

THE FUTURE OF RISK REDUCTION IS DIGITAL EMPLOYEE WELLBEING:

Driving change with
Sprout At Work™

The Sprout logo, featuring the word "sprout" in a lowercase, sans-serif font. Above the letter "o" is a stylized green sprout with two leaves. The logo is positioned in the bottom left corner of the image, next to a pen holder containing a pen.

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SUMMARY

2020 solidified the interdependency between our personal health and the health of the businesses we work for. In order to reduce the rising financial burden of absenteeism, turnover and health costs due to preventable disease, stress and burnout, it is clear that businesses must future-proof their workforces. In today's work environment, a digital employee health and wellness solution is essential for corporations to drive cost-saving healthy behaviours and remain competitive.

This report examines the role of digital wellbeing solutions for employers and their employees, with advanced insights into the data behind Sprout At Work, powered by the Sprout Health Engine.

On average, Sprout users have a 28% risk reduction for the following five diseases: cardiovascular diseases, type 2 diabetes; lung diseases; arthritis; back pain.

INTRODUCTION

6 out of every 10 Americans are currently living with at least one chronic disease.¹

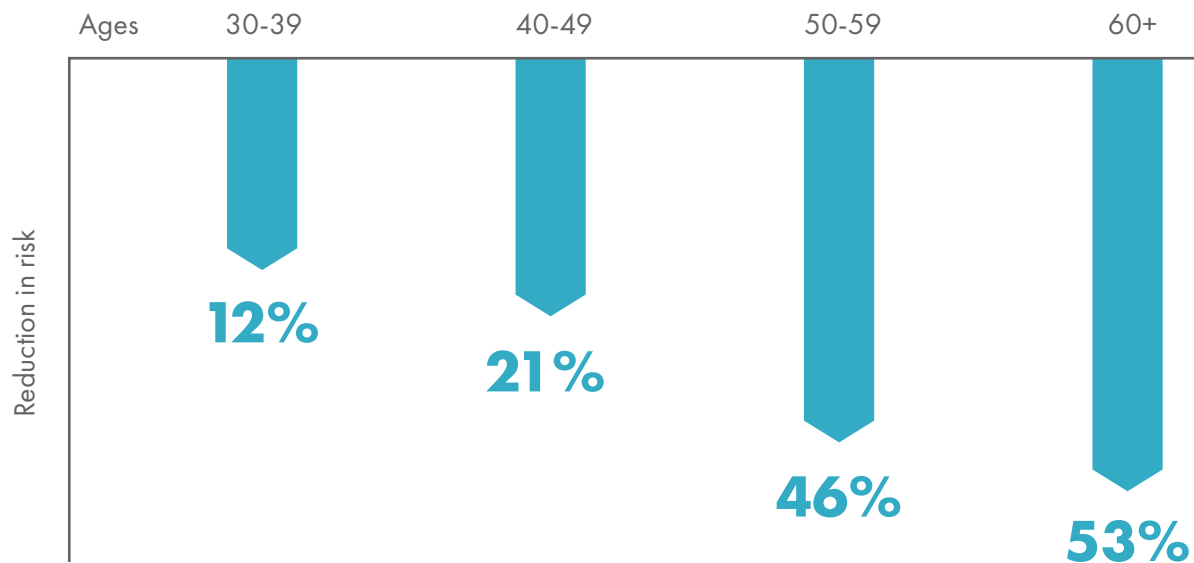
Chronic diseases, specifically, cardiovascular disease, cancer and diabetes have a devastating toll on individual lives, including decreased quality of daily life, added financial strain and reduced life expectancy. In the United States, the prevalence of chronic disease is increasing in those aged 35-65². Similarly, in Canada³ the number of adults living with chronic disease continues to rise. Although exercise is a known and validated strategy to combat the risk of preventable disease, currently, only 25%⁴ of Canadian adults are considered active and less than 20%⁵ of American adults meet recommended guidelines for aerobic and strength training activity.



Sprout users take 27% more steps than North Americans.⁶

Designed to engage users and enable real behavioural change through gamification and integrated rewards, Sprout At Work, powered by the Sprout Health Engine, measures and improves health outcomes. Sprout users have less risk of diabetes, cardiovascular diseases, arthritis, lung diseases and back pain, compared to the average North American.

Sprout At Work users enjoy a statistically significant reduction in disease risk, compared to the risk profile of North Americans of similar age and biological sex.



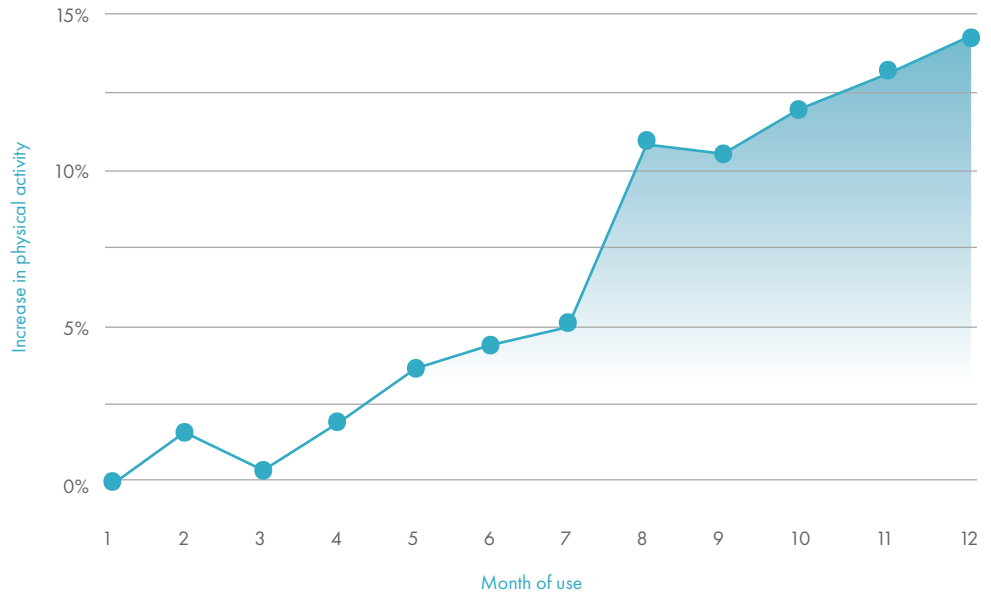
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DRIVING BEHAVIOUR CHANGE

The global fitness industry is valued at \$100 billion dollars, yet more than half of Americans quit their exercise goals within the first six months. When set as a New Year's resolution, that percentage soars to 73%.



Sprout users increase their physical activity by 15% during the first year on the Sprout At Work platform.



Sprout users become **15% more** physically active over the first twelve months of participation on Sprout At Work.

Exercise routines and personal health outcomes are not the sole concern of individual employees. Businesses are directly and negatively impacted by the disease risk profile of their workforces. Increased absenteeism and lost productivity result in rising financial costs and the erosion of a cohesive and productive corporate culture.

Businesses in the United States lose between \$483 and \$605 billion annually due to a lack of employee productivity.

In order for businesses to thrive they need to implement a wellness strategy that is:

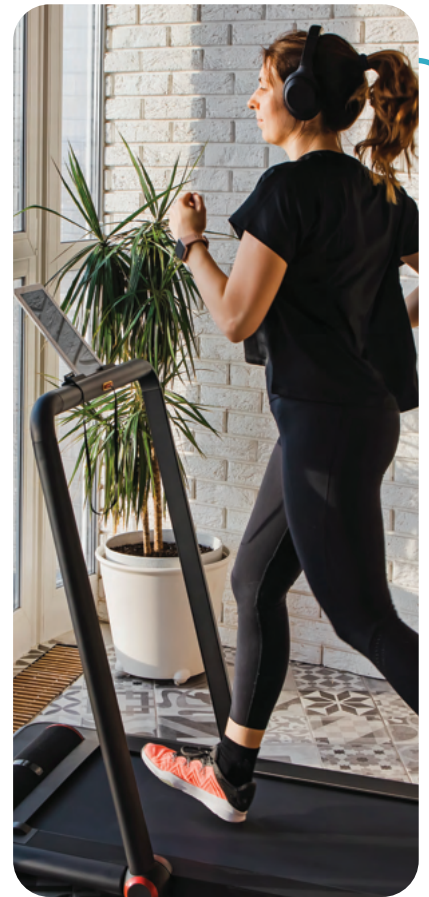
- **HOLISTIC**
- **CENTRALIZES ALL WELLNESS OFFERINGS**
- **IS EASILY ACCESSIBLE**
- **DRIVES PARTICIPATION IN PROGRAMMING.**



THE RISE OF EMPLOYEE CORPORATE WELLNESS

Corporate wellness as we know it today began to emerge in the 1970s as businesses looked to contain health and safety costs. Launched with the Johnson & Johnson's Life For Life Program in 1979, corporate wellness included questionnaires, physical assessments, and provided programming for high risk behaviours, including smoking cessation.

As corporate interest in wellness programs grew, so did the offerings. Employee wellness became a catch-all for numerous initiatives, with varying degrees of success. Everything from lunch-and-learns, to in-house yoga sessions, healthy office snacks, registered dietitians and company-sponsored charity runs fell into the corporate wellness bucket. Exit surveys could capture participation and satisfaction ratings, yet without the integration of a methodology to measure changes in disease risk, the impact of wellness initiatives could not be properly evaluated and potential ROIs could not be identified. Furthermore, the one-off mentality of wellness initiatives, including many still provided today, could not support systemic, long-lasting behavioural change.



CORPORATE WELLNESS TODAY

In order for businesses to thrive they must implement a wellness strategy that is holistic, centralizes all wellness offerings, and is easily accessible in order to drive meaningful participation. Sprout has identified three key tenets crucial for today's corporate wellness: mobile-first platform, centralized wellness hub and integrated data and insights.

MOBILE-FIRST WELLNESS PLATFORM

Approximately 90% of American adults aged 18 - 64 own a smartphone and the average person spends 3.5 hours on their device each day. In order to reach employees where they are, and deliver significant business results, wellness programs must be mobile-first.

As flex-hours, hybrid and remote work are predicted to shape our post-pandemic work world, mobile wellness platforms offer a solution for today, and tomorrow. Location centric wellness initiatives of the past, already a problem for businesses with multiple/global offices or workforces composed of remote/field/office employees, have only grown in their inability to meet the needs of today's changing employment landscape.



In March 2020, as many employees transitioned to a work from home setting, Sprout saw its highest user engagement, reporting a 10% increase in usage across all users as employees looked for ways to stay connected to their colleagues

CENTRAL HUB

Best practices seek to reduce the friction of employee participation while centralizing wellness initiatives to keep them easily accessible. Integrations (HRIS uptake files; single-sign-on; branded applications; automatic data syncs) built into a digital platform facilitate a simplified and improved user experience while a central wellness hub ensures offerings are accessible, co-ordinated and top-of-mind.

Corporate wellness initiatives and health benefits are powerful tools for improving the lives and productivity of employees. Unless they don't know these services exist. For example, the majority of companies offer Employee Assistance Programs, yet utilization is a mere 5-10%. Significantly, employees who use EAP programs have been identified as 8% more engaged with their jobs and absenteeism dropped 27%. It's not a lack of need for EAPs; it's a result of poor program promotion and integration. Integrating wellness offerings within a central digital hub helps a workforce access the resources and services they need, when they need them, wherever they are, and drive better health outcomes.

DASHBOARD INSIGHTS

For businesses, data is valuable, but only if you can use it to help make decisions to benefit your business. Sprout At Work's aggregated data insights, only available at the administration level, allow for timely and strategic shifts in programming and messaging for both company-wide and targeted population segments. Easily digestible data, provided in real time, allows businesses to remain agile to the true health of their workforce and are the key to measuring the return on investment for corporate wellness programs.

Sprout's Partners Platform (a company's personal admin dashboard), captures the health trends of an employee population and measures disease risk in order to drive actionable change.

Manually tracked activity and data synced from wearable devices and apps provide a comprehensive view of user behaviour, with the Sprout Health Engine architecture enabling secure, trusted server-server communication, including data pulled from Sprout's Real-Time HRA.

Sprout's integration capabilities, including EAP access; Single-Sign On; Biometrics, Coaching and Rewards ensures your organization's offerings are front and center and top of mind.



SPROUT DATA ANALYSIS: 2018 - 2020

In November 2020 Sprout analyzed the platform data of their North American users, dividing the population data set into three groups based on the year an individual first enrolled on Sprout At Work: 2018, 2019 or 2020. Step counts, health risks and program engagement were measured for a user's first 12 months of using Sprout At Work. Sprout sought to identify the health risk of five diseases for Sprout users; compare these insights with the morbidity risk of the general North American population; and determine the impact Sprout app usage had on individual health risks.

KEY FINDINGS FOR SPROUT'S NORTH AMERICAN POPULATION DATA SET

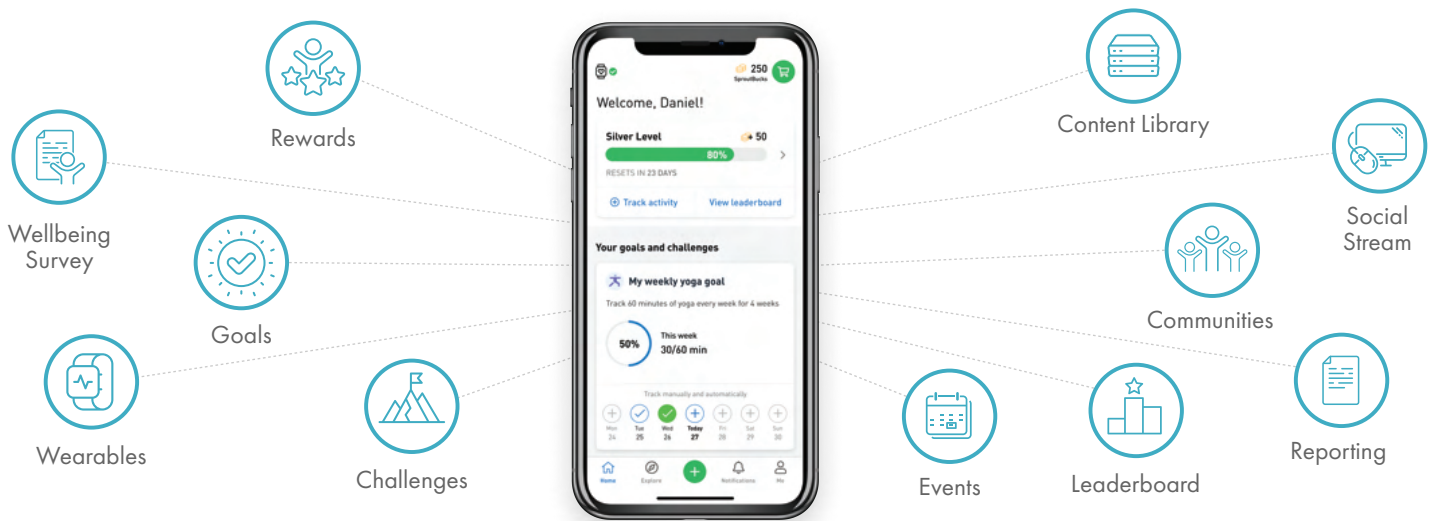
- ✔ Sprout users took, on average, more steps than the North American population in 2018, 2019 and 2020
- ✔ Sprout users' health behaviours (step count, moderate-vigorous activity; BMI, waist measurement, hours sleeping, weekly drinking and smoking) were very good, meaning their health behaviour rating was **8 - 14%** higher than the North American population of the same age group and biological sex.
- ✔ Sprout users have a **25%** risk reduction for cardiovascular diseases
- ✔ Sprout users have a **52%** risk reduction for diabetes

Diabetes is one of the most expensive chronic diseases in the United States. The total estimated cost of diagnosed diabetes in 2017 was \$327 billion, including \$237 billion in direct medical costs and \$90 billion in reduced productivity.⁹



SPROUT HEALTH ENGINE

Sprout At Work, powered by the Sprout Health Engine, is driven by data science and backed by 25 years of academic research. Using game theory, behavioural economics and real-time data, the Sprout Health Engine forms the backbone of the Sprout At Work solution. Developed using industry user interface (UI) and user experience (UX) best practices to inspire user engagement, the Sprout Health Engine delivers a robust set of features designed to increase healthy behaviours, enable disease risk reduction and demonstrate financial value to organizations.



Sprout users with high app engagement have a 49% decrease in disease risk¹⁰

BUILT FOR PLAY

Moving corporate wellness programs into the digital age provides the ability to leverage gamification to further enhance the wellness experience. Engagement strategies such as: levelling up the Leaderboard, social streams, earning points for healthy behaviours, unlocking badges and integrated rewards, build lasting platform participation and behavioural change.

INTEGRATED REWARDS

An integrated reward solution allows employees to quickly and seamlessly unlock in-app rewards based on program participation. By building redemption capabilities directly within its product, Sprout ties reward pleasure to healthy actions, motivating ongoing positive behavior modifications.



Sprout clients who offer rewards see 20% higher engagement

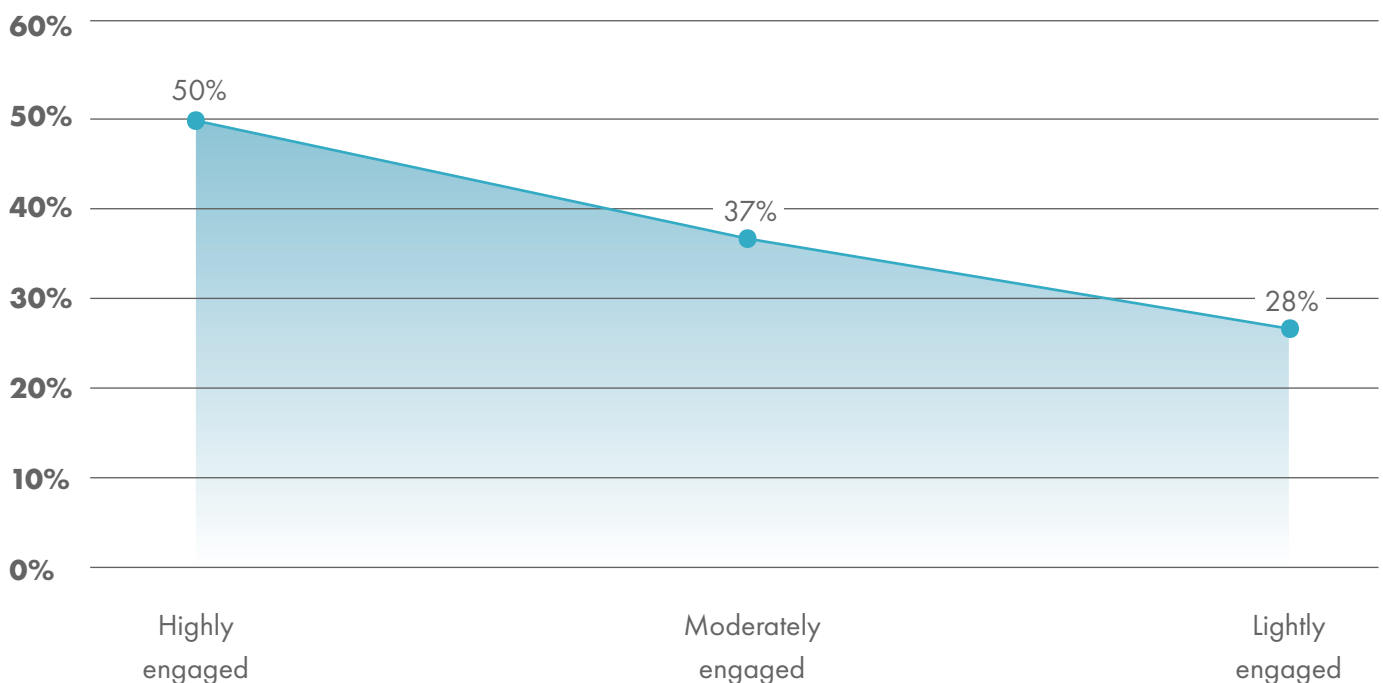
GOALS AND CHALLENGES

Clients who run Sprout’s curated programming consistently enjoy higher employee participation rates, **month-over-month** and a higher level of social interactions on the platform stream. Company-wide goals and challenges, supported by just-in-time communications, are developed by Sprout’s wellness experts to provide a holistic approach to wellbeing.

Together, Sprout’s gamification strategies enhance program participation and transform corporate wellness from its history of self-reported improvements to scientifically validated change. A high level of engagement is a crucial key performance indicator, strongly correlated with **higher risk reduction across 5 diseases.**

ENGAGEMENT AND RISK REDUCTION

Sprout has identified a direct correlation between higher rates of engagement on its platform with a reduction in disease risk scores. Highly engaged users were defined as those who participated in some activity challenges and completed them; participated in some non-physical activity challenges and completed them, and participated on the app frequently by commenting, liking and consuming app library content.



DYNAMIC DATA: SPROUT REAL-TIME HRA

The Sprout Real-Time HRA powers personalized predictive health risk assessments, providing employees with ongoing insights into their health for benchmarking and goal-setting and fueling businesses with aggregate data to measure and effect change.

Sprout's digital health risk assessment is statistically superior to traditional HRA methods in predicting disease risk and boasts a 5x higher completion rate. Integrated into Sprout At Work, the Sprout Real-Time HRA uses inputs of age, biological sex, height, weight and physical activity information synced from a wearable device or activity tracker. Users receive a Wellbeing Score out of 100 that compares an individual's disease health risk of cardiovascular disease, type 2 diabetes, arthritis, lung disease and lower back pain against industry-leading data assets. The wellbeing score is dynamic as new data inputs update the score in real-time.

Developed by clinicians and researchers from Stanford University, the University of Calgary and Mt. Royal University, the Sprout Health Engine methodology has been closely reviewed and validated by three of the world's largest reinsurance and insurance companies, including Munich Re and SCOR.

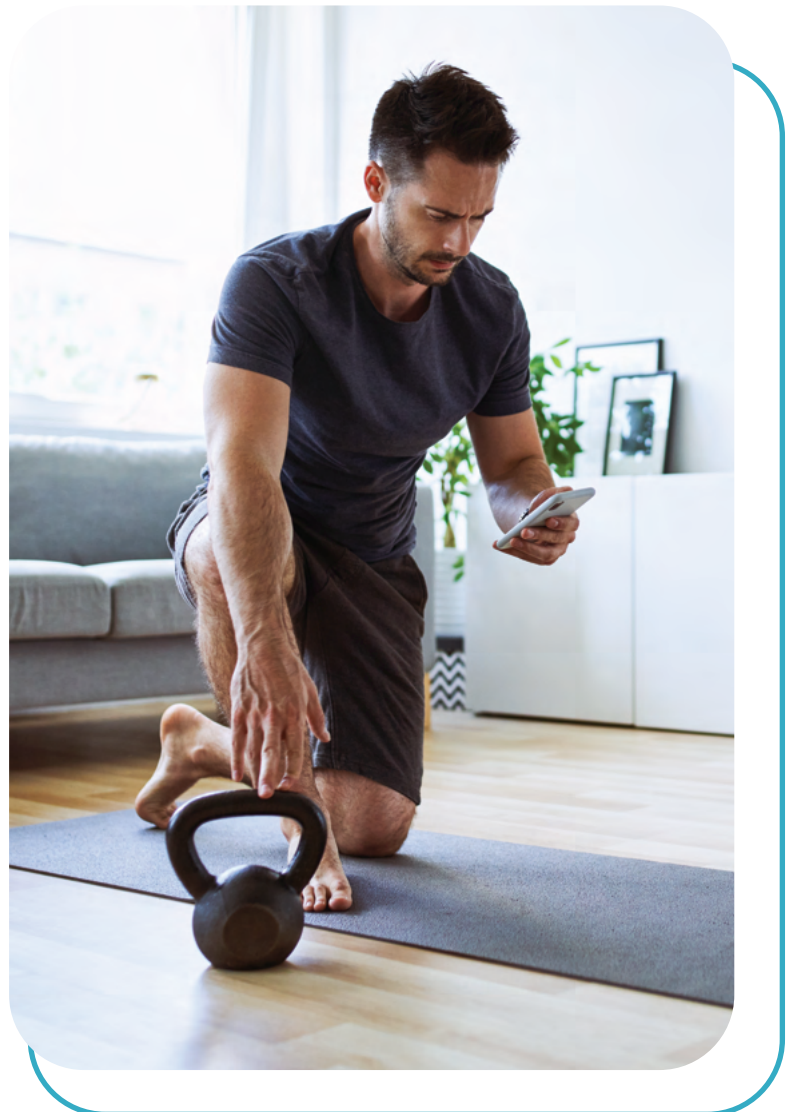


Summary of Sprout Real-Time HRA Validation Studies

- 94% agreement between risk prediction and true disease status when tested against random population samples
- Sprout Real-Time HRA™ analysis is superior to traditional underwriting methods in predicting key outcomes including: disease risk (cardiovascular disease & type 2 diabetes), presence of disease in the population (cardiovascular disease & type 2 diabetes), risk categorization (preferred-plus, preferred, standard, sub-standard, non-insurable), and whether an individual is insurable or uninsurable
- The Sprout Real-Time HRA™ model is 17% more accurate in predicting actual deaths when compared to the traditional model
- Physical activity is the strongest predictor in 10-year mortality (more significant than even smoking status of the individual)

“The Sprout Real-Time HRA makes it easier for the user to understand their current and future health status. Rather than a “one size fits all” measurement, we’ve taken a complex analysis of data points to create actionable individual health insights. In turn, better health data and user engagement unlocks new and valuable opportunities for employers and insurers.”

Dr. Rick Hu,
Chief Medical Officer, Sprout



SPROUT HEALTH ENGINE ROI

What is the return on wellness? Historically, ROI valuation has varied wildly, as corporate wellness offerings in the market are extraordinarily diversified. Based on Sprout's data analysis of cardiovascular and diabetes disease risk, we have compiled predictive cost savings.

Cardiovascular disease, cancer and diabetes are the leading causes of disability and death and are also the leading drivers for annual national health care costs of 3.7 trillion, and counting.¹¹

CARDIOVASCULAR DISEASE

- Sprout users reduce their risk of developing cardiovascular disease by **25%**.
- Average cost of cardiovascular disease in the Canadian population: \$563 per person annually
- Average cost of cardiovascular disease in the USA population: \$674 per person annually
- By reducing the risk of developing type II diabetes 1,000 employees could realize a potential savings of **\$140,750 to \$168,500 each year**

TYPE 2 DIABETES

- Sprout users reduce their risk of developing diabetes by 52%.
- Average cost of in the diabetes Canadian population: \$798 per person annually
- Average cost of diabetes in the USA population: \$1,006 per person annually
- By reducing the risk of developing type II diabetes 1,000 employees could realize a potential savings of **\$414,960 - \$523,120 each year**

This is only the first phase of identifying the full ROI value of a digital wellness solution. For example, absenteeism-related productivity losses cost US employers \$225.8 billion per year in 2019 or \$1,685 per employee. What cost savings will be realized for organizations offering digital wellness platforms to their newly remote workforce? How will digital wellness come to replace the mental health benefits of a corporate culture once dependent on a shared physical space? Combined with the burden of disease, businesses cannot afford to ignore the place of a digital workplace wellness solution to deliver improved employee health, wellbeing and productivity.



Predictive; measurable; scalable - the future of workplace wellness is digital. As a driver of behaviour change and ROI savings to keep businesses competitive, Sprout At Work, powered by the Sprout Health Engine, will continue innovating to anticipate and meet the needs of employers and their employees.

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