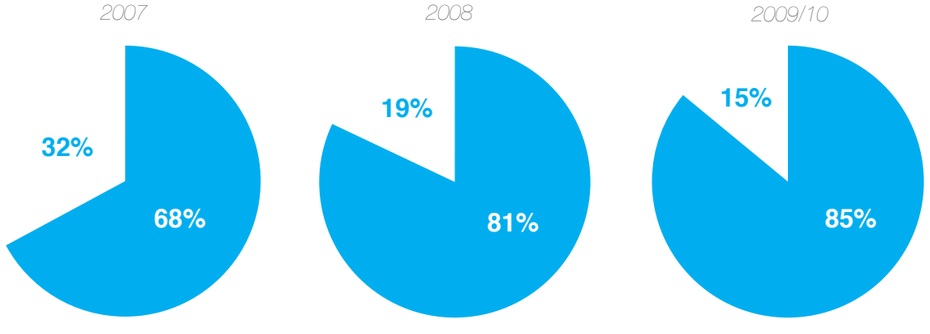
The number of FTSE 100 companies reporting on employee health issues has increased slightly to 85, from 81 in 2008 and 68 in 2007. (This is using the fairly narrow definition of employee health to provide a consistent trend).

The breakdown of where companies are reporting about employee health issues remains similar to 2008. 64 companies report in their corporate responsibility or sustainability report, 48 companies report on their corporate website, and 42 companies cover employee health in their annual report. Over half of the companies reporting do so in more than one location.

85 of the FTSE 100 companies are now reporting

Level of public reporting on employee health (*narrow focus on physical/psychological health and specialist support, to keep consistency with previous years*)

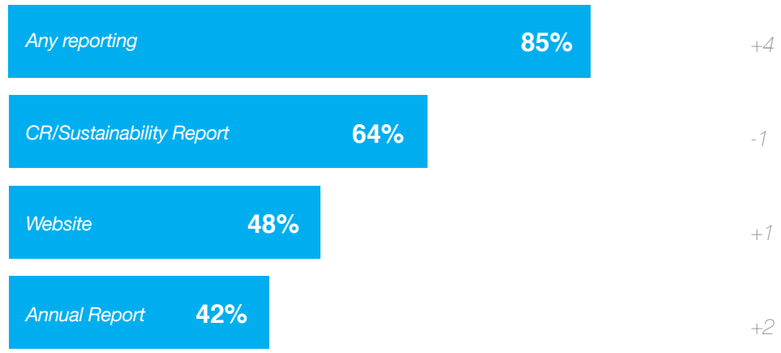
% FTSE 100 reporting on employee health



Where companies are reporting the most

Where companies are reporting on employee health (*narrow focus on physical/ psychological and specialist support to keep consistency with previous years*)

% FTSE 100 reporting on employee health — *Change from '08*



Base: FTSE 100 companies, March 2010

Companies are more likely to include quantitative measures than in 2008

Companies are more likely to include quantitative measures in their reporting on employee health issues compared to 2008, being more likely to include measures of the impact of their activities. 34 companies are now reporting quantitative impact indicators on employee health, compared to just 23 in 2008. (Again, this is using the fairly narrow definition of employee health to provide a consistent trend). Most commonly, companies are including indicators such as their sickness/ absence rate.

Business in the Community s Workwell Model promotes an integrated approach to the agenda, organising it around four themes

These are:

- **BT Group**: reporting on the cost to the business arising from injuries resulting in time off work, sick pay costs, and a statement of indirect company impacts.
- **RSA**: reporting on the value of increased sales and reduced sickness costs due to the increased attendance rate following a health and wellbeing scheme.
- **Anglo American**: reporting on the financial impact of an HIV/AIDS programme on health utilisation, staff turnover and benefit payments (expressed per employee enrolled in anti-retroviral treatment/ART).

The BITC Workwell Model
Components

The BITC Workwell Model promotes an integrated, holistic and strategic approach to promoting employee health and wellbeing.

It is based on the evidence that wellbeing is comprised of the mutually supportive relationship between the physical, psychological and social health of the individual. It outlines actions that both employers and employees can take to create a healthy workplace. The model also demonstrates the business benefits for employers who take a proactive approach to the prevention of illness and promotion of health and wellbeing.

The BITC Workwell model is comprised of 4 areas that define a successful integrated approach to health and wellbeing:

Better Physical & Psychological Health

Create an environment where employees are encouraged to make healthy lifestyle choices that promote physical and emotional wellness.

- Promoting a physically safe working environment with optimal air quality, temperature, noise, lighting and layout of work spaces.
- Promoting healthy behaviours such as emotional resilience which builds self esteem, healthy eating, physical activity, smoking cessations, sensible drinking and avoidance of drug misuse.

Better work

Create a happy and engaging work environment where 'good work' is promoted.

- A management style and an organisational culture that promotes mutual trust and respect.
- Employment security.
- Talent management.
- Job design: task and variety challenge.
- Autonomy, control & task discretion.
- Non monotonous and repetitive work.

Better relationships

Promote social health through good communication and opportunities to build social capital at work and at home.

Promoting and enabling better communication and social cohesion to support good relationships in the workplace particularly among:

- Line manager.
- Team colleagues.
- Support networks.

Relationships outside work (family and friends) can also be supported through flexible working practices and through involvement in social initiatives.

Better Specialist Support

Provide early interventions and active absence management that support wellness and recovery.

Better support and interventions to manage health and wellbeing can be provided by:

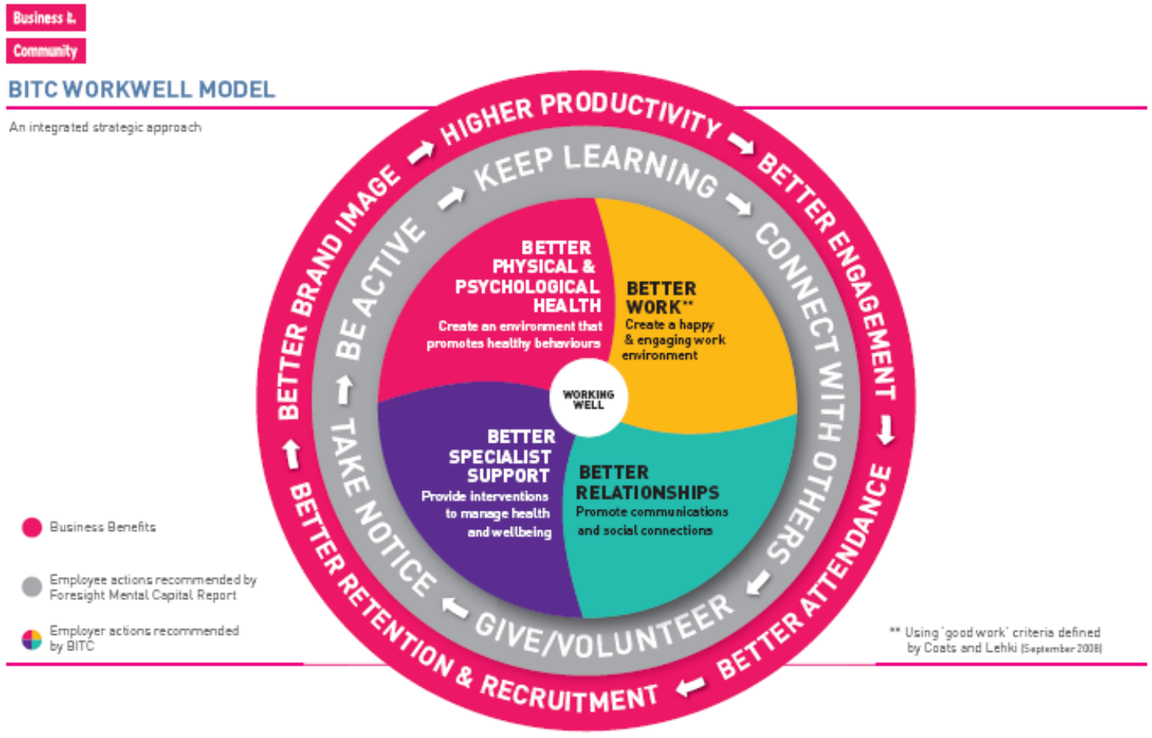
- Occupational health.
- Human resources.
- Employee assistance/counselling.
- Training for line managers & employees.

The BITC Workwell Model is

- Evidence based - widely endorsed.
- Holistic and integrated.
- Based on the dual responsibility of both employer and employee.
- Articulates the link between wellbeing and engagement resulting in higher productivity.

To find out more about the interactive Workwell Model visit the BITC website at: *www.bitc.org.uk/health*

The model will provide you with further information, case studies and business metrics to help you develop a health and wellbeing programme in your own organisation.



A more holistic model of employee health and wellbeing

While the trends in boardroom reporting from 2008 are positive, a further objective of this research was to look at a more holistic understanding of employee health and wellbeing, aligned with Business in the Community's Workwell Model. This promotes an integrated approach to the agenda, organising it around four themes:

- Better physical and psychological health: create an environment that promotes healthy behaviours.
- Better work: create a happy and engaging work environment.
- Better relationships: promote communications and social connections.
- Better specialist support: provide interventions to manage health and wellbeing.

> People are what make any company great and we value our people. Their health, safety and well-being are crucial to the performance of our company and this is encapsulated in our strategic aim of being the employer of choice, endorsing the core values of Safety and Care and Respect. Public reporting on what we do demonstrates our commitment to these ideals to our wider stakeholder audience and hopefully helps to create pride in our company.
>
> **Cynthia Carroll**, *Chief Executive,* ***Anglo American plc***

> At National Grid the health and wellbeing of our people is central to the performance of the business. To that end, public reporting also forms a natural part of our corporate responsibility agenda.
>
> **Steve Holliday**, *CEO,* ***National Grid***

The *Better Work* theme is covered almost universally

The 'Better Work' theme (e.g. employee development and engagement) is covered almost universally. Using this broader definition, almost all FTSE 100 companies mention some aspect of employee health and wellbeing (99 out of the 100 companies).

The theme most commonly covered is **better work**, with 98 companies reporting on this, and 65 companies reporting on three or more of the six topics within this theme. The topics most commonly covered under this theme are:

- Learning/skills development/ training programmes (97 companies).
- Employee engagement/employee opinion surveys (73 companies).
- Employee community volunteering (in work time) (53 companies). Talent management/succession planning (52 companies).

This is also the theme on which companies are most likely to report quantitative measures, with 71 companies including quantitative indicators on better work topics. Employee engagement surveys are by far the most common quantitative measures included on the employee health and wellbeing agenda, with around two-thirds of FTSE 100 companies reporting their survey scores (64 companies).

Examples of best practice reporting in this theme include:

- **Centrica**: reporting a financial impact measure, the cost savings to the business resulting from a decline in their attrition rates and a human capital ROI ratio.
- **BP**: including a detailed discussion of their employee engagement findings, with high performing areas, challenges and resulting actions the business is taking.
- **Smith and Nephew**: including quantitative measures such as the proportion of internal appointments, turnover figures for those with less than 2 years' service.
- **Standard Life**: including quantitative measures of the impact of an engagement campaign, in terms of rising employee awareness following the campaign.
- **Vodafone**: reports a range of employee survey trends, a breakdown of staff turnover, as well as average training days and training spend per employee.

Around three-quarters of the FTSE 100 report on better specialist support (76 companies). The topics most commonly covered under this theme are:

- Absence/attendance management (33 companies).
- Employee assistance/counselling (29 companies).
- Occupational health programmes (25 companies).

Here breadth of coverage is not as widespread, with only around one in ten companies reporting on three or more of the six topics within this theme. Finance/banking/investment companies are less likely to mention this theme than average. Quantitative measures on specialist support are included by 25 companies, most commonly sickness/absence rates (reported by 22 companies).

Examples of best practice reporting in this theme include:

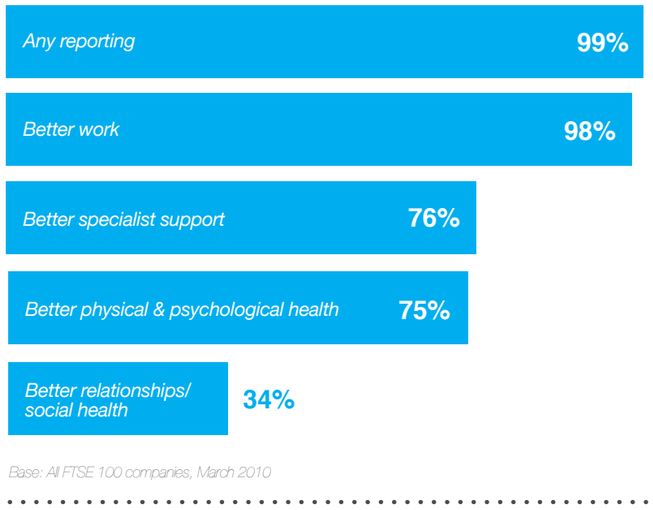
- **Xstrata**: detailed targets and progress reports by its commodity businesses, outline of key challenges, breakdown and trends of quantitative measures e.g. by type of occupational illness and by commodity businesses.
- **Centrica**: including occupational health key performance indicators such as average days absent per case, frequency of work-related illness per 100,000 employees, reference made to benchmarks against average for UK industry.
- **RBS**: stand-alone Safety, Health and Wellbeing report includes measures of impact e.g. quantifying the reduction in average duration of psychological and musculoskeletal absence due to early Occupational Health intervention.
- **Tesco**: including quantitative measures such as the number of employment-related calls to their employee assistance helpline.

Around three-quarters of the FTSE 100 report on better specialist support

How many companies are reporting?

Level of public reporting on employee health and wellbeing (*broader focus to include better work/creating a happy & engaging work environment, and better relationships/social health, to align with the* ***Workwell Model***)

% FTSE 100 reporting on health & wellbeing (any mention of each theme)



Base: All FTSE 100 companies, March 2010

Three-quarters of FTSE 100 companies cover better physical and psychological health (75 companies). The topics most commonly covered under this theme are:

- Physical health/wellbeing (in general) (47 companies).
- Health-related rewards/benefits (35 companies).
- Encouraging physical health/fitness (28 companies).
- Mental health/emotional resilience/ stress management programmes (22).

38 companies report on three or more of the 14 topics under this theme, and 12 companies include quantitative measures of impact, most commonly the numbers of employees participating in the company's health and wellbeing programmes (reported by 18 companies). Compared to the average, food/drink/pharmaceutical/ consumer goods companies are more likely to mention better physical and psychological health, and to include quantitative indicators on this theme. Finance/banking/investment companies are again less likely to mention this theme.

Examples of best practice reporting in this theme include:

- **BT**: including quantitative measures of impact of initiatives on e.g. employee awareness of diabetes, numbers taking action as a result of the programme, and benchmarks of back-to-work rates following mental health problems.
- **Xstrata**: performance reported across several areas including noise-induced hearing loss, musculoskeletal injuries, respiratory diseases, HIV, malaria and tuberculosis; plus case study linking employee health/fitness with productivity.
- **GlaxoSmithKline**: as well as physical health, a range of initiatives on mental health, such as encouraging 'energy and resilience in times of high pressure'. Scheme impact measures given in terms of participant opinion of benefits.
- **Marks & Spencer**: reports numbers of participants in breast screening programme, and outlines channels providing health and lifestyle information.
- **National Grid**: articulating their intention to look at health and wellbeing holistically, and mention of a focus on cardiovascular health.

The theme that is not yet widely covered in the boardroom reporting of FTSE 100 companies is better relationships, with only a third of companies mentioning this theme (34 companies). The topics most commonly covered under this theme are:

- Family-friendly policies (21 companies).
- Support networks/mentoring (14 companies).

No companies include quantitative measures of this theme in their public reporting.

Examples of best practice reporting in this theme include:

- **GlaxoSmithKline**: a range of support networks/employee resource groups, flexible working that helps employees integrate their work and personal lives, as well as family support services as part of its health and wellbeing programme.
- **BAE Systems**: mentoring and employee networks highlighted, as well as senior leadership personal commitments to e.g. mentoring and supporting women's network events.
- **Tesco**: family-friendly shifts and other family-friendly policies e.g. extra paid maternity leave, paid days of for foster training and IVF treatment.

The majority of FTSE 100 companies cover at least three of the four themes

Overall, the majority of FTSE 100 companies are mentioning most broad areas of employee health and wellbeing, with 69 companies covering three or all four themes. Nevertheless, as we have seen coverage of the detailed topics within each theme can be less comprehensive, and in general there is little evidence of integrated, strategic management of this agenda as a whole - for example, reporting which links employee health and wellbeing to enhanced engagement and productivity is relatively rare.

There is also scope for more quantitative reporting: while 38 companies include quantitative indicators across two or more of the four themes, only 8 companies include quantitative indicators across three themes, and none do so across all four themes.

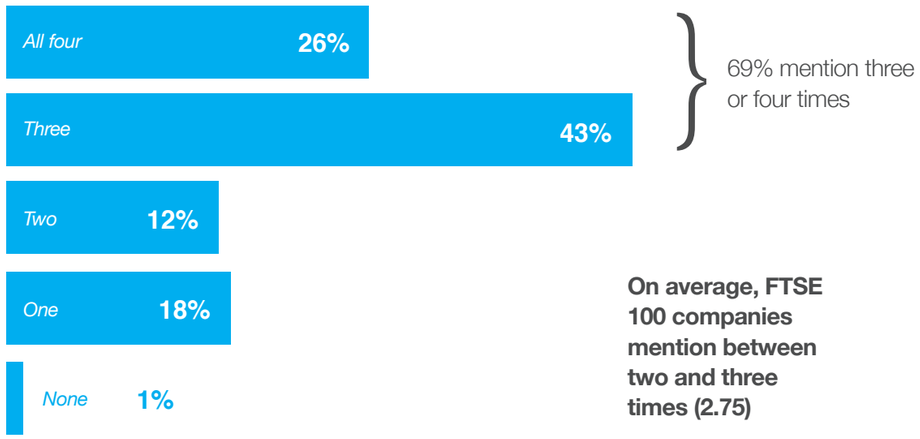
The 8 companies quantitatively reporting on three themes are: **Anglo American**, **AstraZeneca**, **British American Tobacco**, **BT Group**, **Centrica**, **GlaxoSmithKline**, **Tesco** and **Xstrata**. Overall, only four companies include data on the financial impact of any aspect of their employee health and wellbeing programmes: **Anglo American**, **BT Group**, **Centrica** and **RSA**.

the majority of FTSE 100 companies are mentioning most broad areas of employee health and wellbeing, with 69 companies covering three or all four themes

How many of the four themes are covered?

Companies reporting on employee health and wellbeing (*broader focus to include better work/creating a happy & engaging work environment, and better relationships/social health, to align with the* ***Workwell Model***)

% FTSE 100 reporting on health & wellbeing (any mention)



On average, FTSE 100 companies mention between two and three times (2.75)

Base: All FTSE 100 companies, March 2010

> The BT Board focuses on the safety and the wellbeing of our people because it's an integral part of running a successful business. The financial and reputational costs of failure in this area can be considerable while maintaining a healthy and engaged workforce brings demonstrable commercial benefits. The bottom line is that it's the right thing to do and public reporting helps to demonstrate to the wider community that the company is a responsible member of society.
>
> **Ian Livingston**, *CEO,* ***BT***

STATISTICAL ANALYSIS
Methodology

Statistical analysis was conducted to identify any correlation between FTSE 100 companies demonstrating best practice public reporting on employee health and wellbeing, and enhanced company financial performance (with reference to the FTSE average).

The desk research established that of the FTSE 100 companies, 38 reported quantitative measures in at least two of the four themes on employee health and wellbeing. The breakdown of these 38 by industry is comparable with the FTSE industry breakdown (see *Figure 1*). Finance is under-represented in the best practice reporting group, while the mining and tech/telecoms sectors are over-represented, but none of these differences are particularly substantial.

FTSE Sector	Companies in FTSE 100	Companies in health group
Aerospace/defence	4%	3%
Business Services	7%	3%
Construction/property	7%	5%
Finance/banking	19%	13%
Food/drink/consumer goods	12%	11%
Manufacturing supplies	3%	5%
Mining/minerals/natural resources	16%	24%
Services/retail	15%	16%
Technology/telecomms/media	11%	16%
Utilities	6%	5%

Figure 1: Industry profile of FTSE 100 companies and health groups of companies

Financial performance is here measured using total shareholder return (TSR) within the calendar year 2009. TSR represents the sum of the change in share price and the total return through dividends for the given time period, expressed as a percentage of the share price at the start of the time period. Naturally, many factors can affect TSR either positively or negatively, and it is beyond the scope of this study to account for these innumerable factors. Here, we consider only whether the companies fall within our 'best practice reporting company in-group', and assume ceteris paribus.

TSR figures for calendar year 2009 were requested for the FTSE 100 companies from Thomson Reuters. Figures were not available for eight of these companies, for example due to delisting during the period. We therefore compared the best practice reporting group of 37 companies where 2009 TSR data is available, with 55 other FTSE 100 companies where 2009 TSR data is available.

69% of FTSE 100 companies mention health and wellbeing reporting three or four times

The best practice group of companies

Amec
Anglo American
Antofagasta
ARM Holdings
AstraZeneca
Autonomy Corporation
Aviva
Barclays
British Airways
British American Tobacco
BT Group
Cairn Energy
Capita Group
Centrica
Compass Group
Fresnillo Plc
GlaxoSmithKline
Invensys
Johnson Matthey
Kingfisher
Land Securities Group
Lonmin
Marks & Spencer Group
National Grid
Rio Tinto
Rolls-Royce Group
Royal Bank of Scotland Group
Royal Dutch Shell
RSA Insurance Group
Smith and Nephew
Standard Life
Tesco
Unilever
Vedanta Resources
Vodafone Group
WPP
Xstrata

These companies reporting quantitatively on employee health & wellbeing outperform the rest of the FTSE 100 on average

On average, the TSR for the best practice reporting group companies is 61%, while the remaining FTSE 100 companies have an average TSR of 51%. A 10 percentage point difference in average TSR can be seen as a substantial out-performance by the best reporting group of companies in absolute terms.

Student s T-test was employed, but due to the large standard deviation of the respective summary scores, this difference is not deemed significant at the standard 5% level, and therefore this difference cannot be applied as a general rule for all companies that are seen to publicly report on employee health and wellbeing. More accurately, it can be said that we have insufficient evidence to suggest that in general best practice reporting on employee health and wellbeing has a positive effect on financial performance, though we can assert that for the chosen 37 companies, a positive effect of 10 percentage points is found.

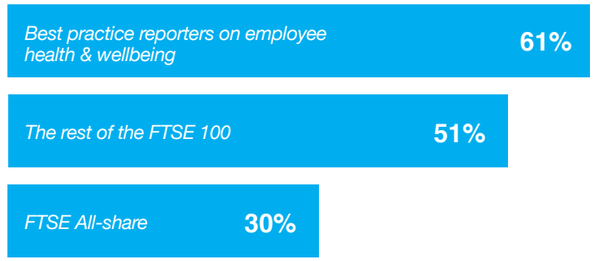
The large variation in the TSR figures of the best practice reporting group and the FTSE 100 as a whole reflects the inherently large variability of TSR across different companies. For the best practice reporting group, the minimum value is -41% (RBS) while the maximum is 334% (Vedanta). For the FTSE 100 as a whole, the minimum is RBS again, while the maximum is 475% (Kazakhmys).

Comparison was also made between the best practice reporting group and the FTSE All-Share index. The average TSR for the 694 FTSE All-Share index companies is 30%. The average was obtained directly from the data provider rather than calculated from the individual company level figures, so a standard deviation measure for this is not available. To facilitate the significance testing, the standard deviation for the best practice reporting group is used[1]. This substantial difference if 31% in favour of the best practice reporting group companies is significant at the 5% level of significance.

[1] This is a conservative estimate. The likely true standard deviation is likely to be lower (and therefore the significant test more sensitive) as the increased range of values due to a larger number of companies is unlikely to inflate the standard deviation by a greater degree than the deflation caused by the increase in the number of companies accounted for by the index.

The best practice reporting group outperforms rest of FTSE 100 on average TSR for 2009

Average total shareholder return (TSR) for 2009



Base: Best reporters group = 37 FTSE 100 companies reporting quantitative indicators on 2+ employee health and wellbeing themes where TSR figures are available for 2009, taking the latest available annual reports, CR/sustainability reports and corporate websites as at 1 March 2010. The rest of the FTSE 100 = 55 companies where TSR figures are available for 2009. All data was obtained from Thomson Reuters. TSR is calculated for the stated calendar year and represents the net change in share value plus the total dividends per share as a percentage of its start-of-year share value. Please note that the performance figures are not adjusted to account for sector or risk.

> The leadership team at Standard Life strongly believes that engaged employees deliver a better customer experience, driving strong business performance and shareholder value. Each year we measure and take action to improve the employee experience and increase employee engagement.
>
> **Nigel Jones**, *Head of Group HR Strategy & Policy, Group HR Strategy & Policy,* ***Standard Life***

> The Company recognises the association between physical and mental health and the need for employees to enjoy working both effectively and successfully with due regard to their personal wellbeing.
>
> **Dr Ian Lawson**, *Chief Medical Officer,* ***Rolls-Royce plc***

> We all want to feel that the company we work for cares about us as an individual and that is the simple reason why we place so much emphasis on the health and wellbeing of our employees here at M&S. It's not just the right thing to do morally, it also makes commercial sense - as a healthy, happy workforce is more motivated, engaged and, I believe, more committed to the company.
>
> Reporting on our initiatives and progress in this area - be that in the Annual Report or our How We do Business Report - demonstrates to our shareholders and other stakeholders the value of our investment in our employees.
>
> **Tanith Dodge**, *Director of HR,* ***Marks & Spencer plc***

> We know that our business is at its best when our people are at their best. This is fully recognised by the leadership of our business, and demonstrated by our continued investment in cutting-edge workplace health schemes such as our Fit Business programme in the UK. Nevertheless, action alone is not enough. It is imperative that the measures we put in place to help improve the health and wellbeing of our employees are not only rigorously evaluated, but publicly reported too.
>
> **Alan Walters**, *VP Human Resources,*
> ***Unilever UK & Ireland***

> Health and Wellbeing is a business issue - it affects our bottom line.
>
> **Graeme Collinson**, *Group HSE Director,* ***Centrica***

> Our recent global employee survey results show that there is more work to be done to increase the levels of energy and resilience across the organisation. This is not too surprising against the backdrop of the global economy, the challenges we are facing as an industry, and the scale, speed and constancy of change at GSK. Because of these factors, this is an area that is challenging GSK like never before. But we do believe it's an area where we can make noticeable improvements to enable people to feel more energised by their work and able to adapt more easily to change. Our approach within GSK's Health, Safety and Performance function is to support employees with tools to understand and manage their health, energy and resilience as well as helping them build greater physical and mental health capacity enabling them to deliver excellence by being the best, physically and mentally, that they can be. In times of significant change and pressure this ability to self manage optimally facilitates a greater ability to adapt and succeed in the performance of both their professional as well as personal lives ... It also aligns perfectly with our company's aspiration to improve the quality of lives by allowing them to do more, feel better and live longer.
>
> **Adrian Chojnacki**, *Vice President, Employee Health & Performance, Europe and Emerging Markets,* ***GSK***

Join the Movement
and be part of something good

For more information on the Business Action on Health Campaign,
please contact Magali Barraja on 020 7566 6610
or by email at magali.barraja@bitc.org.uk.

Business in the Community

Business in the Community - mobilising business for good.
Our members commit to take action on the key issues of today, be that people or planet, and create a unique platform for collaborative action.

www.bitc.org.uk/health

Business in the Community
137 Shepherdess Walk
London N1 7RQ
T +44 (0)20 7566 8650
F +44 (0)20 7253 1877

May 2010

Registered details: 137 Shepherdess Walk, London N1 7RQ, Telephone 020 7566 8650
Registered Charity No: 297716. Company Limited by Guarantee No: 1619253
Printed on Evolution Digital Satin. 75% recycled. FSC-approved.
Designed by itcouldbelikethis.com. Printed by Cartouche UK London Ltd.

THE PRINCE'S CHARITIES

INVESTORS IN PEOPLE