

MEDIA RELEASE

October 2020

Investor CCLA to measure company action on employee mental health

London, 9 October 2020: CCLA, one of the leading¹ investment managers for charities and local authorities, is building a first-of-its-kind assessment tool to enable investors to measure and compare how the largest corporations are managing employee mental wellbeing.

The *CCLA Mental Health Benchmark* will launch in the first half of 2021. It 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 Benchmark will present a clear roadmap for companies to manage and report on employee mental health, as well as providing a robust tool for investors to engage and monitor progress. The initiative will be supported and advised by a panel of investors, mental health experts and employee wellbeing practitioners.

Amy Browne, Stewardship Lead, CCLA said: “Investment markets will be only as healthy as the people, communities and environments that support them. However, our preliminary research and interviews with companies showed little commonality in approach, and a stark lack of monitoring and public disclosure on workplace mental health.”

She continued: “As investors, we believe that companies who can successfully support their staff are likely to be standout performers over the long-term. Our aim is to highlight the companies who should be recognised as leaders, and to encourage others to follow their example. Getting the measure of employee mental health is not an easy task, but it is an essential one. Our goal is to drive collective, systemic advances in the way companies approach the wellbeing of their most precious assets – their people.”

¹ Charity Finance’s Fund Management Survey 2019 ranked CCLA as the second largest manager in the charity sector by funds under management and 1st by the number of charities.

In everyday life mental health is an increasingly common subject. However, CCLA's research shows that in the corporate sphere it remains a topic which managers and employees find difficult to approach without fear of stigma.

The impact of Covid-19 and the consequent rise in mental health problems has given new urgency to CCLA's initiative. According to ONS data², almost one in five adults was likely to be experiencing some form of depression in the UK in June 2020; this has almost doubled from around 1 in 10 before the pandemic.

A long-term advocate of responsible and ethical investment, CCLA believes that companies have the potential to improve the health of society at large by supporting and promoting strong mental health effectively. This action will increase companies' ability to retain skilled employees and thereby their own reputation and sustainability, strengthening the business itself and its contribution to the wider economy.

Elizabeth Sheldon, Chief Operating Officer, CCLA said: "The human impacts of negative mental health are significant and far-reaching – the rise in suicide rates is a tragic reminder of the importance and urgency of positive action on this issue. Within companies, Covid-19 has forced mental health to the top of agendas, as employees and companies alike grapple with scores of new demands and pressures upon them."

"We know that if employee mental health is a normal part of the conversation, the workplace can be a powerful facilitator of positive change. But companies lack an effective framework and tools to manage it competently and a sense of stigma prevails. We hope that the creation of a universal benchmark will help companies support the mental wellbeing of their employees, the foundation to success in any company."

The first benchmark disclosure will focus on the top 20 FTSE 100 businesses by market capitalisation and progressively extend its reach. It will aim to define key expectations on mental health, providing investors with an accessible way to understand and evaluate corporate practices.

This project will focus on delivering systemic change in the way mental health is regarded in the workplace. The benchmark will look at factors such as whether a company promotes mental health awareness among employees and contractors, whether it considers mental health safeguarding in job design and whether managers are trained to provide positive mental health support in the workplace.

Ends

²<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/coronavirusanddepressioninadulthoodgreatbritain/june2020>

NOTES TO EDITORS

About CCLA's Mental Health Programme:

The creation of the *CCLA Mental Health Benchmark* signals the next step in a mental health programme which began in 2019 with the ambition of uniting companies, clients and investors on the importance of positive mental health.

As part of this, CCLA led an initiative that brought together senior representatives from Public Health England, mental health charity Mind and other leading thinkers on the issue to advise on the creation of an ambitious but achievable set of expectations for businesses. As a result, it developed a set of markers and met with 10 financial services and pharmaceutical sector firms to assess their progress.

Despite evidence of some meaningful practices, there were few signs of a concerted structural focus on mental health at companies in sharp contrast to their approach to physical health and safety.

As the Covid-19 crisis swept the globe in April 2020, CCLA invited other investors to help encourage businesses to protect their employees' mental health. In a little over a week it had convened a group representing over £2 trillion in assets³ to write to the CEOs of the largest London-listed companies, encouraging them to take steps. The letter underlined the importance CCLA assigns to mental health and an intent to work with and support company management as they deal with the consequences of the Covid-19 pandemic.

To CCLA's knowledge, this was the first time that investors had worked together collectively to provide such an explicit statement of support for companies in managing the mental health of their employees.

Specialist sustainability advisory firm, [Chronos Sustainability](#) is supporting the creation of the CCLA Mental Health Benchmark.

About CCLA

[CCLA](#) manages investments for charities, religious organisations and the public sector. Founded in 1958, we aim to deliver strong long-term returns and have unmatched experience in providing ethical and responsible investment to charities. CCLA is independently owned by its clients for whom it is responsible for £11.3 billion of assets under management, as at 30 June 2020.

As one of the leading investment managers in the charity sector, Charity Finance's Fund Management Survey 2019 ranked CCLA as the second largest manager in the charity sector by funds under management and first by the number of charities.

³ Combined publicly-stated assets under management of investor signatories of £2.2trillion as at 27 April 2020.

CCLA champions action on issues that have not received the attention that they deserve because it believes it has a moral duty to do so and that it is in the long-term investment interests of its clients, and the industry at large.

CCLA Investment Management Limited and CCLA Fund Managers Limited are authorised and regulated by the Financial Conduct Authority.

About World Mental Health Day: 10 October 2020

World Mental Health Day is observed on 10 October every year, with the overall objective of raising awareness of mental health issues around the world and mobilizing efforts in support of mental health.

A joint initiative by the World Health Organization, United for Global Mental Health and the World Federation for Mental Health, the Day provides an opportunity for all stakeholders working on mental health issues to talk about their work, and what more needs to be done to make mental health care a reality for people worldwide.

As part of this year's World Mental Health Day, the partner organizations are calling for a massive scale-up in investment in mental health.

For more information a press release from WHO and partner organizations is available [here](#)

Mental health facts and figures:

1. 1 in 4 people experience mental health issues each year in England, according to the 2018 report from the independent Mental Health Taskforce to the NHS.
<https://www.england.nhs.uk/wp-content/uploads/2016/02/Mental-Health-Taskforce-FYFV-final.pdf>
2. Worldwide 792 million people were living with a mental health disorder in 2017, slightly more than one in ten people (10.7%, according to estimates in the Our World in Data mental Health report. (<https://ourworldindata.org/mental-health>)
3. Poor mental health costs UK employers £42 – £45 billion a year compared to £33 - £42 billion in 2017, according to a January 2020 report by global consulting firm Deloitte (<https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-health-and-employers.pdf>). This is a 16% rise from the mid-point between the two ranges).
4. Of the £45 billion, absence costs make up of around £7bn, presenteeism costs ranging from £27bn to £29bn —where individuals attend work despite poor mental health but are unproductive in the work they do— and staff turnover costs of around £9bn. The report cites other indirect costs to employers of poor mental health, such as the adverse impact on creativity, innovation, and colleagues.
5. Deloitte estimates that the costs to employers of mental health-related presenteeism costs are roughly three-and-a-half times the cost of mental health-related absence.
6. For every £1 employers invest on mental health they get a £5 return, up from £4 for every £1 spent in 2017, according to Deloitte.
7. Mental illness is the second-largest source of burden of disease in England. Mental illnesses are more common, long-lasting and impactful than other health conditions, according to a

Public Health England report in 2019 <https://www.gov.uk/government/publications/health-profile-for-england-2019>

8. People with a long-term mental health condition lose their jobs every year at around double the rate of those without a mental health condition. This equates to 300,000 people – the equivalent of the population of Newcastle or Belfast, according to the Stevenson Farmer Thriving at Work report published in October 2017, commissioned by the UK government. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf
9. Almost one in five adults (19.2%) were likely to be experiencing some form of depression during the coronavirus (COVID-19) pandemic in the UK in June 2020; this had almost doubled from around 1 in 10 (9.7%) before the pandemic (July 2019 to March 2020). <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/coronavirusanddepressioninadultsgreatbritain/june2020>
10. Good mental health is defined 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 her or his community,” by The World Health Organisation.

For further information:

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