

# Consultation on CCLA Corporate Mental Health Benchmark

*Note: This document is provided for reference only. All consultation responses should be submitted via the online platform: <https://www.ccla.co.uk/mental-health/consultation>*

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## 1. Introduction

CCLA invites you to share your views on what makes for the effective assessment of responsible corporate action on mental health. CCLA has partnered with Chronos Sustainability Ltd to conduct a scoping review as the initial phase of developing a global benchmark on corporate mental health. We are developing an assessment framework that will define the key expectations of companies on mental health, provide investors with an accessible way to understand and evaluate corporate practices, and deliver systemic change in the way in which mental health is both regarded and protected in the workplace. As a contribution to this, we are seeking perspectives from a wide variety of global stakeholders who are involved in or in some way affected by the shaping, delivery and impact of corporate mental health practices. The consultation will be open for your participation until 29 January 2021.

[Participate in the consultation](https://www.ccla.co.uk/mental-health/consultation)

# Consultation on CCLA Corporate Mental Health Benchmark

## Purpose of and background to the project

This project builds on a CCLA engagement programme that began in early 2019, which identified only limited attempts by companies to address poor mental health in the workplace in contrast to their approach to physical health and safety. The findings were corroborated in 2020 when the programme was broadened to include every company in the FTSE 100. The CCLA Corporate Mental Health Benchmark is the next step in our mental health programme.

**The primary aim of this project is to develop a global framework for assessing corporate mental health practices in a relevant, systematic and credible manner. This will enable companies, investors and other stakeholders to ensure that corporate efforts are directed towards activities that positively support the mental health of people at work.** We have researched the academic and practitioner literature related to workplace mental health. Based on this work, we have identified a set of key questions that we wish to explore with stakeholders.

## The consultation

To assist in the development of the CCLA Corporate Mental Health Benchmark, we are inviting your participation in a consultation. Your responses will help with the design and development of the pilot benchmark but will also help to shape the scope and coverage of a global corporate benchmark on mental health.

The questions are grouped into seven areas and the consultation should take approximately 30 minutes to complete. There are a limited number of mandatory questions marked with an asterisk but we encourage you to complete as much of the consultation as relevant to your experience. Although the consultation questions are also available in Word and PDF format for review, responses should be made via the website. The consultation will remain open until the close of Friday 29th January (Pacific Time) 2021.

We encourage you to be open and honest in your responses, as this will help to inform future developments in this project. The information you provide will be stored securely and only accessed in its original form by a small core team for analysis purposes. Personal identifying information (name and email address) will be removed before the resulting analysis is shared outside of the analysis team. Responses will be aggregated at a sector, industry and geographic level. None of your answers will be attributed to you as an individual respondent in public communications without first securing your permission for that usage. If you have any questions or concerns about the use of your data please contact [mental-health@chronossustainability.com](mailto:mental-health@chronossustainability.com)

## [Participate in the consultation](#)

## Further information

- [Press release](#) (dated 9 October 2020)
- Questions you might have about this project (see page)
- View [Privacy notice](#)

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## 2. Respondent information

No attributions will be made without first asking for and receiving your permission.

\* Asterisk denotes a mandatory question

1. \*Name
2. \*Contact email
3. \*In what geographic region do you work?
4. \*Organisation name
5. \*Organisation type
6. \*Sector / industry
7. \*Role / job function

## 3. What do we mean by corporate mental health?

### Mental health

Mental health is not the same as 'mental ill health'. It is a continuum that includes emotional wellbeing, mental health conditions and mental illness. We all have mental health, just as we all have physical health. The World Health Organisation defines good mental health as: 'a state of wellbeing in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully and is able to make a contribution to his or her society.'<sup>1</sup>

'Poor mental health' includes the full spectrum, from common mental health conditions such as anxiety and depression, to more severe illnesses, such as bipolar and schizophrenia.

### Mental health at work

'Mental health at work' includes not only mental health problems that have been caused by work, but also those that are brought to and experienced in the workplace.<sup>2</sup>

### Work-related stress

Work-related stress is the response people may have when presented with work demands and pressures that are not matched to their knowledge and abilities and which challenge their ability to cope. Stress occurs in a wide range of work circumstances but is often made worse when employees feel they have little support from supervisors and colleagues, as well as little control over work processes.<sup>3</sup>

### Healthy workplace

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<sup>1</sup> World Health Organization (2010), 'WHO Healthy Workplace Framework and Model: Background and Supporting Literature and Practices'. Online at [https://www.who.int/occupational\\_health/healthy\\_workplace\\_framework.pdf](https://www.who.int/occupational_health/healthy_workplace_framework.pdf)

<sup>2</sup> Stevenson, D. and Farmer, P. (2017), 'Thriving at Work: The Stevenson/ Farmer Review of Mental Health and Employers'. Online at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/658145/thrivingat-work-stevenson-farmer-review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thrivingat-work-stevenson-farmer-review.pdf)

<sup>3</sup> World Health Organization (2010), 'Work Organization and stress: systematic problem approaches for employers, managers and trade union representatives' / Stavroula Leka, Amanda Griffiths, Tom Cox. Online at [https://www.who.int/occupational\\_health/publications/pwh3rev.pdf?ua=1](https://www.who.int/occupational_health/publications/pwh3rev.pdf?ua=1)

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Definitions of a 'healthy workplace' have evolved over past decades, from an almost exclusive focus on the physical work environment (traditional occupational health and safety, dealing with physical, chemical, biological and ergonomic hazards), to a much broader definition, that includes lifestyle and psychosocial factors as well.

The World Health Organization's definition of a healthy workplace is one in which workers and managers collaborate to use a continual improvement process to protect and promote the health, safety and well-being of workers and the sustainability of the workplace by considering the following, based on identified needs:

- health and safety concerns in the physical work environment;
- health, safety and well-being concerns in the psychosocial work environment including organization of work and workplace culture;
- personal health resources in the workplace; and
- ways of participating in the community to improve the health of workers, their families and other members of the community.<sup>4</sup>

## Good work

We recognise that employment can have a positive impact on an individual's mental health and that good work is good for mental health.<sup>5</sup> Good work consists of autonomy, fair pay, work life balance and opportunities for progression, and the absence of bullying and harassment. Good work can help prevent new mental health problems and support those with existing conditions to get on in work and thrive.<sup>6</sup>

1. \*We are proposing to adopt a definition that captures all of these positions relating to mental health in the workplace. Do you agree?
  - Yes
  - No [Specifically, what would you remove?]
2. \*Are there any other aspects of corporate mental health not covered by the above position statements that should be considered?
  - Please specify which aspects you suggest are considered – and explain your rationale]

## 4. Project aims and objectives

The overall aim of this project is to develop a robust framework for investors to assess the corporate mental health practices of companies globally.

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<sup>4</sup> World Health Organization (2010), ), 'Work Organization and stress: systematic problem approaches for employers, managers and trade union representatives' / Stavroula Leka, Amanda Griffiths, Tom Cox. Online at [https://www.who.int/occupational\\_health/publications/pwh3rev.pdf?ua=1](https://www.who.int/occupational_health/publications/pwh3rev.pdf?ua=1)

<sup>5</sup> (Waddell and Burton 2006) and the Marmot Review – 'Fair Society, Healthy Lives' (2010)

<sup>6</sup> Farmer, P. and Stevenson, D., 2017. Thriving at Work: The Independent Review of Mental Health and Employers.

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The specific objectives of the CCLA Corporate Mental Health Benchmark are:

- (1) To ensure that corporate efforts are directed towards activities that positively support the mental health of people at work.
- (2) To drive transparency on corporate disclosure on indicators of employee mental health.
- (3) To equip investors and other stakeholders with a tool for assessing the effectiveness of corporate management of business risks and opportunities associated with mental wellbeing across their global operations.
- (4) To define key expectations on mental health, providing investors with an accessible way to understand and evaluate corporate practices.

The Benchmark will provide CCLA and other institutional investors with a clear account of current practice among corporate businesses, highlighting areas where there has been progress as well as areas where more work is needed. It will also provide an effective accountability mechanism for ensuring that companies set and deliver on their commitments to promote mental wellbeing at work.

3. \*Do you agree with the project objectives?
  - Yes
  - No [please specify which aspects of the objectives you would change and explain your rationale]
4. Are there other tools that investors need to deliver on the objectives above?
  - Yes [please specify what tools might be useful]
  - No

## 5. Benchmark scope

### Pilot benchmark

The first benchmark cycle, scheduled for Q1 2021, will be a pilot benchmark and will centre on a subset of FTSE 350 (UK) companies. These companies could be selected either by market size or by industry classification using the [Industry Classification Benchmark \(ICB\)](#), a globally utilised standard for the categorisation and comparison of companies by industry and sector. Possible target sectors could include, for example, chemicals, energy, financial services, industrials, technology, telecommunications, or utilities.

### Global benchmark

Following the pilot study, we intend to expand the scope of companies beyond the UK. Our aim is for the benchmark to cover the world's largest companies by market capitalisation and/or by selected industry classification.

5. \*For the pilot study involving FTSE 350 companies, which universe of companies would be most useful to cover:
  - Companies by market capitalisation?

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- Companies by industry sector?
  - i. If you selected this option, which industry/sector would be of most interest?  
[please specify]
  
- 6. \*For the global benchmark, which universe of companies would be most useful to cover:
  - Largest companies by size (e.g. market capitalisation)?
  - Largest companies by industry sector?
    - i. If you selected this option, which industry/sector would be of most interest?  
[please specify three]
  - Key geographic regions?
    - If you selected this option, which geographies would be of most interest?  
[please specify three]
  
- 7. Is there anything else you would like to share about the scope of companies to be covered by either the pilot benchmark or the global benchmark? [please explain your rationale]

## 6. Structure for assessment criteria

We propose structuring the benchmark using a management systems framework. This will ensure that the benchmark pays particular attention to the internal governance conditions (management systems and processes, corporate policies, board/CEO leadership) that are necessary to change and shape corporate actions on mental health in the workplace.

The benchmark will include questions – yet to be defined – across four focus areas:

### 1. Management Commitment

This section will include questions designed to assess the company's governance and management arrangements on mental health. These will include questions covering leadership commitments, culture and values, the business risks and opportunities associated with mental health, formal policy commitments to managing mental health (covering, e.g. equality and non-discrimination, avoiding conflict, financial wellbeing, etc), and programmes aimed at encouraging disclosure, removing stigma, and business and individual interventions.

### 2. Governance and Management

This section will include questions designed to assess the effectiveness of management systems and processes to ensure the implementation of companies' commitments and policies. These will include questions covering management oversight of mental health strategy and operations, the resources allocated to providing appropriate support mechanisms for managers and employees, targets and objective setting, the adoption of assurance standards, and reporting on progress against policy and objectives.

### 3. Leadership and Innovation

This section will include questions designed to assess companies' investment in projects to optimise mental health within the industry sector. These will include questions covering external awards and accreditations for mental health practices, and companies' advocacy on mental health.

### 4. Performance Reporting and Impact

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This section will include questions designed to assess the effectiveness of companies' mental health strategies and will focus on companies' monitoring of input measures (e.g. specific interventions at business and individual level), and outcome measures (e.g. proportion of employees consulted on matters affecting their working arrangements).

8. \*Do you broadly agree with the proposed structure for the assessment criteria?
  - Yes
  - No [please explain your rationale]
  
9. \*What specific elements covered by each of the criteria sections would you add or remove?
  - Management Commitment
    - i. [please specify and explain your rationale]
  - Governance and Management
    - i. [please specify and explain your rationale]
  - Leadership and Innovation
    - i. [please specify and explain your rationale]
  - Performance Reporting and Impact
    - i. [please specify and explain your rationale]

## Wider questions

10. What are the main practices that you would regard as being characteristic of a company that is committed to corporate mental health?
  
11. What are the key (3 to 5) metrics or performance measures that would be helpful for investors to assess a company's practices and performance on mental health?
  
12. Can you identify any real-life examples of particularly good and/or bad corporate practice on mental health?
  
13. Are there other considerations we should build into a framework to help investors to assess corporate mental health?

## 7. Assessment approach

Based on our review of leading global benchmarks of corporate practices on key social and environmental issues<sup>7</sup>, we outline below our proposed assessment approach:

### Focus on corporate entity

Reflecting our focus on investors' interests, we aim to assess how the company as a whole manages mental health issues. As such, we propose that the focus of the company evaluations will be on the corporate entity rather than on subsidiary companies.

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<sup>7</sup> For example, the Transparency Pathway Initiative <https://www.transitionpathwayinitiative.org/> and the Business Benchmark on Farm Animal Welfare <https://bbfaw.com/benchmark/>

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## Publicly disclosed information

We proposed to assess each company on the basis of the information that is publicly available (i.e. on corporate websites and in corporate publications such as CSR reports, annual reports and similar documents) at the time of the assessment.

We will not provide scores for information that is not in the public domain for two reasons: (1) Encouraging companies to provide a better account of their approach to mental health is a core objective of the CCLA Corporate Mental Health Benchmark, (2) It is important to ensure that companies are assessed consistently and that companies that are known to either CCLA or its nominated assessment company are not favoured by the assessment methodology.

## Assessment method

The assessment process will involve a desktop review of company information and the generation of a draft score for each company. This will involve a detailed review of the material on companies' corporate (i.e. parent company) websites, the material contained in annual reports, corporate responsibility reports and other publications, and the material on subsidiary company websites.

Individual company reports will then be reviewed by members of the Benchmark technical working group to check the factual accuracy of the content and to ensure consistency. We will also conduct a sensitivity analysis to ensure that the assessments fairly score companies with particular variances, including large versus small workforce sizes, complex versus simple business operations, global versus national reach, and companies with multiple subsidiaries versus those with subsidiaries.

Preliminary company assessment reports based on our interim findings and scores will be shared with companies for review. We expect some scores to be revised as a result of feedback from companies. The final confidential company reports, showing individual scores and comments for each question, as well as overall company scores and comparable sector scores, will be shared with companies at the time of the public launch of the benchmark findings. The published benchmark data will not reveal individual company scores and will instead indicate the level to which companies are managing the business risks and opportunities presented by mental health.

## Frequency

We understand that investors need access to reliable and accurate data in order to evaluate companies on their management of business risks and opportunities. As such, we propose an annual assessment of corporate mental health practice. We also believe that the frequency of assessments will drive momentum in companies to continuously improve their management and reporting of mental health practices across their operations.

14. \*Do you agree with the proposed focus on the corporate entity:

- Yes
- No [please explain your rationale]

15. \*Do you agree with the proposal to assess companies on their published information only?

- Yes
- No [please explain your rationale]

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16. \*Do you agree with the proposal to share confidential preliminary reports with companies prior to finalising the benchmark rankings?
- Yes
  - No [please explain your rationale]

## 8. Guiding principles for assessing corporate mental health practice

Investors recognise that well-designed, regularly repeated benchmarks, alongside corporate engagement activities, are useful in driving real improvements in corporate practice and performance. These guiding principles are central determinants of whether the benchmark will be effective at delivering the changes or outcomes that are sought. Change is driven through a range of different mechanisms:

- **Signalling:** Benchmarks are helpful in signalling investor expectations of companies on particular issues of concern. Companies inevitably focus attention on the topics/issues covered in the benchmark, and on improving their scores against the questions in the benchmark. Topics not covered by benchmarks will tend to receive less attention and companies will be less interested in performance measures that are not covered by benchmarks.
- **Credibility:** It is essential that the benchmark is seen as technically rigorous (in terms of the assessment process, the quality assurance, etc) and as providing an accurate account of company practice and performance on the issue in question. Benchmarks that do not meet these criteria are either dismissed by companies or used to undermine the credibility of the issue in question and the credibility of the supporting organisations.
- **Legitimacy:** The sponsorship of a benchmark can help to build support, in particular in the early years. This will be achieved not only through CCLA's sponsorship of the project, but also through a defined governance process involving mental health experts and practitioners recruited into an expert advisory group.
- **Call to action:** It is important that attention is paid to how the message and results are presented and communicated to the media and to other stakeholders. Corporate reputation and the media are obvious levers for change but investor expectations (on risk management, on strategy), customer expectations (in particular for business-business), and consumer pressures are equally important drivers of change.
- **Engagement of companies:** Many companies will respond positively to constructive engagement; companies will tend to respond if they are presented with recommendations that they see as relevant to their business; companies can often advise on the best solutions and on the best levers for change; engaging with companies and responding to their comments and suggestions both builds relationships but also reduces the risk of a backlash later on. The converse also applies; a failure to engage leaves the benchmark and the benchmark results open to criticisms of lack of rigour, lack of accuracy and lack of credibility.
- **Longevity:** Delivering change on the scale sought by CCLA in relation to mental health is a multi-year process. It requires a willingness to maintain focus over an extended period of time, to be consistent in the demands that are made, to ensure that commitments made by companies are actually delivered, and to ensure that progress is not delayed or undermined by constantly changing objectives. The same considerations apply to benchmarks. One-off benchmarks generally deliver limited change, other than some short-lived media coverage.

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The questions below refer to six principles related to the effectiveness of investor benchmarks in delivering systemic change.

17. \*For each of these principles, please indicate how you would assess them in terms of their influence on driving or shaping corporate action on mental health.

Scale: Very influential – Influential – Moderately influential – Low influence – Not at all influential – No opinion (unable to make an informed assessment)

- Signalling
- Credibility
- Legitimacy
- Call to action
- Engagement of companies
- Longevity

18. Are there other principles for delivering the changes or outcomes that should be considered in the design of the benchmark?

- No
- Yes [please explain which principles and why it is important they are included]

## 9. Closing comments

19. Do you have any additional comments about corporate mental health or a framework to assess it that you haven't yet had chance to share?

20. \*Would you be happy for your name to be included in a list of respondents to the consultation (this will be an indication of participation only)?

21. \*Would you be happy for us to contact you to follow up on any of the points you have raised?

- Yes
- No

22. \*Would you like to be kept informed about the result of the consultation and the corporate mental health benchmark?

- Yes
- No

**Thank you for your participation**

# Consultation on CCLA Corporate Mental Health Benchmark

## Questions you might have about this project

### Who is involved with running this project?

This project has been instigated by CCLA in collaboration with [Chronos Sustainability](#). An Expert Advisory Group has been established to advise on the direction – scope, objectives, deliverables – of the project, and will review and comment on the major outputs/deliverables from the project. The Advisory Group, co-chaired by Lord Dennis Stevenson and CCLA’s Chief Operating Officer, Elizabeth Sheldon. Members of the Expert Advisory Panel will be independent experts appointed by the Executive Sponsor who undertake to contribute technical opinion and advice on the evaluation of corporate workplace mental health strategies. Members will represent institutional investors, corporations, mental health academics and advisors, and employee wellbeing practitioners as well as individuals with particular expertise that will benefit the project.

### Why is CCLA engaging in the issue of mental health?

As investors, we want the companies in which we invest to be successful. We believe that the human and economic costs associated with poor workplace mental health represent a substantial obstacle to this success. There is a wealth of data to demonstrate that in the long-term, the most successful and competitive companies are those that have the best health and safety records, and the most physically and mentally healthy workers. As investors, we try to be responsible stewards of our clients’ assets; we also aim to invest in successful companies. Pushing for progress in workplace mental health is a moral and economic imperative.

For more information about our work on this topic please visit our website:

<https://www.ccla.co.uk/mental-health>

### What are the objectives of this project?

Building on work undertaken in recent years by CCLA, the primary aim of this project is to develop a framework for assessing corporate mental health in listed companies in a relevant, systematic and credible manner. The goal is to provide a means by which companies, investors and other stakeholders can ensure that all corporate mental health activities are directed towards activities that positively support business and contributes to healthy societies.

### What areas are covered in the consultation?

Questions are grouped into seven main sections:

- i. What do we mean by mental health?
- ii. Project aims and objectives
- iii. Guiding principles
- iv. Benchmark scope
- v. Assessment approach
- vi. Structure for assessment criteria
- vii. Other comments

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## Who should participate in this consultation?

We are seeking input from anyone involved in or in some way affected by the shaping, delivery and impact of corporate mental health practices, including policymakers, investors, corporates, academics, civil society organisations, journalists and members of the public who see mental health as a priority action. We welcome the participation of multiple people even when they work within the same organisation.

## Can I share the consultation with my colleagues and networks?

Yes. We encourage you to share the consultation with colleagues within your organisation, peers within your sector and your wider network. The outcomes of the consultation will benefit from drawing on perspectives from a wide variety of stakeholders. Please share this link:

[www.chronossustainability.com/mental-health](http://www.chronossustainability.com/mental-health)

## How long will the consultation remain open?

The consultation is open until midnight (Pacific time) on Friday 29<sup>th</sup> January 2021.

## How can I find out more about what results from the consultation?

At the end of the consultation you can opt-in to receive future updates about this project.

## Is my data secure?

Yes: please see [privacy policy](#).

## Who should I contact if I have other questions about this project or the use of my data?

1. If you have additional questions to those included here, please contact: [mental-health@chronossustainability.com](mailto:mental-health@chronossustainability.com).