



vizient®

2022  
Corporate  
Responsibility  
Report





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## ABOUT THIS REPORT

This is Vizion’s eleventh report using [Global Reporting Initiative \(GRI\) guidelines](#) — the leading international framework for voluntary disclosures on environmental, social and governance (ESG) performance. This year we are also reporting to [SASB Standards](#) — the leading accounting framework which helps businesses communicate financially-material sustainability information to investors. We align our efforts against the [United Nations Sustainable Development Goals](#) (UN SDGs) to support: 3) good health and wellbeing, 5) gender equality, 8) decent work and economic growth, 10) reduced inequality, 11) sustainable cities and communities, 12) responsible consumption and production and 13) climate action. The boundary of this report covers our entire organization. Performance data covers calendar year 2021 unless otherwise noted.

## Collaboration is how we survive — and thrive.



A handwritten signature in black ink, appearing to read 'Byron Jobe', written in a cursive style.

Byron Jobe  
President and CEO

Vizient's strength has always come from our relationships. Our ability to reach out and listen. To create authentic connection and community. To build coalitions and the right conditions for growth and transformation.

Looking ahead to the next decade, we are going to need that collaborative spirit. Because the challenges facing health care are bigger than any single organization. Shifting from a model built on efficiency to one built on resiliency. Lowering costs and increasing quality. Aligning every operational decision against mission. Caring for our care workers. Addressing health care inequality and the related social determinants of health. Taking action to prevent the worst impacts of climate change. To make real progress on these systemic challenges, not only do we have to transform how we operate — we have to proactively collaborate across the industry to support the transformation of the entire health care sector.

Now more than ever, we understand that environmental, social and governance (ESG) management and performance are foundational and essential to the health of an

organization. This is even more true within health care, where our shared purpose is to improve the wellbeing of our communities and, ultimately, our country. That's why for Vizient, this work is not peripheral — it is integral to our strategy and our mission.

We invite you to discover all this and more in our 2022 Corporate Responsibility Report — how we're leveraging our capabilities to drive systems innovation, advance diversity, equity and inclusion, promote planetary health and empower our workforce.

This is our eleventh report following the Global Reporting Initiative guidelines for ESG reporting. Starting this year, Vizient is also reporting to the SASB Standards, a framework for communicating financially-material sustainability information to investors. And in recognition of our relationship with the wider world, we also continue to align our efforts with the United Nations Sustainable Development Goals. Adhering to these frameworks not only affirms our own dedication to transparency and accountability, but also supports a culture of responsibility that values all stakeholders.

The milestones herein are the culmination of the collective efforts of our members, suppliers, community partners and our employees. Without you, none of this would be possible.

To our continued collaboration. And to building a healthier, more equitable and sustainable world — together.

## ABOUT VIZIENT: IN PURSUIT OF HEALTH CARE THAT WORKS FOR EVERYONE

*Vizient is the nation's leading health care performance improvement company. We design innovative solutions and services that empower providers to do what they do best: deliver exceptional care to their patients and improve the health of their communities.*

### Our membership:

Provider-centric and member-owned, Vizient serves more than half of the health care organizations in the United States — including 97% of the nation's academic medical centers, more than 20% of ambulatory care providers and 18 of the top 20 hospitals in the country.<sup>1</sup> Together, our members represent more than \$130 billion in 2021 purchasing volume.

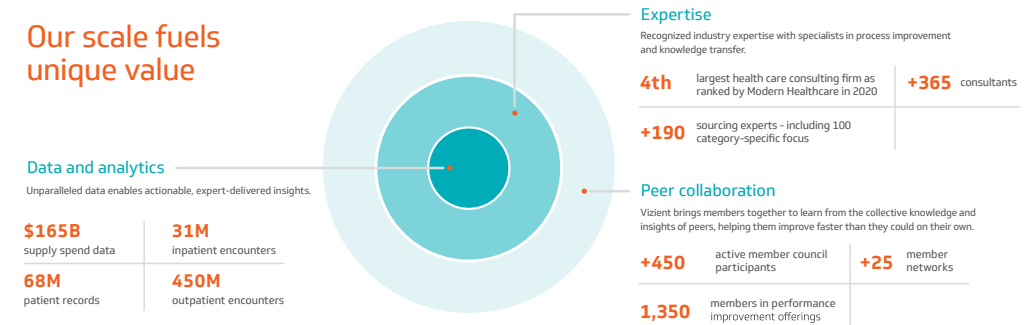
- Large integrated delivery networks
- Academic medical centers
- Community hospitals
- Pediatric facilities
- Non-acute care providers

### Our purpose:

We help members deliver high-value care that saves lives, enhances health and transforms communities.

### Our unique value:

We leverage our unparalleled data, expertise and peer-to-peer collaboration so members can succeed and lead in a rapidly changing environment.



### Our focus areas:

We partner with members across four focus areas to improve quality, increase access, lower costs and deliver sustained performance.

#### Strategic growth

Systemwide growth and effectiveness:

- Enterprise and service line strategy
- Physician strategy
- Payer strategy

#### Operations and quality

Improvement-focused operational and quality discipline:

- Labor and operational efficiency
- Clinical quality
- Safety
- Care variation
- Clinician engagement

#### Supply chain

Cost-effective, efficient supply chain services:

- Medical-surgical supplies
- Clinical preference items
- Purchased services
- Capital, construction and facilities
- Supply chain operations and resilience

#### Pharmacy

Clinically driven, revenue-generating pharmacy services:

- Best-in-class contract portfolio and private-label program
- Price, quantity and mix
- Contract utilization
- Clinical operations
- Ambulatory strategy



“All of our growth this past year — from elevating our data-driven expertise to expanding our workforce to making strategic acquisitions — has been about **helping members modernize, innovate and lead the way forward.**”

**Bharat Sundaram**  
President and Chief Operating Officer

## IMPACT HIGHLIGHTS

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### DRIVING SYSTEMS INNOVATION



## What does your patient's zip code say about their health?

Learn how our data scientists developed the **Vizient Vulnerability Index** to help providers combat health inequities and hyper-target upstream interventions.

### ADVANCING DIVERSITY, EQUITY AND INCLUSION



## One hospital can change the trajectory of an entire city.

Discover how our **Community Contracting Program** reimagines sourcing as an engine of equity, community health and wellness.

### PROMOTING PLANETARY HEALTH



## Climate change is here — and it's time to know what it means for health care.

See how we led the industry's first **Task Force on Climate Related Financial Disclosures (TCFD) Issues Brief** to map our specific risks and opportunities.

### EMPOWERING OUR WORKFORCE



## Real change happens from the inside-out.

Explore how we recruited from within to build our **Transformation Management Office** and reengineer key operations to drive greater value and member experience.

## OUR CORPORATE RESPONSIBILITY STRATEGY

*With our scale, expertise and unique market position, Vizient has both the power and the responsibility to respond to accelerating challenges and create a healthier, more sustainable and equitable future. This isn't just our corporate responsibility — this is our business strategy. But we have to commit to clear and tangible goals in order to turn that aspiration into a reality.*

Every few years, Vizient conducts a materiality assessment to map the issues that matter most to key internal and external stakeholders. In 2021, we engaged an independent advisory group to interview a cross-section of our team, members, suppliers and external thought leaders and to benchmark various organizations within health care and environmental, social and governance (ESG) leaders from across industries.

Vizient is leveraging our unique strengths and scale to transform how we operate and create enduring value for all stakeholders. Specifically, we're drawing on our deep data and expertise to collaborate with members, suppliers, policymakers and industry on innovative solutions that increase access to quality care and improve health outcomes for patients, communities and the country.

## Our stakeholders

While we are a privately held, member-owned company, Vizient works within a larger ecosystem of stakeholders and partners across the value chain to improve the health care system.



## Our strategy

We work with our stakeholders to drive positive results across four key impact areas:



## Vizient as a collaborator and catalyst

We work with all stakeholders to catalyze change — but the impact Vizient can have when we collaborate with members, suppliers, policymakers and industry peers is exponential.

## MEMBERS

Our members represent a wide range of facility types across diverse geographies, but they all share the common goal of offering high-quality, affordable care to the communities they serve. By bringing them together in intentional member cohorts, we are able to offer a robust platform for solving problems, improving performance, collaborating with peers and creating new member ventures. Networks also provide us with an ongoing, open platform to listen to and learn from our members, so that we can better serve them and advocate on their behalf.

### SPOTLIGHT: Mission-driven spend management

One of the ways in which we're helping members transform operations and create enduring value is through mission-driven spend management. As anchor organizations with tremendous spending power, hospitals have the opportunity to maximize the positive impact of their business on local communities. By expanding spend management considerations beyond cost to also include the environmental sustainability, diversity and local attributes of products and services, Vizient is helping members like one of the nation's largest integrated delivery networks based in Oakland, CA find win-win-win ways to lower the cost of care while strengthening the socio-economic and environmental conditions (social determinants) that impact the health of the communities they serve. Together, we use data to identify opportunities to purchase from suppliers who deliver on cost, quality and supply assurance, who are local and diverse, and who meet rigorous environmentally preferred purchasing (EPP) standards including having concrete carbon emissions reduction targets and climate action plans.

### Mission-driven spend management dimensions





“When it comes to spend management, we believe that cost, quality, growth, diversity, sustainability and community impact are all convergent. The way members strategically operate can support not only their business, but also their clinical performance and community health.”

**Simrit Sandhu**  
EVP Strategic Transformation and Clinical-Supply Solutions



## SUPPLIERS

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Partnering with innovative suppliers is a large part of what enables us to deliver supply chain solutions for members that lower costs, improve patient outcomes, promote sustainability and strengthen communities. Our dedicated supplier relations team works hard to foster open, strong, collaborative, mutually beneficial, resilient relationships. In 2021, Vizient recognized outstanding suppliers and distributors for their exceptional service to member hospitals across 14 supplier categories.

### SPOTLIGHT: Investing in new domestic production

Building on 2020 investments in Encompass, Standard Textile and Prestige Ameritech, in 2021 Vizient partnered with member Ochsner Health and manufacturing expert Trax Development to support Louisiana-based SafeSource. This facility will ensure quality and supply assurance by producing essential personal protective equipment (PPE) like exam gloves, gowns, masks and N95 respirators. In fact, SafeSource will be the first large-scale manufacturer of exam gloves in the U.S. By April 2023, the facility is projected to yield an additional 3.6 billion exam gloves; and by 2025, that number is estimated to reach 7.8 billion.

## GOVERNMENT

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Legislation and regulation dramatically shape the health care industry and create both operational challenges and opportunities for providers. Vizient works to maintain constructive relationships with the White House, regulatory agencies and members of Congress from both parties in the House and Senate. With letters, regulatory comments and other direct engagement activities, Vizient provides a unified voice on issues that have an impact on the members we serve.

### For example, in the 2021 calendar year, Vizient:

- Called on Congress to address health care staffing shortages by endorsing bipartisan legislation to address immediate workforce needs, including the Temporary Reciprocity to Ensure Access to Treatment (TREAT) Act and the Healthcare Workforce Resilience Act — and to make long-term investments, including the Resident Physician Shortage Reduction Act of 2021 and the Opioid Workforce Act.
- Advocated for critical relief for hospitals by successfully urging Congress to avoid damaging Medicare cuts, including the resumption of the 2% Medicare sequestration payment reductions and 4% statutory pay-as-you-go (PAYGO) Medicare reductions, and endorsing the Provider Relief Fund Improvement Act that would provide much needed flexibility and clarity related to the Provider Relief Fund (PRF).
- Promoted supply chain transparency and resiliency in response to pandemic-related challenges by providing the Food and Drug Administration (FDA), Federal Emergency Management Agency (FEMA), the Office of the Assistant Secretary for Preparedness and Response (ASPR) and the White House with critical information around hospital supply issues; by encouraging the Department of Transportation (DOT) Port Envoy to solve port and shipping delays and engaging with the agency on tariff decisions in order to avoid health care cost increases or supply disruptions; and by urging the FDA to address the payer-mandated drug distribution model, known as “white bagging,” within the Drug Supply Chain Security Act.



## Urged Congress to champion health equity and address social determinants

Last year, Vizient heavily engaged Congress, the administration and other health care stakeholders on issues related to health equity and social determinants of health (SDoH). We provided detailed feedback and support to the newly formed Social Determinants of Health Caucus in Congress. We joined Aligning for Health, a stakeholder coalition that identifies and promotes opportunities for Congress and the administration to meaningfully address health inequities. And we endorsed and urged support for the bipartisan Social Determinants Accelerator

Act and the Leveraging Integrated Networks in Communities (LINC) to Address Social Needs Act — both of which would improve coordination between existing programs, health services and social services, as well as fund meaningful interventions to target social determinants of health at a local level. We also voiced our support for provisions from the Black Maternal Health Momnibus Act and the Rural Maternal and Obstetric Modernization of Services (MOMS) Act, which would dramatically improve maternal health for families of color and rural families, and also advocated for their inclusion in a social spending package being developed by Congress.

- Supported solutions to increase access to affordable medications by endorsing the Bolstering Innovative Options to Save Immediately on Medicines (BIOSIM) Act, which would incentivize bringing biosimilar medications to the marketplace to offer affordable alternatives to high-cost biologic medications; by continuing to support the 340B Drug Pricing Program and opposing efforts to reduce reimbursement; by advocating for broad access to discounted drugs through contract pharmacies and urging the administration to maintain hospital eligibility for 340B; and by supporting refinements to the Unapproved Drugs Initiative to prevent unnecessary price increases in long-used medications.
- Championed for rural providers and patients by endorsing the bipartisan Strengthening Rural Health Clinics Act, which would correct an unintentional legislative drafting error and provide greater reimbursement clarity for Rural Health Clinics (RHCs), and by providing feedback to the Centers for Medicare and Medicaid Services (CMS) regarding the development of the new Rural Emergency Hospital designation.
- Encouraged greater access to care through telehealth by endorsing the bipartisan Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act, which would extend key flexibilities and correct outdated restrictions; by supporting funding for broadband deployments in both rural and underserved urban areas included in the now-enacted Infrastructure Investment and Jobs Act; by providing comments to CMS regarding recent telehealth trends and the need to maintain access to telehealth services; and by hosting a well-attended congressional briefing to share insights to policymakers and their staff on how hospitals have successfully leveraged telehealth during the COVID-19 pandemic, as well as policy solutions to continue supporting innovation in care delivery.



## Our priority issues for active engagement include:

- Health care group purchasing and the health care supply chain, including disaster preparedness and supply chain transparency
- Increasing efficiency and enhancing value in health care delivery
- Prescription drug costs and shortages, support for competition through adoption of biosimilar and generic medications and support for the 340B program
- Medicare and Medicaid payment issues
- Information technology and cybersecurity in health care
- Nonprofit health care tax issues and community benefit
- Workforce policies that address the shortage of health care professionals

## Advocacy highlights

**29** letters that offered feedback, policy improvements recommendations or endorsements — complementing ongoing direct advocacy engagement

**12** comment letters to federal agencies on proposed regulations within the official comment periods

**9** additional letters engaging with Federal departments and regulatory agencies submitted outside of an official comment period

In addition to engaging policymakers, we also regularly educate our members on federal regulatory and legislative news and its impact on their business. This includes distributing a bi-weekly newsletter highlighting relevant policy updates, providing Washington Update presentations to our members, and answering specific questions as they come in from the membership.

## 2021 member education highlights

**1816** Member subscribers receive our Washington Update, offering a unique, comprehensive, digestible examination of the latest news

**61** Virtual seminars, peer-to-peer workshops and network meetings with members

**8** Official summaries issued to members

Explore all the details of our [policy positions](#) and [advocacy activities](#).





## INDUSTRY

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Vizient engages with various health care industry associations around the country to help ensure the delivery of high-quality and cost-effective care. We also engage on issues of ethics, governance and transparent reporting, sustainability and environmental health and advancing health equity by addressing upstream social determinants of health. Below are just some of the organizations we partner with to affect systems change.

### To lower cost and increase equal access to quality care

**American Hospital Association (AHA).** We are an active member and sponsor of the AHA's Association for Community Health Improvement (ACHI) and Institute for Diversity and Health Equity.

**The Catholic Health Association (CHA).** We co-develop educational resources for members on issues like community benefit and health equity.

**Healthcare Group Purchasing Industry Initiative (HGPII).** We are a signatory company.

**Healthcare Supply Chain Association (HSCA).** We are an active member focusing on increasing industry-wide competition, innovation, transparency and accountability.

**Aligning for Health.** We are an active member focused on coordinating programs to address the social determinants of health.

### To advance ethics, diversity and sustainability

**Women's Business Enterprise National Council.** We are an active national member.

**The Equity Collaborative.** We are an active member advancing gender equity across health care.

**National Minority Supplier Development Council.** We are an active member.

**Chemical Footprint Project.** We are a signatory and actively encourage others to participate.

**Green Science Policy Institute.** We are active members and use their chemical class approach in our environmentally preferred sourcing methodology. This year, we presented to their Buyers Club.

**CleanMed.** We are regular presenters and active sponsors of their conferences, including this year at CleanMed Europe.

**National Academy of Medicine: Action Collaborative on Decarbonizing the Health Sector.** We are active members of this public-private partnership.

**Sustainability Leadership Forum.** Vizient is an active member of the North Texas group.

## SPOTLIGHT: Fighting to end drug shortages

Pervasive and persistent drug shortages place tremendous strain on providers and patients. In 2021, Vizient together with our members and suppliers reached a new milestone in our fight to end drug shortages and ensure access in times of need. Through the **Novaplus Enhanced Supply Program**, Vizient brought an additional 104 million units of 237 unique essential and life-saving medications to the supply chain. In order to maximize public good, we focus on acute and chronic treatment drugs with no alternatives and high impact drugs whose alternatives are less clinically desirable — medications like antibiotics, blood thinners, chemotherapy drugs and those required in the operating room. Participating suppliers agree to produce up to six months of additional inventory and to warehouse product onshore in the United States. For no additional fee or participation agreement, pharmacy program members have access to this inventory. And as we work with more than 60% of the nation's hospitals, the impact of this program is significant to our health care system and the people who seek care in this country every day.

Building the momentum and collaboration between members and suppliers, in November of 2021, Vizient spearheaded the formation of the **End Drug Shortages Alliance**, a trusted and permanent space for key stakeholders including providers, group purchasing organizations (GPOs), manufacturers, distributors and thought leaders to share data, explore new ideas and collaborate to build supply assurance. With more than 65 members and counting, the Alliance focuses its efforts on greater transparency across market participants, improved quality manufacturing of medications, and production of additional supply.

“Providers and patients have suffered the consequences of drug shortages for far too long. We’re doing our part by assuring 100 million additional units of onshore inventory. And while we are proud of our impact on the system, even that is not enough. That’s why we launched the End Drug Shortages Alliance to unite all stakeholders to take action. Together, we can end drug shortages.”

Dan Kistner  
Group SVP, Pharmacy Solutions

# I. Driving systems innovation



*Health care is a complex and dynamic business, full of existential challenges and life-saving opportunities. We need the right data, insights, tools and technologies to understand and meet the moment, drive innovation and partner with members to build the health care system of the future.*

## Forces impacting health care

Our Sg2 team members are known across the industry for their intelligence and forecasting. Looking at the landscape and into the horizon, these are forces and trends we're tracking.

- **Health care costs in the U.S. are rising, with our country spending on average nearly double per person on health care** than other developed Organisation for Economic Co-operation and Development (OECD) countries. With supply and labor costs skyrocketing, providers are impacted as well with average operating margins falling from 5.6% in 2019 to 1.5% in 2021.<sup>2</sup> These rising cost pressures leave the industry ripe for disruption from new technologies and third-party market entrants.
- **Health care worker shortages, burnout and retirement are already causing massive challenges in delivering care** — and the situation is slated to get worse. The Association of American Medical Colleges predicts a shortage of up to 139,000 physicians by 2033. A recent evaluation in the American Journal of Medical Quality, the shortage of registered nurses will reach nearly 510,400 by 2030. With workforce shortages impacting patient experience and stymying access, innovation is all the more necessary.
- **Prescription drug costs and shortages are disrupting patient care and straining hospitals' budgets and operations.** Hospitals spend close to \$360 million each year to manage drug shortages and dedicate on average more than 8.6 million additional labor hours to handle the shortages.<sup>3</sup> Prior to the pandemic, the average total drug spend per admission was already on the rise, growing by 18.5% between 2015 and 2017.<sup>4</sup>
- **Health inequities based on race and socioeconomic status continue to plague the country**, as the pandemic has made painfully clear. A recent analysis revealed that in places such as Chicago and Louisiana, Black patients account for nearly 70% of COVID-19-related deaths, while representing only about 30% of the population.<sup>5</sup>
- **Extreme weather events and climate change were named the biggest global health threat and the greatest global health opportunity** of the century in the Lancet Journal, impacting cardiovascular and respiratory disease, food security and exposure to water-borne and infectious diseases — with the most vulnerable populations bearing the brunt of the risk.<sup>6</sup> In 2020, millions across the western United States were impacted by raging wildfires and toxic air. Fires also disrupted area health providers' ability to provide care.
- **Virtual care and telehealth have been rapidly adopted during the pandemic, shifting industry capacity and patient appetite for remote care.** This is part of a broader trend toward the distribution of care across more non-acute, ambulatory and virtual care spaces. With cost savings up to \$120 per visit, telehealth has risen in popularity.<sup>7</sup> But the transition to virtual care requires a total redesign and full integration of digital elements into the care delivery process. And while it improves access for a vast number of people, the digital divide leaves the vulnerable patient populations outside of the system.



“Health care is rapidly evolving with new competitors, collaborators, funders and disruptors. Our job is to help members foresee change, adapt and innovate to keep human health at the center of the system.”

John Becker  
Group SVP Sg2, Strategic Growth Solutions

- **Mental health and addiction have long troubled Americans.** Nearly one in five adults live with a mental illness.<sup>8</sup> During the pandemic, cases have risen with 40% reporting struggles with mental health or substance abuse.<sup>9</sup> Unfortunately, an estimated half of adults with serious mental illness are not getting treatment.<sup>10</sup> In 2020, the U.S. Surgeon General issued advisories<sup>11</sup> and the AAP-AACAP-CHA declared child and adolescent mental health as national emergencies.<sup>12</sup>
- **AI and predictive analytics support clinical care in real time, improving clinical accuracy, patient outcomes and cutting costs.**<sup>13</sup> A Mount Sinai study found that predictive analytics identified environmental risk factors that could lead to a new understanding of what triggers Crohn’s disease.<sup>14</sup> Data and AI will continue to be critical accelerants of access, quality and equity, as we are finding with our adjusted risk models and Vulnerability Index.
- **Precision and regenerative medicines like gene editing and stem cell therapies hold tremendous potential.** With CRISPR, scientists are already making headway in treating muscular dystrophy, heart disease and cancer. The NIH is working to gather the “largest, richest biomedical dataset” to accelerate the deployment of precision medicine.<sup>15</sup>

These are just a handful of the challenges and opportunities facing our members, our communities and our nation — and it is up to us to work together to deliver systems innovations that enhance the quality, equity and sustainability of our health care system.



## Investing in the future

Vizient unites unprecedented scale in data intelligence and analytics with deep expertise, enabling members to achieve system-wide improvements at the intersection of cost, operations, clinical performance and community-based mission. Our aim is to be at the forefront of applying advanced technologies like machine learning, artificial intelligence and blockchain in ways that address the challenges facing health care and leapfrog the system forward into a smarter, more equitable future.

This year, we advanced our capabilities across several fronts:

- **Data architecture:** to help organize and structure data from various structured and unstructured sources into an integrated, on-demand data library
- **Cloud storage and computing:** to exponentially increase the power, speed and convenience of our applications and real time analyses
- **Interoperability:** to facilitate the flow of information across various systems in use throughout our membership
- **Machine learning and AI:** to automate and accelerate supply chain and clinical applications
- **Cybersecurity:** to make the continuous investments needed to proactively protect ourselves and members



## Automating data flows and reducing overhead

After launching as a pilot program within our **Clinical Data Base**, Vizient now automatically draws clinical data from electronic health records to deliver actionable insights. With participating members, we are able to send queries to multiple sources within the hospital system and automatically receive data in return. So instead of a health care worker spending hundreds of hours a year preparing and maintaining data fields, this automated process does it for them. As we look to the future, we are exploring how linking our cloud with member clouds' will result in instant access without the need to send and receive data at all – making this process even more efficient.

## Augmenting Vizient data with IBM Watson Health

In May of 2020, Vizient entered into a strategic partnership and exclusive licensing agreement with IBM Watson Health. This partnership elevated our analytics portfolio with enhanced benchmarking, forecasting and strategic planning, and clinical and operational performance to increase the quality of care while lowering costs. This past year, we completed the transition of clients from three of IBM Watson Health's performance improvement solutions totaling more than 900 new facilities into Vizient's analytics portfolio. Most notably, the migration of IBM ActionOI clients to the Vizient Operational Data Base (ODB) introduced new comparison groups for enhanced, transparent benchmarking and performance improvement.

## Embracing the cloud

The cloud provides tremendous data storage, computing power, real time analysis, speed, flexibility, efficiency and security all without the need to house and maintain our own hardware. Working with Microsoft's Azure, Vizient has spent the last year accelerating our enterprise migration from on-premise to the cloud. Moving forward, we are looking to link Vizient and member clouds together to provide instant access to data — without having to take the time and resources to generate, send or receive files.

## Embedding Vizient plug-ins into member applications

Increasing interoperability is key to elevating user experience and technology systems. This year, we used APIs to develop plug-in applications that allow us to meet members where they are — in the systems they use every day. With these new plug-ins, providers can easily access Vizient data and analytics where and when they need it most. By embedding into their data warehouses and systems, Vizient has eliminated the need for members to switch venues or port data from one source to another. Moving forward, we are making strategic investments to roll out these plug-ins to more members' sourcing, operational and clinical systems.

## Empowering real time clinical decisions with AI

This year, Vizient developed an Application Programming Interface (API) that deploys Vizient methodologies inside member systems while the patient is still being cared for — turning member data into insights that empower real time clinical decisions. Specifically, we piloted AI-powered risk assessment models that use logistic and linear regression to identify the specific factors that contribute to a patient having a higher probability of an undesirable outcome including mortality, a longer length of stay and higher associated cost — all while the patient is still being treated. Designed for transparency, this methodology allows members to drill down and gain a granular understanding of how they can adjust care in real time to improve patient outcomes.

For example, Vizient is using AI deep learning and image recognition to aid in **ischemic stroke detection, triage and notification**. On average, a stroke occurs every 40 seconds in the United States — and one stroke-related death occur every four minutes. The majority of strokes (87%) are categorized as ischemic, meaning with blood restriction. Timely interventions for an intracranial large-vessel occlusion (LVO), a common type of ischemic stroke, can dramatically improve patient outcomes. With the AI process, a provider can receive the LVO image on their mobile phone, evaluate the scan and begin booking the thrombectomy procedure immediately.

The more we use these technologies, the smarter they become — meaning variation decreases while accuracy increases. In partnership with our members, we are continually working to refine our models and track their impact on clinical outcomes. This will become even more important as care, and patient data along with it, continues to move out of the acute setting and into various non-acute spaces.

## Improving equity measures across the continuum of care

When the Centers for Medicare & Medicaid Services (CMS) began decreasing the number of core measures required covering clinical performance where Vizient looked at differences in care across race, gender, and socioeconomic status, we took it upon ourselves to redesign a more comprehensive, action-oriented approach for providers to track patient equity across the care continuum. Together with our Health Equity Task Force, we evaluated both existing and new measures for tracking statistically significant health inequities. After a robust review and testing period, we established eight new access, process and outcome measures. And starting in 2020, we began using these measures with members.

The following example helps to illustrate how these measures work in practice. As we track patients diagnosed with heart failure across the continuum of inpatient and outpatient care settings, members are scoring how access, process, and outcome measures vary by gender, race and socioeconomic strata using the following:

|                           |  |
|---------------------------|--|
| <b>Prior to admission</b> | Average time from request to appointment for outpatient and/or preventive care |
|                           | Referrals to cardiology specialists  |
|                           | Management of risk factors (e.g., blood pressure, smoking, weight management)  |
| <b>After admission</b>    | Brain natriuretic peptide (BNP) process measure                                |
|                           | Readmissions and/ or emergency visits post discharge                           |
|                           | Average time for follow up visit for primary care and/ or specialist           |

These improved patient measures help providers identify and track inequities across the care continuum, but critical questions remain.

***What factors are causing these inequities? And what can we as members do to address them?***

### Neighborhood-level health factors

|  |  |  |
|--|--|--|
| <b>Economic</b> <ul style="list-style-type: none"> <li>Individuals above 200% of poverty rate</li> <li>Employment</li> <li>Income</li> </ul>                                   | <b>Education</b> <ul style="list-style-type: none"> <li>Adult educational attainment levels</li> <li>High school enrollment</li> <li>Preschool enrollment</li> </ul> | <b>Access</b> <ul style="list-style-type: none"> <li>Insurance status</li> </ul>                                   |
| <b>Housing</b> <ul style="list-style-type: none"> <li>Homeownership</li> <li>Homes with complete plumbing</li> <li>Uncrowded housing</li> <li>Low-income households</li> </ul> | <b>Transportation</b> <ul style="list-style-type: none"> <li>Access to public transportation</li> <li>Access to automobile</li> </ul>                                | <b>Environment</b> <ul style="list-style-type: none"> <li>Air quality</li> <li>Drinking water quality</li> </ul>   |
| <b>Neighborhood</b> <ul style="list-style-type: none"> <li>Park access</li> <li>Grocery access</li> <li>Alcohol sales per capita</li> </ul>                                    |  | <b>Culture</b> <ul style="list-style-type: none"> <li>Voting participation</li> <li>Two-parent families</li> </ul> |

## Proactively protecting ourselves and our members from cybersecurity attacks

According to research by IBM and the Ponemon Institute, the average cost of a data breach in the U.S. rose to \$4.24 million in 2021. But for those in health care, the industry bearing the highest cost per breach for more than a decade, the average cost totaled \$9.23 million — a nearly 30% increase over the last year.<sup>16</sup> With so much at stake, health care cannot afford the interruption to operations, extortion and risk to sensitive data. At Vizient, we support members with proactive planning and connect them to cyber liability and breach response experts. And we protect ourselves by adhering to the NIST Cybersecurity Framework (NIST CSF) and engaging independent auditors to regularly score our systems. We continually assess our service continuity and disaster recovery governance and capabilities to ensure that we are prepared to minimize the impact and recover quickly should a major catastrophe occur.



## Powering targeted interventions with the Vizient Vulnerability Index

In 2021, our data scientists developed the **Vizient Vulnerability Index** to identify the obstacles that patients from specific neighborhoods face in accessing care and to quantify the direct relationship between these obstacles and health outcomes. Armed with this knowledge, rather than apply a trial-and-error approach, members can develop and prioritize targeted upstream interventions that support their specific patient populations and measurably improve health outcomes. The index also allows members to identify and learn from similar organizations who share key features, community challenges and strengths.

How does it work? The Vizient Vulnerability Index goes beyond socioeconomic data and integrates a host of specific and actionable neighborhood-level health factors. Starting with census tract or 9-digit zip codes, we then pull publicly available information from the U.S. Census Bureau, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture and U.S. Environmental Protection Agency. The index then incorporates proprietary member data from our Clinical Data Base (CDB) to identify trends and patterns in utilization, health outcomes and cost drivers unique to the specific neighborhoods our members serve.

“To maximize the improvement of the quality of care for their patients, our members are even more focused on addressing overall community health. Insights from the Vulnerability Index empower them to design precision interventions that maximize their resources and upstream impact.”

**David Levine**  
Group SVP, Advanced Analytics and Product Management

Learn more about our **Innovation Technology Program**, and visit the **Vizient [newsroom](#)**.

## II. Advancing diversity, equity and inclusion



*To address inequities that are deeply rooted across our shared culture, systems and structures, Vizient strives for greater diversity, equity, inclusion and belonging — and commits to advancing tangible progress across the value chain.*

## Our approach: working from the inside-out

Diversity, equity and inclusion make us all healthier and stronger, smarter and more innovative. And it's the right thing to do. That's why we're taking a more holistic, inside-out approach to advancing diversity, equity and inclusion across the Vizient value chain. That means recruiting and supporting diverse employees at every level of our company, and intentionally creating a culture of belonging and psychological safety. It means seeking and supporting diverse suppliers that invest in and strengthen their local regions. And now more than ever, it means proactively tackling the social determinants of health in our member communities and committing to equitable health outcomes for all.

## Our value chain



## Priority populations to engage, affirm and empower



# Employees

The strength of our organization comes from the diverse skills, cultural backgrounds, knowledge and experience that our employees bring to the table. In order to innovate, collaborate, best serve our members and understand the needs of the patients who enter their doors, we must do two things simultaneously.

We must create a truly **inclusive culture** where all employees feel safe, seen, welcome, valued and treated fairly.

We must create **true parity** and diversify our workforce across every level of our organization so that there is equitable representation.

## Building the organization we all deserve

### Tracking our 2024 goals

Vizient is committed to empowering an exceptional workplace experience for every employee and developing a diverse workforce across all levels of the organization. To help us get there, in 2020 we committed to achieving three milestones by 2024.

1. Enable a consistent and exceptional employee experience by eliminating the experience gap between employee groups (particularly for women and people of color) when it comes to overall engagement, perceptions about diversity and inclusion and leadership opportunities.
2. Create a leader-led culture of diversity, equity and inclusion that fosters a sense of safety and belonging for all employees as marked by achieving recognition as a Fortune 100 Best Companies to Work For (earned in April 2022), receiving the Catalyst Award for embracing gender equality, and earning a perfect score on the Human Rights Campaign (HRC) Corporate Equality Index for LGBTQ inclusion.
3. Develop a diverse workforce across all levels of the organization marked by increasing executive parity for women and people of color, closing the gap by half. That means that by 2024, we aim to reduce the gap that existed between our overall representation of women and people of color and our executive level representation by half, using 2020 as our baseline.

## Vizient named one of the top 100 Best Companies to Work For

Vizient is committed to creating a leader-led culture of diversity, equity and inclusion and fostering a sense of safety and belonging for all employees. In April 2022, Great Place to Work honored Vizient as one of the top **100 Best Companies to Work For**. This is the only company culture award in the United States that selects winners based on how well companies are creating a great employee experience that cuts across race, gender, age, disability status, or any aspect of who employees are or what their role is. The award is based on analysis of survey responses from more than 4.5 million current employees across the U.S. In that survey, 93% of Vizient's employees said that Vizient is a great place to work — a number is 36 points higher than the average U.S. company. In 2021, Vizient also ranked as a Best Workplace for Women™, Consulting & Professional Services™ and a Best Workplace in Chicago™.

“Diversity is critical to Vizient’s capacity to adapt, innovate and lead in an increasingly dynamic sector. In 2021, we strengthened our organization by making exciting gains in executive parity with women in leadership roles increasing by 10% and executives of color increasing by 15% over last year.”

**Monica Davy**  
SVP, Chief Culture, Diversity and Inclusion Officer



## Our action plan

To achieve our goals by 2024, we have developed a holistic action plan, outlined below.

1. **Leadership engagement and ownership** of our diversity goals and action plan, with our leaders demonstrating in measurable and sustained ways that they are competent, capable, confident and comfortable showing up, speaking up and leading in these spaces — giving permission and empowering every employee to live our values.
2. **Change management strategies and transparent communication** to inform, align and engage employees on our performance — both our progress and challenges — through leadership storytelling, our employee survey and [D&I annual report](#).
3. **Workforce education and training** to build a capable, competent and bias-free workforce able to elevate diverse talent and leverage diverse perspectives across all dimensions of our organization with tools like inclusive meeting guidelines, inclusive knowledge and behavioral competencies, and win-win conflict resolution methods.
4. **Enterprise-wide behavioral standards and governance** to support inclusive mindsets and practices that foster full engagement as measured by our employee indices on culture, leadership and diversity.
5. **Human resources practices** to mitigate bias and increase equity across pipeline investments, recruiting, hiring managing, developing and promoting our people — for example, assessing the impact of manager and employee referrals on our diversity goals.
6. **Employee networks and programs** to grow our Diversity Network Associations (DNAs) and integrate them into our larger diversity programs and practices, such as we did this year engaging our PRIDE DNA to co-develop our self-identification program.
7. **Enterprise-wide scorecards** to provide regular, year-over-year assessments and identify areas for improvement on diversity, equity and inclusion, employee engagement and leadership review.
8. **Equity measures** to address barriers and opportunity gaps and ensure all employees are treated fairly, without bias and have what they need to succeed.



## Working toward parity: 2021 employee demographics and diversity

### Gender representation

|                        | Female | Male   |
|------------------------|--------|--------|
| <b>Executive</b>       | 43.09% | 56.91% |
| <b>Manager</b>         | 54.80% | 45.20% |
| <b>Professional</b>    | 57.11% | 42.89% |
| <b>Support</b>         | 87.18% | 12.82% |
| <b>Enterprise-Wide</b> | 56.52% | 43.48% |

### Race and ethnicity representation

|                        | White  | Asian  | Black  | Hispanic | All other races and ethnicities |
|------------------------|--------|--------|--------|----------|---------------------------------|
| <b>Executive</b>       | 87.35% | 6.79%  | 1.41%  | 2.58%    | 1.87%                           |
| <b>Manager</b>         | 75.48% | 9.17%  | 8.74%  | 3.62%    | 2.99%                           |
| <b>Professional</b>    | 68.13% | 14.53% | 9.34%  | 6.19%    | 1.81%                           |
| <b>Support</b>         | 67.31% | 2.56%  | 19.23% | 9.62%    | 1.28%                           |
| <b>Enterprise-Wide</b> | 70.89% | 12.63% | 8.81%  | 5.64%    | 1.93%                           |

### Age representation

|                        | < 30 years | 31-50 years | 51+ years |
|------------------------|------------|-------------|-----------|
| <b>Executive</b>       | 0%         | 59.02%      | 40.98%    |
| <b>Manager</b>         | 1.92%      | 35.61%      | 62.47%    |
| <b>Professional</b>    | 16.64%     | 30.40%      | 52.96%    |
| <b>Support</b>         | 10.90%     | 46.79%      | 42.31%    |
| <b>Enterprise-Wide</b> | 12.95%     | 34.66%      | 52.39%    |

### Cultivating a diverse talent pipeline

Turning our aspirations into a reality means investing resources to attract new diverse talent. In partnership with our employee-led DNA networks, we are purposefully expanding our outreach to include colleges and universities with diverse student populations, enhancing our intern program to create a more purposeful pipeline designed for intern-to-hire success and promoting Vizient as an excellent and inclusive place to work among identity-based professional organizations.

### Monitoring pay equity

At Vizient, we are aware of the pernicious impacts of unconscious bias when it comes to evaluating employee performance and compensation. To ensure appropriate, merit-based, equitable pay, we take a two-pronged approach leveraging both innovative technology and external auditors. Our predictive compensation modeling tool assesses all salary adjustments including offers to both external and internal hires, increases requested to recognize growth and performance as well as salary increases that are part of a promotion. The statistical analysis program tracks employees across a number of key indicators, including performance measures, length of time with the company and education alongside gender, race and ethnicity and age. This analysis creates internal transparency and ensures that any anomalies are identified and carefully explored and addressed with managers and individuals. In addition, for the past five years we have engaged an external third-party counsel to help us run an annual pay equity study to ensure our salary and annual merit increases are fairly allocated. And in 2022, all managers will participate in performance evaluation training with a focus on unconscious bias.

### Connecting employees to champion diversity

Working at the grassroots level, our workforce promotes diversity through employee-led Diversity Networking Associations (DNAs). Open to all employees, each DNA participates in broader team outreach, provides critical feedback on pilot programs and shares innovative ideas for increasing inclusion and diversity both internally and across the value chain. And thanks to the addition of Black @ Vizient and Abilities @ Vizient last year, we now have six DNAs, each one supported by a dedicated executive sponsor.

## Vizient DNAs



**Women  
@Vizient**

Drives greater gender equality via equal access to resources and opportunities, regardless of gender, providing growth opportunities for all individuals throughout all levels at Vizient.



**Black  
@Vizient**

Brings awareness to the practices, processes, behaviors and actions where systemic and structural barriers and racism exist and focuses on achieving racial equity for Black employees at Vizient.



**Lead 2040  
@Vizient**

Promotes the organizational benefits of supporting multicultural individuals at Vizient, and helps prepare, develop and celebrate future generations of diverse leaders.



**Veterans  
@Vizient**

Supports volunteerism benefiting veterans and veteran organizations, fosters employee connections and serves as a resource to veteran and military-related matters at Vizient.



**Pride  
@Vizient**

Brings awareness to and helps Vizient attract, develop and retain LGBTQ+ community members and allies by fostering a culture of inclusion that enables employees to be their authentic selves.



**Ability  
@Vizient**

Promotes awareness around the fullness of every person's abilities and health – including physical, neurodiverse and mental health – to eliminate stigmas and ableism by highlighting various dimensions of diversity, like those that aren't necessarily visible.

## Supporting LGBTQ+ employees

In 2021, we continued to expand our inclusive policies. Building on best practices like our inclusive family planning benefits, we rolled out a company-wide self-identification program and LGBTQ-specific training. We added LGBTQ-owned businesses to our supplier diversity program. A transgender inclusion policy and toolkit are also underway to help establish behavioral standards, support for transgender employees and drive accountability when it comes to inclusive behavior. Thanks to those new policies, we improved our **HRC Corporate Equality Index** score by 10 points from the previous year, earning a 95. Within the next three years, our goal is to score 100.

### Joining The Business Coalition for the Equality Act

LGBTQ+ people often do not have explicit protections in employment, housing, credit or public accommodations. They risk being fired from their job, evicted from their apartment, and denied service simply because of who they are. Guided by our values, Vizient joined HRC's The Business Coalition for the Equality Act, a group of more than 500 U.S. employers that support federal legislation that would guarantee explicit, permanent protections for lesbian, gay, bisexual and transgender people under existing civil rights laws. The Coalition, through their support for the Equality Act, works to level the playing field so that every worker and business owner has an equal opportunity to succeed.

### Vizient named a Best Workplace for Women

Since 2020, Vizient has been recognized as a Great Place to Work-Certified™ company. In 2021, we were also recognized as a **Best Workplace for Women**. As part of the process, Great Place to Work® conducted an anonymous survey of more than 5.4 million U.S. employees. The survey explores women's responses to various indicators, for example whether people trust each other and whether employees are able to reach their full human potential no matter who they are or what they do for the company.

# Suppliers

Studies show that companies owned by women, people of color, LGBTQ, people with disabilities and veterans are more likely to contract with other diverse suppliers and small businesses, hire diverse local talent and invest in their hometowns — and in so doing, create positive upstream impacts resulting in healthier, more sustainable, resilient and productive communities.

Vizient encourages spend toward diverse suppliers through several channels, including:

- Supplier Diversity Program for Members
- Local Community Contracting for Members and Prime Suppliers
- Supplier Diversity for Vizient

## SUPPLIER DIVERSITY PROGRAM

The Vizient Supplier Diversity Program works to proactively recruit, grow and promote diverse suppliers of the highest quality to our internal sourcing teams, our member hospitals and the industry at large. Engaging and seeking guidance regularly from our Supplier Diversity Advisory Council, we are able to strategically align our recruitment and mentoring efforts to build a robust pipeline and innovative portfolio that matches current and future market needs.

## Supplier recruitment, mentoring and enrichment

Once identified, Vizient helps diverse suppliers meet competitive cost and quality performance metrics through ongoing mentorship and enrichment. In addition to our own mentorship program, Vizient partners with Inner City Capital Connections (ICCC) to provide even more intensive support for high-potential entrepreneurs and business-owners in 14 key markets nationwide with executive education, coaching, access to capital, connections to business networks and contracting opportunities.

| Year | Total diverse suppliers contracted | Total diverse suppliers participating in education |
|------|------------------------------------|--|
| 2021 | 108 businesses                     | 9 businesses*                                      |
| 2020 | 103 businesses                     | 20 businesses                                      |
| 2019 | 83 businesses                      | 6 businesses                                       |
| 2018 | 102 businesses                     | 2 businesses                                       |
| 2017 | 119 businesses                     | 2 businesses                                       |

\*Decline in suppliers participating in education due to the ongoing COVID-19 pandemic.

## Increasing diversity and transparency with mandatory Tier II reporting

Vizient was the first Group Purchasing Organization (GPO) to contractually require all Tier I suppliers to report their Tier II spend with diverse suppliers, contractors and subcontractors quarterly. This allows our members to find suppliers that meet their quality, cost and diversity criteria — and to make more informed decisions based on the net impact of their sourcing decisions across these two layers of the supply chain.

## Promoting diverse suppliers among members

The Vizient Supplier Connection Portal allows members to discover more than 600,000 qualified diverse suppliers. Members can easily search for a variety of product and supplier attributes, including diverse business designations and local diverse businesses, as well as track their Tier I and Tier II Vizient contracted diversity spend. We also elevate diverse suppliers at our annual [Connections Summit](#) and host an annual product fair and Supplier Diversity Reception to foster relationships between diverse suppliers and members.

## Recognizing outstanding diverse suppliers

In 2021, Vizient recognized [woman-owned GOJO Industries, Inc.](#) with the Diverse Supplier of the Year Award for their excellent member service and community, economic and environmental impact. And for the first time in 2021, Vizient presented our inaugural Tier II Award to Medtronic for their commitment to consistently reporting and increasing their Tier II spend — both in terms of volume and number of diverse suppliers contracted.

## GPO spend with diverse suppliers

| Year | Tier I: Direct suppliers |
|------|--------------------------|
| 2021 | \$291M                   |

| Year | Tier II: Indirect suppliers |
|------|-----------------------------|
| 2021 | \$1.02B                     |
| 2020 | \$1.52B                     |
| 2019 | \$1.84B                     |
| 2018 | \$835M                      |
| 2017 | \$109M                      |

## Supporting members on their supplier diversity journey

In 2020, Vizient created the Supplier Diversity Expert Panel to give interested members the opportunity to connect, support one another, share best practices around contracting, goal setting and measurement, and collaborate on new initiatives. In 2021, we elevated this panel through our national networks and provided continuing education credits to all participants. This group presented across Vizient's member networks, increasing awareness and understanding among peers and earning high participant praise. In addition to bringing members together, Vizient also supports providers in the development, implementation and growth of their supplier diversity programs through advisory services, technology platforms and embedding Vizient experts on-site to support both design and execution of member programs.

## Widening our circle with industry outreach and engagement

Vizient is a national corporate member of the National Minority Supplier Development Council and the Women's Business Enterprise National Council. We also serve as a corporate regional member of Dallas Fort Worth Minority Supplier Development Council and Women's Business Development Council Southwest to support their work certifying suppliers, enhancing equivalent opportunities, educating policy makers and advocating for inclusion. In 2021, Vizient's Supplier Diversity Advisory Council recommended expansion of our national corporate memberships. With the support of our internally-led DNAs, we are exploring opportunities to partner with LGBTQ+ and disability-owned certifying entities.

## Launching a new ethnic hair & skin care products category

Our members understand the importance of providing culturally-appropriate and equal quality care to every patient. Culturally appropriate products are the logical next step. Last year in an effort to help hospitals better welcome and care for diverse patient populations, Vizient launched a new Ethnic Hair and Skin Care category enabling members to select products designed for African American, Hispanic American, Asian and Native American patients. During the planning phase, Vizient engaged our member-led Supplier Diversity Advisory Council as well as internal subject matter experts to provide feedback on the new product category and helped identify the specific hair and skin care products members most wanted. And when it came to contracting, we engaged certified diverse suppliers to manufacture and distribute this new line. Moving forward, we are exploring bandages that match a variety of skin colors, pediatric products and food options such as Kosher, Halal and vegan among others.





### **Local Community Contracting Program**

Across the country, there is an opportunity for hospitals to improve the health of their local communities — not just through grants or donations, but through anchor strategies that reimagine how they source everything from accounting and IT services to landscaping and laundry to biomedical services and surgical products.



## Investing in local markets, and communities

The Community Contracting Program helps members strategically shift more of their spend to diverse suppliers in their local geography including Tier I (direct suppliers) and Tier II (indirect suppliers) as well as HUBZone certified small businesses. This not only improves the resilience of their supply chain, but also increases local jobs, economic development and ultimately lowers costs and increases health outcomes and equity for their communities. When entering a market, Vizient makes the necessary up-front investments to develop, initiate and implement the program, engaging all like-minded area hospitals to achieve their shared goal of solving for economic disparities, addressing social determinants of health and sustainably operating their organizations.

The program initially launched in 2020 with pilots in Oakland, Chicago, Dallas/Fort Worth and Atlanta — all high-need metropolitan areas with untapped networks of diverse suppliers. Recognizing the value provided, members asked Vizient to expand the program and, in 2021, members across four additional markets have engaged Vizient to implement the program in North Carolina, Ohio, Upstate New York and Atlanta, with more regions in the pipeline. Moving forward, we plan to expand the Community Contracting Program on an annual basis, with a goal of reaching 50 markets across the country.

## SUPPLIER DIVERSITY FOR VIZIENT CORPORATE

This year, Vizient began formalizing our own supplier diversity program for our corporate sourcing. Pulling together our own operations, business lines and subsidiaries, we are applying the depth of expertise we've gained in helping our members and applying it to our own supply operations. Next year, we will begin reporting on our own spend with diverse suppliers.

# Members

At Vizient, we address inclusion and equity at the member level through a wide variety of efforts and activities — data and analytics to identify community need and establish targeted health equity strategies, programs that address upstream social determinants and affordability, advocacy to support member hospitals treating underserved and at-risk populations, networks that connect health leaders and diversity officers, and awards that elevate and recognize members for championing diversity and equity.

## Mapping the social determinants of health

How can someone with diabetes keep her blood pressure under control if she lives in a food desert without access to healthy options? How can a Black trans man receive equitable care and treatment when unconscious bias impacts his clinicians?

Social determinants of health (SDoH) are the broader social forces and systems into which people are born, grow, live, work and age. These external conditions create real, measurable and observable health inequities across demographic and social conditions. Even with personal health behavior and genetics being equal, these demographic and ensuing social factors can play a negative and outsized role in our health and quality of life.

## Factors that lead to health disparities

| Demographics +   | Social determinants =  | Health inequities  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Race</li> <li>• Ethnicity</li> <li>• Gender identity</li> <li>• Sexual orientation</li> </ul> | <ul style="list-style-type: none"> <li>• Education</li> <li>• Language</li> <li>• Employment</li> <li>• Income</li> <li>• Housing security</li> <li>• Community safety</li> <li>• Food security</li> <li>• Exposure to toxins</li> <li>• Access to clean water and air</li> <li>• Access to transportation</li> <li>• Access to childcare</li> <li>• Social relationships</li> </ul> | <ul style="list-style-type: none"> <li>• Quality of life</li> <li>• Morbidity</li> <li>• Disability</li> <li>• Health care costs</li> <li>• Disability-free years after age 50</li> <li>• Life expectancy</li> </ul> |

Historically, hospitals and health systems have focused on the delivery of medical care. However, care alone is often insufficient in addressing the root causes of patients' conditions. When upstream social factors are working against a patient, health care providers often observe detrimental downstream impacts like missed appointments or chronic conditions devolving into acute episodes.

While the importance of addressing the social determinants is clear, the complexity of this work has challenged many providers when it comes to developing targeted initiatives to serve their unique patient populations.

## Empowering targeted health equity strategies

To support our members on their journey to achieve greater equity and improve community health, Vizient launched our Health Equity Solution. Given the systemic nature of this work, the team unites experts from across our organizations — including data and analytics, intelligence subsidiary Sg2, supply chain, operations, advisory, clinical performance, member networks and member-backed ventures. Our approach centers data-driven design thinking and agile processes to rapidly test and iterate new ideas and solutions. Here is what we achieved in our first year.

- Established the Health Equity Advisory Council to bring together leaders from within our organization and across our membership to provide critical support, insights and guidance to all health equity work.
- Launched the new Health Equity Network to connect members with experience and interest in health equity to share peer-to-peer learnings from the field.
- Formalized our Health Equity Analytics which focuses on advanced data architecture, application development and benchmarking to deliver tailored insights that pinpoint community-specific obstacles, access challenges, and opportunities to improve clinical processes and outcomes.
- Launched the new Health Equity Leadership Series sharing the latest research, data-driven insights and member best practices to deepen understanding and inspire new ideas and action around health equity.
- Ran our first six-week Health Equity Accelerator, a learning lab to support more than 50 health care organizations across 27 states to develop tailored health equity strategies and metrics that align with their organization's ability and ambition and prioritize the most impactful interventions for their unique patient populations.
- Advocated for health equity by engaging national regulatory bodies including providing insights to the National Committee for Quality Assurance (NCQA) and Social Determinants of Health (SDoH) Caucus in Congress, joining Aligning for Health to help identify and promote opportunities for Congress and the White House to meaningfully address health inequities, and being invited to join the Health Equity Advisory Group of the National Quality Forum's Measure Applications Partnership.



“Working across functions and areas of expertise, our Health Equity Solutions bring the best of Viziont to help members solve one of the most complex and morally-relevant challenges facing health care.”

**Julie Cerese**  
Group SVP, Performance Management  
and National Networks





## Patients

While Vizion is not a provider of clinical care, we do bring members together to collaborate at the clinical level as well as develop innovative tools to increase health equity among all patient groups.

### Improving equity measures across the continuum of care

When the number of core measures required by the Centers for Medicare & Medicaid Services (CMS) decreased, we took it upon ourselves to redesign more comprehensive, action-oriented measures to help providers track patient equity across the care continuum. Starting in 2020, members began using our new access, process and outcome metrics — but critical questions remained: What factors are causing these inequities? And what can we do to address them?

### Powering targeted interventions with the Vizion Vulnerability Index

In 2021, our data scientists developed the Vizion Vulnerability Index to identify the obstacles that patients from specific neighborhoods face in accessing care and to quantify the direct relationship between these obstacles and health outcomes. Armed with this knowledge, rather than apply a scattershot trial-and-error approach, members can develop and prioritize targeted upstream interventions that support their specific patient populations and measurably improve health outcomes. The index also allows members to identify and learn from similar organizations who share key features, community challenges and strengths.

## Communities

Vizion partners with trusted, innovative on-the-ground organizations in our hometown of Dallas and around the country to increase access to the drivers of good health including food and shelter, education and childcare, job opportunities and quality health care.

### Investing in the health of our communities

We partner with dozens of frontline organizations, like the ones highlighted below, with grants and volunteering to increase access to the drivers of good health.

- Food and shelter
- Education and childcare
- Job opportunities
- Health care

## FOOD AND SHELTER

### Providing safe housing so young people can thrive (Chicago)

According to the Chicago Coalition for the Homeless, approximately 16,000 teens and young adults in the area experience homelessness without the presence of a parent or caregiver. Without intervention, the impact of this experience during this pivotal developmental period can last a lifetime. Ignite is a Chicago-based nonprofit with a 45-year track record providing teens and young adults with safe and stable, warm and welcoming housing as well as critical wrap-around support like primary and mental health care, access to employment and education opportunities, lasting connections with caring adults, and the skills to live a healthy and independent life. In 2021, Vizient recognized Ignite with the Norman Borlaug Humanitarian Award and a \$50,000 grant, empowering the organization to serve 425 young people. We also supported Ignite through our employee holiday drive.

## EDUCATION AND CHILDCARE

### Turning the outdoors into a living laboratory for K-5 students (National)

Science provides a framework for teaching math and reading in context, tapping into children's innate curiosity, and preparing students to solve 21st century challenges. Science education also gives them the opportunity to access economic mobility through fast-growing, high-paying STEM careers. We know that exposure before the sixth grade, when students' career interests begin to solidify, is key. And yet two out of three elementary teachers feel unprepared to teach science and most children are only minimally exposed to the subject. During a time of high stress and teacher burnout, the work of Out Teach is much needed. Out Teach is a national organization dedicated to coaching teachers in under-resourced elementary schools how to use the outdoors as a real-world science and STEM learning laboratory. This outdoor, hands-on, culturally-responsive program increases student engagement and teacher satisfaction and retainment. In 2021, Vizient provided a grant to Out Teach to provide 15 teachers with scholarships to help them increase their knowledge and skills using inquiry-based experiential learning and outdoor phenomena to support STEM instruction and student performance.

## JOB OPPORTUNITIES

### Creating opportunities for justice-involved youth (Dallas)

Juvenile incarceration is both enormously expensive and ineffective. According to the Legislative Budget Board of Texas, the cost to incarcerate a single youth for just one year in Texas totaled \$161,300.80 in 2016. And according to a study by the Harvard Kennedy School and the National Institute of Justice, incarceration exacerbates youth trauma, inhibits positive growth and fails to address public safety. Café Momentum breaks stereotypes, builds advocacy, and creates opportunity for justice-involved youth through a 12-month paid internship program set in a casual fine-dining restaurant. In addition to job training, Café Momentum fosters healing and transformation through extensive wraparound support including case managers who address urgent basic needs, counseling and trauma therapy, financial literacy training, parenting classes, educational requirements and assistance and career exploration. After 12 months, successful interns are able to graduate from the program and are placed in a job with a community partner. In 2021, Vizient awarded Cafe Momentum with a grant and provided volunteer opportunities for our employees to contribute.

## QUALITY HEALTH CARE

### Building an innovative community health clinic (Dallas)

Southeast Dallas is a health desert. There are only 54 physicians per 100,000 residents, compared to the national average of 225. Primary care is the number one reason people visit hospital emergency rooms in Dallas County. And in Jubilee Park, 60% of adults do not have health insurance. The result is acute disparity: residents of southeast Dallas have a life expectancy that is 22 years shorter than their neighbors living just four miles away in east Dallas. Place-based organizations like Jubilee Park & Community Center are working to give residents the essential ingredients they need to revitalize their community. In 2021, Vizient awarded Jubilee Park & Community Center a grant to help build the Jubilee Clinic, an innovative community health center and the first of its kind in partnership with Parkland Hospital. Slated to open in the summer of 2022, the Clinic will serve families right where they live with affordable quality health care including primary, dental and vision, as well as supportive upstream services like fresh food, wellness education, fitness classes and volunteer opportunities. Additionally, partner Jewish Family Service will provide free mental and behavioral health care and critical case management including financial assistance, benefits enrollment, translation and referral services.

# III. Promoting planetary health



*Planetary health is human health. From climate action and adaptation strategies to safer chemicals and circular economy solutions, Vizient is committed to taking action and empowering smart, sustainable, resilient choices across the industry.*

## Planetary health is human health

There can be no healthy communities without a healthy environment. Interrelated environmental threats including climate change, extreme weather, air pollution, water scarcity, increased toxicity and declining soil quality pose current threats and long-term risks to community health and economic prosperity. According to the World Bank, air pollution alone costs the global economy \$225 billion annually and is the fourth-leading cause of premature death in the world.<sup>17</sup> These threats are often not evenly distributed across communities as social determinants of health make specific segments of the population more vulnerable. The health care sector itself plays a contributing role to climate change, with 8.5% of all U.S. greenhouse gas emissions stemming from health care.<sup>18</sup> And the disease burden from U.S. health care pollution is similar to that of medical errors — but has yet to receive the same level of attention.<sup>19</sup>

### Increasing environmental risks

- Extreme weather like wildfires and hurricanes
- Rising temperatures
- Air and water quality
- Chemical and carcinogen exposure
- Soil degradation
- Rising sea levels

### Exacerbated health conditions

- Asthma
- Allergies
- Chronic obstructive pulmonary disease (COPD)
- Cardiovascular disease
- Cancer
- Vector-borne disease
- Heat-related illness
- Obesity
- Stress, anxiety and mental illness

## Leading the industry by applying the Task Force on Climate-Related Financial Disclosures (TCFD) framework

The **Task Force on Climate-Related Financial Disclosures (TCFD)** is a project of the Financial Stability Board, an international body created in 2009 at the G20 Summit following the aftermath of the global financial crisis tasked with monitoring and making recommendations to protect the global financial system. In partnership with intelligence subsidiary Sg2, Vizient developed an industry-leading TCFD Issues Brief, which included scenario mapping of Vizient's specific physical and transitional risks and opportunities around climate.

As part of this work, we assessed the potential impact of climate change on the U.S. health care sector based on two scenarios — one where global temperatures rise by no more than 2 degrees Celsius (the “transition to a low-carbon economy” scenario), and the other where global temperatures rise by 4 degrees (the “business as usual” scenario). To add further texture to our analysis, we identified and explored ten important climate trends affecting health care in particular. We highlighted the proliferation of net zero commitments and the nexus between climate, health and equity. We considered the radical transformations within how we source, access and use energy, food, water and land. We highlighted emerging trends related to the growth of the circular economy, the rise of employee climate activism, the push toward smarter cities and the role of capital markets. And finally, we considered potential supply chain implications for our members — incorporating lessons from recent COVID-driven supply disruptions. Vizient's TCFD Issues Brief culminated with the development of a climate risk-opportunity profile for U.S. health care, which has been shared with industry peers to support further dialogue, exploration and ultimately action.

“Vizient's TCFD Issues Brief is an industry-first and lays the foundation for responsible climate action.”

**David Ertel**  
Chief Financial Officer



## Our approach

When it comes to planetary health, we recognize the critical importance of the next decade. Our approach spans the value chain and focuses on where we can make the greatest positive impact: transforming the supply chain, elevating member best practices, increasing community resilience and improving our own operations.

- Transforming the supply chain
- Elevating member best practices
- Increasing community resilience
- Improving our own operations

### TRANSFORMING THE SUPPLY CHAIN

Nearly three quarters (71%) of health care's greenhouse gas emissions come from the supply chain — specifically through the production, transport and disposal of goods and services such as pharmaceuticals, chemicals, food and agriculture products, medical devices, hospital equipment and instruments.<sup>20</sup>

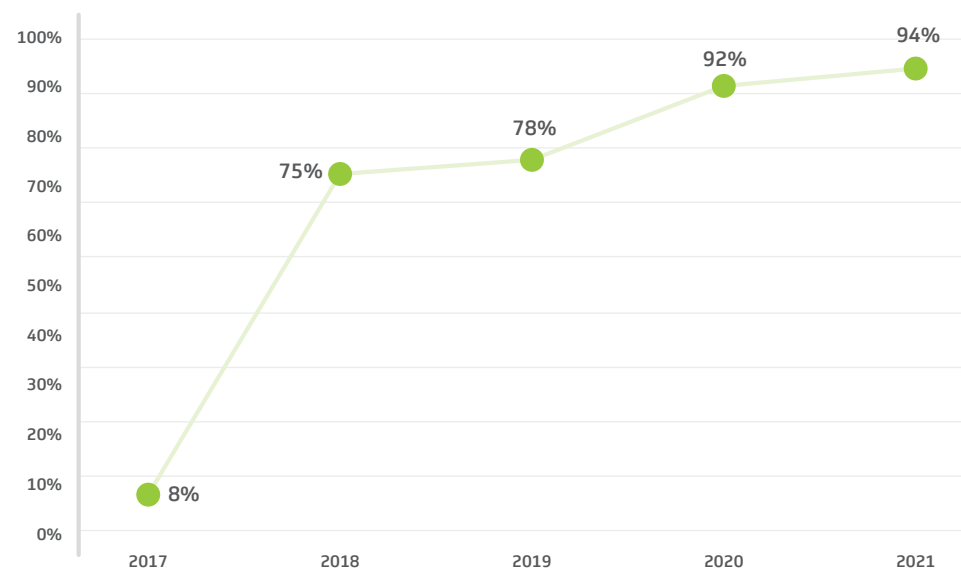
Given our standing as the largest group purchasing organization (GPO) in the country, Vizient is committed to leading the way toward a healthier, more resilient supply chain that does minimal harm. We do this by 1) increasing transparency and minimum environmental requirements for all suppliers and 2) promoting the most high-performing sustainable products to our members.

### Requiring transparency from all suppliers

Since 2017, Vizient has been contractually requiring every supplier and potential supplier to report on environmental attributes — a first for the industry. Working with Kaiser Permanente, we developed a standardized list of 23 product attributes for medical and surgical products. Attributes include, for example, reporting on the presence of flame retardants, bisphenols and latex, as well as the extent to which packaging is made of recycled and/or recyclable materials. We have also established specialized environmental attributes for food, food service ware, cleaning chemicals and electronic equipment. Our environmental sourcing team then analyzes that data and scores each product. It all comes together on our integrated data platform — empowering members to easily search, filter and compare across variables spanning Environmentally Preferred Sourcing (EPS) metrics, diversity metrics and price so they can make informed

decisions that support positive environmental and health outcomes. Looking ahead, we are collaborating with suppliers and members to align on how best to measure and reduce the carbon footprint of products within the supply chain.

### Percentage of suppliers reporting on 23 environmental attributes in the national bid process



### Eliminating PVC and DEHP from all our products

Currently there are more than 85,000 synthetic chemicals in use in the U.S., yet only 1% have been tested for safety to human health.<sup>21</sup> Hazardous chemicals cost the U.S. more than \$340 billion a year in health care, social services, special education and lost productivity. Even the typical pediatric hospital room contains more than 250 chemicals of high concern.<sup>22</sup>

In order to minimize risk to patients, family members, clinicians and the planet we all rely on, Vizient has prioritized working with suppliers to eliminate two harmful substances: polyvinyl chloride (PVC) and Di-2- ethylhexyl phthalate (DEHP). These chemicals leach toxins into the air and onto the skin throughout a product's life cycle, and are linked to serious adverse health effects such as cancer, obesity, neurodevelopmental abnormalities and reproductive issues. Vizient contractually requires all suppliers to provide products free from PVC and DEHP (avoiding regrettable substitutes) — or to work with us to develop new products that eliminate these harmful substances within 18 months from the start of our agreement. By leveraging our scale and creating healthy incentives, we are positively impacting not only our own supply chain but the market at large.

## Protecting high-risk patients from unsafe chemicals

In 2021, Vizient conducted a [case study](#) on six product categories of medical supplies actively used in high-risk patient care areas, linking chemical attribute classifications to categories of health impacts — clinical language familiar to executives, physicians and clinicians designed to promote healthier purchasing decisions. Developed in collaboration with a 620-bed nonprofit community hospital, this case study provides a sustainable, scalable, data-driven approach to help providers conduct 360-degree evaluations considering the potential financial, clinical, operational, health, environmental and social impacts of their sourcing decisions and to monitor the use of unsafe chemicals in their supply chain to prevent unnecessary exposure. By promoting data-driven methods, Vizient aims to make the screening and removal of unsafe chemicals from health care settings the expected standard of care.

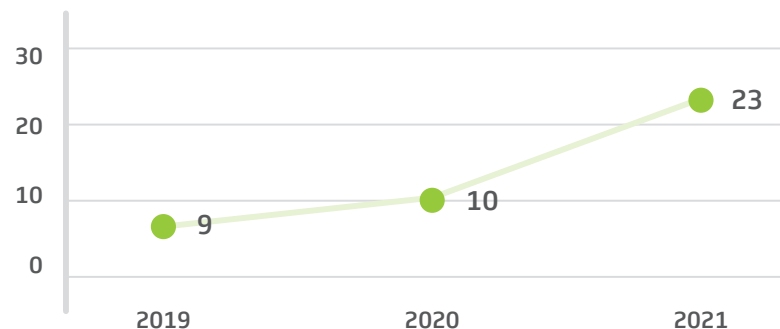
## Reducing chemicals of concern across our entire portfolio

In addition to our focus on PVC and phthalates, Vizient is constantly working to reduce all chemicals of high concern including bisphenols, bromine- and chlorine-based compounds, chemicals prohibited in [California's Proposition 65](#), antimicrobial and antibacterial agents, flame retardants, heavy metals and perfluorinated compounds, among others. We encourage members to elevate and standardize their supplier requirements around chemicals in order to expedite change in the marketplace.

## Environmentally Preferred Sourcing: highlighting sustainable attributes

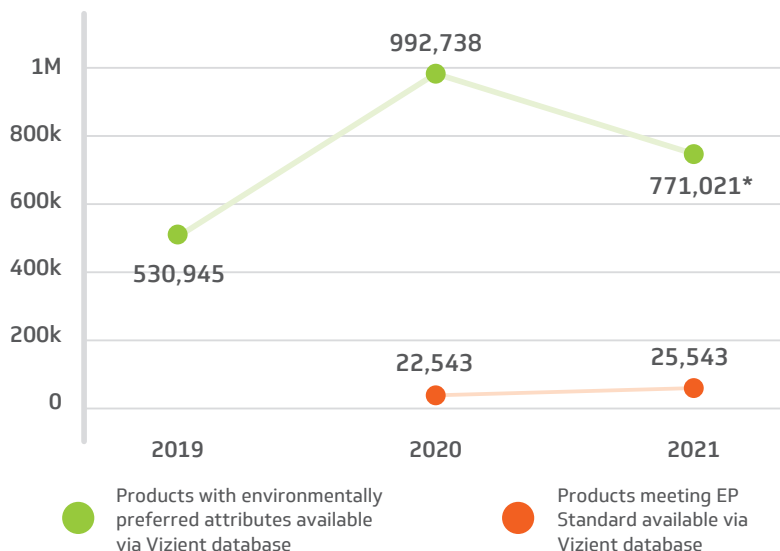
Vizient's Environmentally Preferred Sourcing (EPS) Designated Portfolio is the largest environmental product portfolio in the industry. Beyond our competitive cost and quality criteria, those listed in the Vizient EPS designated portfolio must meet our general and category-specific environmental criteria, provide approved third-party certification verifying manufacturing and environmental standards are maintained, and report their own conventional and environmentally-preferred spend.

## EPS agreements



## Vizient Environmentally Preferred Standard: championing 360-product excellence

The Vizient Environmentally Preferred (EP) Standard takes EPS even further, mirroring Kaiser Permanente's Environmentally Preferable Purchasing standard requiring 11 positive chemical attributes and at least two positive waste attributes. As we enter this next critical decade for the environment, we will continue to enhance our EPS standards, expand the portfolio and promote these highly competitive products among members.



\* Last year, we updated our system, deleted duplicates and removed products that had not been purchased in the past five years — all of which contributed to the net decrease in products with environmentally preferred attributes from 2020 to 2021.

\*\*EP Standard was created in 2020 and did not exist in 2019.



## Specialty portfolios: elevating an entire category

Vizient's specialty portfolios are the largest, most comprehensive and most rigorous in the nation. In addition to maintaining quality and affordability, specialty portfolios meet our own criteria focused on chemicals of concern and sustainability attributes as well as carry an approved third-party certification.

- **Flooring:** Launched in 2021, the flooring portfolio requires carpet, flooring and adhesives to be free of formaldehyde, perfluorinated compounds, polyvinyl chloride, antimicrobials, flame retardants and other chemicals of concern. Products must also carry at least one third-party certification from organizations including GREENGUARD Gold, SCS Indoor Advantage Gold, FloorScore, Blue Angel, or Cradle to Cradle Gold or Platinum, and Carpet and Rug Institute Green Label Plus.
- **Furniture:** All products in this portfolio are free of formaldehyde, perfluorinated compounds, polyvinyl chloride, antimicrobials and flame retardants — all commonly used in furniture. Products must also carry a third-party certification from organizations including Cradle to Cradle, LEED, or ANSI BIFMA.
- **Baby care:** Building on the standard 23 attributes, products must also be organic, free of dyes and colorants, fragrances and talc. In addition, preferred pediatric suppliers must also hold certification from a leading body such as USDA Organic, EU Organic, Nordic Ecolabel, Ecocert or the Environmental Working Group.

Learn more about Vizient's  
**Environmentally Preferred  
Sourcing program.**

## Moving the industry forward

Given our size and standing, Vizient is uniquely positioned to advance sustainable health care by engaging outside industry groups and peers. Specifically, we seek to spark widespread environmental adoption by (1) increasing standardization and (2) lowering the cost of sustainable products. We are proud to report the following highlights:

| Industry affiliations  | 2021 highlights  |
|--|--|
| Chemical Footprint Project   | The Chemical Footprint Project works to transform global chemical use through greater transparency and healthier choices. Throughout our relationship, Vizient has invited hundreds of suppliers to participate, sparked sizable increases in participation, and integrated Chemical Footprint Project data into our sourcing database and tools to empower informed decisions. This year, our team presented compelling case studies and best practices at their annual conference, encouraging greater supplier participation. |
| CleanMed   | leanMed is the premier national conference for leaders in health care sustainability. This year, our team presented our approach to environmentally preferred sourcing as well as our case study "Protecting high-risk patients from unsafe chemicals in the supply chain" at CleanMed Europe.   |
| Green Science Policy Institute   | The Green Science Policy Institute develops and promotes peer-reviewed research about chemicals of concern. Vizient continues to engage with the organization and to utilize their chemical class approach in our EPS and EP methodologies. This year, we presented to their Buyers Club as part of a conversation on healthy and sustainable materials for built environments.  |
| Healthcare Group Purchasing Industry Initiative (HGPII)  | Healthcare Group Purchasing Industry Initiative promotes ethics and shared best practices across the industry. This year, we continued to encourage all of our peer GPOs to adopt the 23 environmentally preferred attributes as the industry standard.  |
| My Green Lab   | In 2021, Vizient partnered with global nonprofit My Green Lab to develop standards, based on input from its suppliers and member hospitals, for our clinical lab portfolio of products in order to improve the health of both lab workers and patients.  |
| Proactive Alliance for Sustainable Healthcare  | In 2021, as founding member Vizient co-launched the Proactive Alliance for Sustainable Healthcare to advance the sustainability of medical technology.   |
| National Academy of Medicine (NAM): Action Collaborative on Decarbonizing the U.S. Health Sector | This Action Collaborative is a public-private partnership uniting leaders from across the health system to reduce the environmental impacts and increase the sustainability and resiliency of the health sector. As an active member, Vizient supports NAM's work with our executives participating in three of their four work streams and through financial donations. In 2021, Vizient also shared universally applicable insights from our TCFD Issues Brief with the NAM community.   |
| Yale Center on Climate Change and Health   | In 2021, Vizient supported the inaugural Yale University Sustainability in Health Care Symposium, "Care Without Carbon," by serving on the planning committee and presenting insights on action and reporting frameworks for the health care sector.   |

## Making medical technology healthier for people and planet

In 2021, Vizient launched the Proactive Alliance for Sustainable Healthcare to advance the sustainability of medical technology. In partnership with founding members Clean Production Action, Brussels-based COCIR, the Green Electronics Council and HealthTrust, we seek to promote industry-wide sustainability standards and ambitious targets in order to drive change across the industry. Our first initiative focuses on medical imaging equipment including ultrasound, magnetic resonance imaging (MRI), and x-ray technologies.

## Partnering with the National Academy of Medicine (NAM) to decarbonize health care

The National Academy of Medicine's (NAM) [Action Collaborative on Decarbonizing the U.S. Health Sector](#) is a two-year public-private partnership uniting leaders from across the health system to address the sector's environmental impact while strengthening its sustainability and resilience. Members of the Climate Collaborative represent health and hospital systems, clinicians, private payers, biopharmaceutical and medical device companies, health care services, health professional education, academia, nonprofits and the federal government. The Climate Collaborative's work focuses on four areas: health care supply chain and infrastructure; health care delivery; health professional education and communication; and policy, financing and metrics. As an active member, Vizient executives participate in three of the four work streams and through financial donations. In 2021, Vizient also shared universally applicable insights from our TCFD Issues Brief including a climate risk-opportunity profile for U.S. health care with the NAM community to support further dialogue, exploration and ultimately action.



## ELEVATING MEMBER BEST PRACTICES

Vizient works with members to reduce their impact through sourcing and to improve their operations through eco-efficiency, disaster readiness, adaptation strategies and environmental advisory solutions. Historically within health care, there has been a lack of standardization for sustainability. That's why Vizient participates in various industry groups, promotes standardized environmental sourcing standards with our suppliers and members and why we elevate member best practices.

### Environmental Advisory Council encourages other members to level-up sustainable sourcing

This year, the members of our Environmental Advisory Council, who influence over \$17.6 billion in collective annual spend, encouraged all Vizient members to bolster their focus on prioritizing safer products. Providers on the council — including Cleveland Clinic, Sutter Health, Mayo Clinic, Kaiser Permanente, Gundersen Health Systems, Memorial Sloan Kettering Cancer Center, UC Davis Health, Ohio State University Wexner Medical Center, Children's National, Bellin Health, SCL Health and the University of Maryland Medical Center — leveraged their expertise and influence to encourage other Vizient members to:

- Adopt Vizient's standardized environmentally preferred attributes
- Collaborate with and educate suppliers on the importance of the standardized attributes
- Incorporate environmentally preferred criteria into periodic business reviews
- Promote the transparency of supplier data to expedite the adoption of environmentally preferred products and services

### Seattle Children's Hospital eliminates PVC and phthalates from IV bags

Seattle Children's Hospital has long been a leader taking a strategic approach to sustainability and protecting their vulnerable patient populations through sourcing safer chemicals. This year, they worked with Vizient to eliminate chemicals PVC and phthalate from all IV bags. Through a holistic value analysis that considered financial, clinical, operational and sustainability dimensions, Seattle Children's converted to a new supplier who's products meet rigorous performance standards without containing any chemicals of high concern. The new IV bags are manufactured domestically, further increasing supply resilience, and even brought an annual cost savings of \$267,000.

### Ohio State University's Wexner Medical Center transitions to reusable sharps containers

As part of Ohio State University, the Wexner Medical Center has made bold sustainability goals like eliminating carbon emission by 2050 and diverting at least 90% of waste from landfills by 2025. Working with Vizient on sustainable procurement, Wexner Medical Center more than doubled their EPS spend last year. This included transitioning from disposable sharps containers to a service program with reusable containers. Implementing this program across the health system saves approximately \$200,000 annually while exponentially reducing the use of petrochemical-based plastic as one reusable container does the work of 600 disposable containers.

## INCREASING COMMUNITY RESILIENCE

Vizient supports members with insights and resources to improve their disaster preparedness, climate resilience and adaptation strategies and provides essential disaster relief to communities after catastrophic events.

### Helping members deliver uninterrupted care during disasters

According to an analysis of federal disaster declarations, nearly one in three Americans lived in a county affected by a weather disaster during the summer of 2021. From climate change exacerbated wildfires to hurricanes to snowstorms, when communities are impacted by natural disasters, their local hospitals are too. Though hospitals are required to have well-defined and tested emergency preparedness plans, large-scale disasters can stretch hospital, city and state resources thin and disrupt supply chains in unexpected ways.

The Vizient Disaster Response Program uses predictive forecasting to anticipate needs and proactively reach out to members in the path of a wildfire, hurricane, tornado or other natural disaster. With our extensive corporate-level relationships, Vizient is uniquely positioned to drive action when it's needed most. Our dedicated team leaps into action at the onset of an emergency, establishing a direct line of communication with field teams and coordinating with distributors and suppliers to ensure members' ability to deliver uninterrupted care.

## Stepping up for providers during Hurricane Ida

When Hurricane Ida slammed into the Gulf Coast of Louisiana on August 28, 2021, power outages across the region, including area gas stations, made it difficult for caregivers to get to and from work. While fuel is not a part of Vizient's contract portfolio, the team stepped outside norms, quickly became familiar with state regulatory guidelines, and successfully connected with distributors who were able to provide members with 15,000 gallons of unleaded gasoline so that caregivers could continue to serve their patients.

## Helping communities respond to emergencies and rebuild afterwards

For nearly 30 years, the Vizient Foundation has provided financial support to almost 90,000 employees of member hospitals as well as Vizient employees affected by FEMA-declared disasters, including tornadoes, earthquakes, hurricanes and floods. Since 1992, Vizient has engaged in 172 disaster relief efforts, donating \$13.62 million to support more than 144,341 people facing dire emergencies. In 2021 alone, Vizient engaged in 10 disaster relief efforts, donating \$159,500 to assist more than 54,230 people facing dire emergencies.





## Bolstering shelters during the great Texas winter storm of 2021

In February 2021, Texas was at the mercy of an historic winter storm that left millions of the state's residents without heat, power and potable water for days and resulted in 246 deaths.<sup>23</sup> At the onset of the storm, Vizient stepped in with emergency grants to Dallas shelters **Our Calling** and **Family Place** to ensure that their residents — those already experiencing housing instability — could find safe, warm shelter in the storm.

## IMPROVING OUR OWN OPERATIONS

While our greatest impact comes from advising and empowering our members, we also have a responsibility to minimize our own operational footprint and an opportunity to innovate and model best practices.

## Reducing our own carbon footprint

The United Nations referred to its most recent report from the Intergovernmental Panel on Climate Change (IPCC) as “code red for humanity” — implying that there is no time to wait if we hope to avert the most catastrophic impacts from climate change. Similarly, in 2020, the Lancet declared climate change as “the greatest global health threat facing the world in the 21st century, but also the greatest opportunity to redefine the social and environmental determinants of health.” And in his high-profile annual letters to business leaders, Larry Fink – the CEO of Blackrock, the world's largest owner of assets – has stated unequivocally that “climate risk is investment risk” and “will spark a fundamental reallocation of capital.” He believes that every organization's business model will be profoundly affected by the transition to a net zero economy. In 2021, Vizient developed the industry's first TCFD Issues Brief which mapped the climate risk-opportunity profile for U.S. health care. Building on this strong science-backed foundation, we are exploring our path to eliminating emissions.

## Elevating our campuses

As a professional services company, our direct footprint predominantly stems from our buildings and office operations. All major office locations and all new office buildings have a minimum of LEED® Silver Certification for Commercial Interiors from the U.S. Green Building Council. Our corporate headquarters campus in Irving, Texas is the largest LEED® certified project of its kind in the state. Our campus features exclusively Energy Star-rated computers and laptops, electronic equipment and appliances; high-efficiency plumbing fixtures in restrooms, coffee galleys, and employee break rooms; and high efficiency light fixtures and lamps in all general office areas with supplemental use of lighting controls and occupancy sensors. Collectively, we estimate that these attributes have reduced our campus' energy and water consumption requirements by approximately 50% and 30% respectively.

Using the LEED® certification framework to guide the renovation of our campus, we were able to use environmentally friendly materials including low-emitting paints and coatings; adhesives and sealants; flooring systems; composite wood and agri-fiber products; and furniture. As a result, 24% of the total building's contents was fabricated with recycled materials. We were also able to divert approximately 75% of on-site construction waste from landfills. Additionally, we designed our campus to promote health and wellbeing with access to natural light and recreational spaces. During pandemic-free times, we also encourage low-carbon commuting options — by providing special parking assignments for employees who carpool and adding sidewalks to connect public bus lines to our offices.

## Working toward zero waste

We have also been at the forefront of removing single-use plastics from our operations. Today, all lids, straws and coffee cups at our corporate campus are compostable. As we begin to transition safely back into our office spaces, we will also begin transitioning to compostable cutlery. And given the post-pandemic shifts in office utilization, we are reassessing our remaining waste streams in order to identify our next priority projects.



# IV. Empowering our workforce



*It's going to take the workforce of the future to build the health care system of the future — so we must invest in our people and empower them to lead us forward. Vizient is committed to embracing a growth mindset, cultivating a bold and purposeful culture, developing our diverse team to their full potential, and caring for the health and wellbeing of our workforce.*

## A year of growth

To stay relevant within health care's dynamic and demanding environment, we are constantly asking ourselves how we can improve, grow and evolve. This past year, our organization experienced tremendous growth. We expanded our workforce from approximately 3,400 to 4,000 full-time employees. We launched valuable partnerships and invested in several strategic acquisitions, including our partnership and minority investment in strategic advisor **Kaufman Hall** and our acquisition of Intermountain Healthcare's GPO **Intalere**. And we continued on our transformation journey, further embracing our new matrix structure and encouraging both innovation and learning within our culture.

Now more than ever, we must ensure that we grow in alignment with our values and purpose. That's why we are focused on:

- Strengthening our foundation
- Transforming our organization
- Taking care of our people
- Giving back to our communities

## STRENGTHENING OUR FOUNDATION

### Leading with our values

Our company operates from a powerful set of values that inspire us to act as good citizens and embrace the knowledge, skills and perspectives of others. When it comes to setting priorities within our corporate responsibility programs and making strategic decisions that impact our stakeholders, we look to our core values to guide the way.

Our **core values** represent who we are and aspire to be every day

**Be Bold** | Embrace an inquisitive mindset and drive innovation

**Be Accountable** | Make informed choices and commit to own the results

**Be Inclusive** | Reach across boundaries and value diverse perspectives

**Be Purposeful** | Create meaningful experiences that make a positive difference

Our **permission-to-play behaviors** anchor us on baseline expectations

**Respect** | Treat others as you would like to be treated

**Integrity** | Operate with unwavering honesty, ethics and trustworthiness

**Service** | Diligently meet the needs of others

**Judgment** | Make wise decisions

### Enhancing our culture

At Vizient, our strength comes from being able to balance growth, exploration and experimentation with health care's need for methodical precision, accuracy and accountability. Indeed, fostering a growth mindset within health care is no small task — but events from the ongoing pandemic to climate-induced extreme weather have shown us that doing so is vital. To support this transition, we encourage team members to embrace our core value of being bold by taking smart risks and have incorporated values into our management, review and compensation processes.



## Vizient named one of the top 100 Best Companies to Work For

Since 2020, Vizient has been recognized as a Great Place to Work-Certified™ company. And in April 2022, Great Place to Work honored Vizient as one of the top **100 Best Companies to Work For**. The award is based on analysis of survey responses from more than 4.5 million current employees across the U.S. In that survey, 93% of Vizient's employees said Vizient is a great place to work — a number is 36 points higher than the average U.S. company. Great Place to Work is the only company culture award in America that selects winners based on how fairly employees are treated. Companies are assessed on how well they are creating a great employee experience that cuts across race, gender, age, disability status, or any aspect of who employees are or what their role is. In 2021, Vizient also ranked as a Best Workplace for Women™, Consulting & Professional Services™ and a Best Workplace in Chicago™.

## Vizient named one of the Best Places to Work in Healthcare

Vizient was selected by Modern Healthcare as one of the 2021 Best Places to Work in Healthcare. Modern Healthcare partners with the Best Companies Group on the assessment process, which includes an extensive employee survey.

## Elevating employee voices

We believe that the quality of our employees' experience drives our members' experience. To understand the health of our organization, we conduct annual engagement surveys as well as intermittent pulse surveys on various topics. Together, these feedback loops help us to ground our aspirations in employees' lived experiences and better understand the dynamics of our culture and work environment, equity and inclusion, perceptions of leadership and opportunities for improvement.

In our previous employee survey, we identified areas for improvement around advancing diversity and inclusion and continuing to support and reward creative ideas and bold actions from employees. This year, we prioritized and invested time, energy and resources into each of these areas.

Our 2021 employee engagement level came in at 82%, a score which places Vizient in the top quartile of professional services organizations. Employees indicated that they remain at Vizient because of how their work contributes to the larger purpose of improving the health of the country, opportunities to grow and develop areas of interest, the productive quality of managerial feedback, the degree of autonomy and flexibility when it comes to performing work, the prioritization of employee health, wellbeing and flexibility and the organization's commitment to corporate responsibility and community engagement. Moving forward, we identified two opportunities areas to focus on: belonging and inclusion, especially in decision-making processes, and career development opportunities. By addressing these successfully, we aim to move our employee engagement score back into the top 10% next year.

## TRANSFORMING OUR ORGANIZATION

### Catalyzing change from the inside: Transformation Management Office

Last year, Vizient embarked on a multiyear transformation journey to deliver more value to members through core services and analytics-enabled insights. Leadership set the vision for our strategic trajectory and operating model. Instead of hiring external consultants, in July 2021, they established an internally led Transformation Management Office (TMO) to partner with business leaders throughout the organization to take that vision and develop operational strategies, structures and workflows. They recruited a cadre of 13 high potential talent to leave their previous roles and commit to the TMO for two years with a "One Vizient" mindset. Every leader on the team hails from a different functional background, ensuring a diversity of skill and experience. The team, led by a woman, is also compositionally diverse across race and ethnicity, age and gender. This internally led transformation effort allows us to invest in our own talent, giving them an expansive understanding of our organization and valuable experience working with senior leadership. It also maximizes internal understanding of our business and strategic priorities to connect work efforts from across the organization and shepherd configuration of integrated workflows. When we transition the TMO-supported workstreams to the business for full implementation, these 13 leaders will return as change agents and champions with deep investment in the transformation effort — helping to ensure that our growth is sustainable long-term.

“We are on a multiyear journey to transform our organization — by better connecting expertise and new ideas within Vizion — so that we can realize our full power and help our members achieve their mission.”

**Byron Jobe**  
President and Chief Executive Officer



## Growing our talent

At Vizient we encourage and empower employees to own their career path and lead their own development, with resources that help them align their unique aspirations with the company's strategic business objectives. Every year, employees are encouraged to create their individualized career development plan and performance goals with their manager, and revisit at least twice a year. At year's end, every team member is formally evaluated by their manager on both performance (what is accomplished) and values (how it is accomplished). It is a two-step process that includes both a "look back" performance evaluation and a "look forward" talent review that enables all of us to think more holistically about performance and individual development. The outcomes of this process include performance feedback and rating, merit/incentive rewards, and identified individual development opportunities to support employee growth.

Building on the continuous learning opportunities offered using a 70-20-10 approach (learning through doing, from others, from formal learning), we develop content to optimize individual, team-based and organizational learning. Through our Learning Experience Platform (LXP), employees can engage in peer-to-peer sharing and learning, as well as access instructor-led content spanning topics including our values and culture, diversity and inclusion, the business of health care, Vizient business operations, soft skills training and role-based leadership development.

## Tuition reimbursement program

Vizient also offers employees 100% reimbursement for tuition, books and lab fees for approved courses up to an annual maximum of \$5,250. Employees present the relevant registration forms, tuition receipts, proof of payment and final grade report to receive reimbursement.

## Promoting from within: our Talent First initiative

Talent First is an initiative that prioritizes internal recruiting for open positions and matches team members interested in gaining new professional experiences with project initiatives and other business needs. For example, an employee within our Community Outreach team was temporarily placed in the Disaster Response War Room bringing their expertise in community partnerships to help sourcing teams with logistics around distributing product donations to members. This initiative allows us to leverage our employees' expertise while supporting career development.



## TAKING CARE OF OUR PEOPLE

### Managing COVID-19

Through two years of COVID-19 management, Vizient has consistently prioritized the health and safety of our people through work-from-home and voluntary reentry programs. An internal COVID-19 Reentry Task Force, composed of three physician members and other business representatives, continually assesses local public health data to determine when the office doors can safely reopen and help transition employees back onsite, under a new flexible work policy.

### Expanding essential benefits during uncertain times

The ongoing pandemic has placed a tremendous amount of added stress and uncertainty on our employees. These measures are designed to bring stability and security.

- Guarantees for hourly employees. Prioritizing those in our lower compensation bands, in May 2020 Vizient leadership guaranteed that all hourly workers would continue to receive their full pay at standard hours, regardless of work schedule. We continued this policy through 2021 and into 2022.
- Making medical insurance more accessible. Vizient adjusted our medical contribution tiers to ensure that employees do not forgo medical coverage because of cost. Starting in 2021, employees earning \$150,000 or more paid more for medical coverage, while those earning less than \$150,000 did not see their cost for coverage increase.
- Increasing Vizient’s Health Savings Account contributions. We also maintained our enhanced Health Savings Account seed to help employees cover health care expenses now or ensure increased savings for the future. Our employer contribution is fully funded on January 1 to ensure employees have access throughout the year.

## Prioritizing work-life balance and employee wellbeing

With extended isolation due to the ongoing pandemic, employee balance, health and wellbeing is more important than ever. Central to high performance, creativity, productivity and success, our program models best practices for our members and the industry at large covering six major areas.

### Physical health

Including exercise, nutrition, sleep and energy management

### Mental resilience

Including focus, agility, mindfulness, emotional intelligence and management and cultivating a growth mindset

### Social and community connections

Including healthy relationships, employee voice, community contribution and outreach

### Meaningful work

Including purpose, job design, work/life balance, lifelong learning

### Healthy environment

Including safe working practices, supportive physical spaces, open and inclusive culture, sustainable living

### Financial wellbeing

Including fair and equitable pay, financial stability, financial literacy and retirement planning



## Supporting parents and caregivers through COVID-19

With remote learning and limited childcare options, working parents and caregivers have been on what feels like never-ending double duty. In response to employees' strain and fatigue, Vizient offers an employee-led forum for working parents to share their experiences and support each other. We emphasize our existing flex-time policy through communications from our CEO, HR leaders and individual managers, encouraging employees to share their revised business hours in team meetings, email signatures, voicemails and Microsoft Teams status updates. We also promote relevant benefits such as our Employee Assistance Program, through which employees and their families have access to up to three counseling sessions per issue, per year. Created in 2020 and continuing through 2021, our emergency family and medical leave benefit gives working parents temporary leave if they are unable to work because their child is home due to school closures or childcare cancellations.



## Family life and the journey toward parenthood

Our goal is to make all employees feel safe, seen, heard and valued. In addition to our robust benefits package, we are proud to offer expanded parental and family leave. Not only do these benefits support our employees, they also create a positive impact on upstream health determinants. To create space for critical bonding after the birth of a child, adoption or placement of a foster child in their home, Vizient provides 12 weeks of parental leave to all employees, to be used within the first 24 weeks of the new family member arriving. We also offer six weeks of family leave to support those who need time off to care for a loved one undergoing a serious illness or for qualifying military service. And to support our employees and their family aspirations, Vizient offers employees and significant others access to inclusive family-building benefits including intrauterine insemination, in vitro fertilization, egg freezing, tissue acquisition and unlimited guidance and personalized support from a patient care advocate throughout their fertility journey.

## Supporting each other in times of crisis through the Vizient Helping Hand Fund

No matter how healthy we are or how much we plan, we all eventually face life-changing events that take us by surprise.

The Vizient Helping Hand Fund is a trust managed through our qualified 501(c)(3) that provides financial assistance to employees and eligible dependents facing dire emergencies. Should a qualified event occur, where no other resources exist to deal with the situation, an employee is eligible to apply for support. The program is funded by donations from Vizient as well as from employees.

This past year, the Texas winter storm impacted a significant number of our employees — including two colleagues with young children who lost their entire homes and were left with no place to live. Through a Helping Hand campaign, employees raised more than \$25,000 in cash donations and nearly \$7,000 in gift cards. Through a matching program, Vizient contributed \$15,000. Together, we were able to show our support and make a devastating experience more manageable.

## GIVING BACK TO OUR COMMUNITIES

### Giving employees paid-time-off to volunteer

Our Assisting Communities Together program grants all full-time Vizion employees five paid work days to spend out of the office volunteering. In 2021, about 1,691 employees gave back to their communities logging more than 23,845 volunteer hours.

### Amplifying their efforts by donating \$15 per volunteer hour

Our Volunteer Match program bolsters employee volunteering by contributing \$15 per volunteer hour, for up to 40 hours of volunteer time, per year. That can total as much as \$600 per employee annually to the charity of their choosing. In 2021, our employees used their volunteer match to support more than 1,102 charities, totaling \$208,000 in Vizion Volunteer Match contributions.

### Showing up as one Vizion on Community Day

Launched in 2003, Community Day has evolved from a handful of volunteer activities to an annual company-wide day of service. Every year all employees from across the organization — from the C-suite to support staff across 20 offices and remote locations — stop what they're doing, roll up their sleeves, and work with local nonprofit organizations to give back to their communities. For nearly 20 years, this day of service has remained a cornerstone of our culture. But in 2021, we broke our own record with employees volunteering 9,014 hours both in-person on Community Day and virtually throughout the month of October with 67 nonprofit organizations, bringing the lifetime total over the course of the program's history to 62,000 hours.





## THRIVING, TOGETHER

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It's never been a more exciting or challenging time to be in health care. From climate change and systemic inequality to artificial intelligence and global collaborations, we work at the intersection of existential challenges and life-saving opportunities.

As scientists and students of the world around us, we know that the decisions we make in this next decade will impact us for generations. And as optimists, we are confident in the possibility of a brighter future. But we know that we can't get there alone.

On behalf of everyone at Vizient, we invite you to join us on the journey. To work with us to create a healthier, more equitable and sustainable way forward. To push us all to be more creative, courageous and committed than we've ever been before.

So if you have an idea, let us know. If you have a challenge, reach out. If you have any feedback on how we can improve, we are all ears.

**Here's to thriving, together.**

**Terri Scannell**  
Senior Director, Social Responsibility  
and Community Benefit



## APPENDICES

### GRI CONTENT INDEX

To assist stakeholders in understanding and benchmarking our corporate responsibility performance, we utilize the Global Reporting Initiative (GRI) Standards. The GRI Standards includes an internationally recognized set of indicators for economic, environmental and social topics related to business performance.

The references provided in our GRI Content Index includes content in this report in addition to direct answers and links to publicly available sources on our corporate website.

### General Standard Disclosures

| Indicator              | Description                                | References  |
|------------------------|--|---|
| Organizational profile |  |   |
| 102-1                  | Name of the organization                   | Vizient, Inc.   |
| 102-2                  | Activities, brands, products, and services | About Vizient   page 4 <ul style="list-style-type: none"> <li>• <a href="#">What we do</a></li> <li>• <a href="#">Our solutions</a></li> <li>• <a href="#">Our networks</a></li> </ul>    |
| 102-3                  | Location of headquarters                   | Our corporate headquarters are located at 290 E. John Carpenter Freeway in Irving, Texas 75062.   |
| 102-4                  | Location of operations                     | About Vizient   page 4  |
| 102-5                  | Ownership and legal form                   | Vizient is a privately-held, member-owned health care services company.   |
| 102-6                  | Markets served                             | About Vizient   page 4 <ul style="list-style-type: none"> <li>• <a href="#">What we do</a></li> <li>• <a href="#">Our solutions</a></li> <li>• <a href="#">Our networks</a></li> </ul>    |
| 102-7                  | Scale of the organization                  | About Vizient   page 4  |
| 102-8                  | Information on employees and other workers | As of December 31, 2021, we had 4,039 employees. Contractors and/or seasonal workers do not comprise a significant amount of our workforce. We do not typically employ part-time workers. |



| Indicator              | Description  | References  |
|------------------------|--|---|
| Organizational profile |  |   |
| 102-9                  | Supply chain   | Vizient represents approximately \$134.3 billion in annual purchasing volume through our group purchasing organization.<br><br>Please note that our direct supply chain also includes procurement for information technology, office supplies and professional services to support our operation. |
| 102-10                 | Significant changes to the organization and its supply chain | None during the reporting period.   |
| 102-11                 | Precautionary Principle or approach                          | Promoting planetary health   page 36  |
| 102-12                 | External initiatives   | About this report   page 2<br>Our corporate responsibility strategy   page 7<br>Advancing diversity, equity and inclusion   page 22<br>Promoting planetary health   page 36   |
| 102-13                 | Membership of associations                                   | Our corporate responsibility strategy   page 7<br>Advancing diversity, equity and inclusion   page 22<br>Promoting planetary health   page 36   |
| Strategy               |  |   |
| 102-14                 | Statement from the most senior decision-maker                | Message from our president and CEO   page 3   |
| 102-15                 | Key impacts, risks, and opportunities                        | Our corporate responsibility strategy   page 7<br>Driving systems innovation   page 15  |
| Ethics and Integrity   |  |   |
| 102-16                 | Values, principles, standards, and norms of behavior         | Leading with our values   page 48<br>Enhancing our culture   page 48<br><a href="#">Standards of Business Conduct</a>   |

| Indicator            | Description   | References  |
|----------------------|---|---|
| Ethics and Integrity |   |   |
| 102-17               | Mechanisms for advice and concerns about ethics               | <p><a href="#">Standards of Business Conduct</a>   page 57</p> <p><a href="#">EthicsPoint Compliance Line</a></p> <p>We maintain independent reporting hotlines that are available 24/7 to report potential concerns, which can be reported confidentially. We strictly prohibit harassment of or retaliation against any employee or person who, in good faith, reports a known or suspected violation.</p>  |
| Governance           |   |   |
| 102-18               | Governance structure of the organization                      | <p><a href="#">Board of Directors</a></p> <p>Vizient is governed by a 13-member Board of Directors that includes executives and clinicians from academic medical centers, community hospitals and independent organizations across the nation. This diversity enables the board to provide counsel on the strategic direction of the organization and decisions that affect our financial performance and return to members.</p>  |
| 102-22               | Composition of the highest governance body and its committees | <p><a href="#">Board of Directors</a></p> <p>All board members are appointed by the chairperson to serve on one of three committees: Compensation; Audit and Finance; and Governance, Nominating and Compliance.</p> <p>Each committee's charter defines its role and responsibilities within the Vizient corporate governance framework.</p> <p>Environmental, social and governance (ESG) issues including this Corporate Responsibility Report reside under the Governance, Nominating and Compliance Committee.</p> |
| 102-23               | Chair of the highest governance body                          | <p>Catherine Jacobson is the board chair of Vizient.</p> <p><a href="#">Ms. Jacobson</a> is a non-executive director. The roles of Chair and Chief Executive Officer are separate at Vizient.</p>   |
| 102-24               | Nominating and selecting the highest governance body          | <p>The Governance, Nominating and Compliance Committee develops and utilizes the criteria for selecting Board candidates, which includes executive and board leadership experience, type of health care industry knowledge and experience, business acumen, geography, diversity, and other factors as determined by the Committee.</p>   |
| 102-25               | Conflicts of interest   | <p>Vizient's three Board committees work in parallel to avoid conflicts of interest and evaluate annual performance to ensure focus on business and market needs to promote economic growth and organizational stability. The Vizient board listens and incorporates member and employee input through our executive management team at board meetings.</p>   |
| 102-28               | Evaluating highest governance body's performance              | <p>An externally administered survey reviews the board's and board members' annual performance.</p>   |

| Indicator              | Description  | References   |
|------------------------|--|--|
| Stakeholder Engagement |  |  |
| 102-40                 | List of stakeholder groups                                 | Our corporate responsibility strategy   page 7   |
| 102-41                 | Collective bargaining agreements                           | None of Vizient's employees are covered by collective bargaining agreements.   |
| 102-42                 | Identifying and selecting stakeholders                     | We define stakeholders as those who are directly impacted by our business activities, and whose partnership is important to achieving our mission and business strategies.<br>Our corporate responsibility strategy   page 7   |
| 102-43                 | Approach to stakeholder engagement                         | Our corporate responsibility strategy   page 7   |
| 102-44                 | Key topics and concerns raised                             | About this report   page 2<br>Our corporate responsibility strategy   page 7   |
| Reporting Practice     |  |  |
| 102-45                 | Entities included in the consolidated financial statements | Not applicable to Vizient.   |
| 102-46                 | Defining report content and topic boundaries               | About this report   page 2<br>To define report content and boundaries for our GRI Specific Standard Disclosures, we have assessed the materiality of topics among key stakeholder groups both within and outside our organization.   |
| 102-47                 | List of material topics                                    | The material GRI topics covered in this report include: <ul style="list-style-type: none"> <li>Economic Topics: Economic Performance and Indirect Economic Impacts</li> <li>Environmental Topics: Environmental Compliance and Supplier Environmental Assessment</li> <li>Social Topics: Employment, Training and Education, Diversity and Equal Opportunity, Local Communities, Supplier Social Assessment, Public Policy, Customer Privacy and Socioeconomic Compliance</li> </ul> |
| 102-48                 | Restatements of information                                | Not applicable during the reporting period.  |
| 102-49                 | Changes in reporting                                       | Not applicable during the reporting period.  |
| 102-50                 | Reporting period   | Our reporting period covers the calendar year 2021. This report was published in April 2022.   |
| 102-51                 | Date of most recent report                                 | April 2021   |

| Indicator | Description                                      | References  |
|-----------|--|---|
| 102-52    | Reporting cycle                                  | Annual  |
| 102-53    | Contact point for questions regarding the report | <a href="#">Contact us</a><br>Specific inquiries can also be directed to Terri Scannell, Senior Social Responsibility Director at Vizient, by emailing <a href="mailto:responsibility@vizientinc.com">responsibility@vizientinc.com</a> . |
| 102-56    | External assurance                               | Not applicable during the reporting period.   |

## Specific Standard Disclosures: Management Approach Disclosures and Indicators

| Material Topics           | GRI Indicators   | References  |
|---------------------------|--|---|
| Economic Standards        |  |   |
| Economic Performance      | 103 Management approach disclosure   | The boundary of stakeholders for this topic includes employees, members, suppliers, payers, patients and communities.   |
|                           | 201-1 Direct economic value generated and distributed                                | Advancing diversity, equity and inclusion   page 22<br>Empowering our workforce   page 47<br>This indicator is partially reported.  |
|                           | 201-2 Financial implications and other risks and opportunities due to climate change | Promoting planetary health   page 36  |
| Indirect Economic Impacts | 103 Management approach disclosure   | Our corporate responsibility strategy   page 7<br>Advancing diversity, equity and inclusion   page 22<br>Empowering our workforce   page 47<br>The boundary of stakeholders for this topic includes members, suppliers, payers, patients and communities. |
|                           | 203-1 Infrastructure investments and services supported                              | Advancing diversity, equity and inclusion   page 22   |

| Material Topics                   | GRI Indicators |   | References   |
|-----------------------------------|----------------|---|--|
| Environmental Standards           |                |   |  |
| Environmental Compliance          | 103            | Management approach disclosure                                | Improving our operations   page 45<br>The boundary of stakeholders for this topic includes employees and communities.  |
|                                   | 307-1          | Non-compliance with environmental laws and regulations        | Not applicable during the reporting period.  |
| Supplier Environmental Assessment | 103            | Management approach disclosure                                | Promoting planetary health: Transforming the supply chain   page 39<br><b>Vizient Supplier Standards</b><br>The boundary of stakeholders for this topic includes members and suppliers.  |
|                                   | 308-1          | New suppliers that were screened using environmental criteria | Promoting planetary health: Transforming the supply chain   page 39<br>In 2021, Vizient offered approximately 771,021 products with environmentally preferred attributes in its catalog.   |
| Social Standards                  |                |   |  |
| Employment                        | 103            | Management approach disclosure                                | Empowering our workforce   page 47<br><b>Careers</b><br>Executive succession plans are annually presented by the CEO to our Compensation Committee of the Board of Directors (BOD) covering the depth, range and readiness of rising talent. Following, the succession plan is presented to the full Board.<br>The boundary of stakeholders for this topic includes employees and members. |
|                                   | 401-2          | Benefits  | Empowering our workforce   page 47<br><b>Careers</b><br>Benefits are made available to all full-time employees. We do not typically hire part-time employees.  |
|                                   | 401-3          | Parental leave  | Empowering our workforce   page 47<br>Vizient provides 12 weeks of parental leave to all employees, to be used within the first 24 weeks of the new family member arriving. The company also offers six weeks of family leave to support those who need time off to care for a loved one undergoing a serious illness or for a qualifying military exigency.                               |

| Material Topics                 | GRI Indicators | References   |
|---------------------------------|----------------|--|
| Social Standards                |                |  |
| Training and Education          | 103            | <p>Management approach disclosure</p> <p>Empowering our workforce   page 47</p> <p><a href="#">Careers</a></p> <p>The boundary of stakeholders for this topic includes employees and members.</p>  |
|                                 | 404-1          | <p>Average hours of training per year per employee</p> <p>In 2021, Vizient employees completed 20,408 self-directed online hours including courses and learning content and 11,263 virtual instructor-led hours for a total of 31,671 training hours, as reported in our internal learning management system (LMS). Our employees each averaged 7.15 hours of training and/or learning.</p> <p>Reported hours are based on sessions logged into the LMS, and exclude additional learning hours that were provided outside of the LMS tracking.</p> |
|                                 | 404-2          | <p>Programs for upgrading employee skills and transition assistance programs</p> <p>Empowering our workforce   page 47</p>   |
|                                 | 404-3          | <p>Percentage of employees receiving regular performance and career development reviews</p> <p>All employees received performance reviews during the reporting period.</p>   |
| Diversity and Equal Opportunity | 103            | <p>Management approach disclosure</p> <p>Advancing diversity, equity and inclusion   page 22</p> <p><a href="#">Diversity &amp; Inclusion Report</a></p> <p>The boundary of stakeholders for this topic includes employees and members.</p>  |
|                                 | 405-1          | <p>Diversity of governance bodies and employees</p> <p>Advancing diversity, equity and inclusion   page 22</p> <p><a href="#">Vizient Board of Directors</a></p> <p>The chair of our Board of Directors is <a href="#">Catherine Jacobson</a>, a woman. As of this publication, our Board is currently composed of three women and ten men.</p>  |
| Local Communities               | 103            | <p>Management approach disclosure</p> <p>Advancing diversity, equity and inclusion: Communities   page 34</p> <p>Empowering our workforce: Giving back to our communities   page 54</p> <p>The boundary of stakeholders for this topic includes communities, employees and members.</p>  |
|                                 | 413-1          | <p>Operations with local community engagement, impact assessments, and development programs</p> <p>Advancing diversity, equity and inclusion: Communities   page 34</p>  |

| Material Topics            | GRI Indicators  | References   |
|----------------------------|---|--|
| Social Standards           |   |  |
| Supplier Social Assessment | 103 Management approach disclosure                                    | <p>Advancing diversity, equity and inclusion   page 22</p> <p><a href="#">Vizient Supplier Standards</a></p> <p>The boundary of stakeholders for this topic includes members, suppliers and communities.</p>   |
|                            | 414-1 New suppliers that were screened using labor practices criteria | Advancing diversity, equity and inclusion: Suppliers   page 28   |
| Public Policy              | 103 Management approach disclosure                                    | <p>Our corporate responsibility strategy: government   page 10</p> <p><a href="#">Public Policy and Government Relations</a></p> <p>The boundary of stakeholders for this topic includes members, legislative and regulatory bodies, industry associations and communities.</p>  |
|                            | 415-1 Political contributions   | <p>In addition to advocacy and member education, Vizient also contributes to political candidates through the Vizient, Inc., Political Action Committee (PAC). The PAC strategically makes contributions to candidates in key positions to shape policy development. This provides Vizient and its members with opportunities to build relationships, expand understanding of our role in the health care supply chain and support candidates whose viewpoints and proposed policies align with our public policy priorities.</p> <p>In 2021, annual political contributions totaled \$23,250. \$12,500 was contributed to Republican candidates and GOP-supporting PACs. \$10,750 was contributed to Democratic candidates and DNC-supporting PACs.</p> <p>Vizient aims to maintain a close balance in its PAC contributions between parties. In 2021, Vizient PAC commitments would have led to an even split in funds between the parties, but technical banking issues led to the slight imbalance at the end of the 2021 calendar year.</p> |

| Material Topics          | GRI Indicators  | References  |
|--------------------------|---|---|
| Customer Privacy         | 103 Management approach disclosure  | <p>The boundary of stakeholders for this topic includes members and patients.</p> <p>Vizient’s Health Insurance Portability and Accountability Act (“HIPAA”) Compliance Program addresses matters concerning the privacy and security of health information mandated in the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”) and Omnibus Rule (collectively defined as “HIPAA”).</p> <p>We recognize the importance of privacy, confidentiality, integrity, availability and security of individually identifiable health information, referred to as Protected Health Information (“PHI”) under HIPAA. In support of serving our members and complying with the HIPAA Security and Privacy Rules, we have invested heavily in administrative, physical and technical safeguards to support reliable and highly secured operations.</p>   |
|                          | 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data | There have been no breaches of protected health information during the reporting period.  |
| Socioeconomic Compliance | 103 Management approach disclosure  | <p>As a private company, we uphold many of the same government and regulatory standards required for publicly traded companies. For example, we comply with major provisions of the Sarbanes-Oxley Act, including the internal control review required in Section 404. Voluntary compliance is consistent with our efforts to increase transparency to our members, employees and other stakeholders. Our commitment to compliance by all employees is an essential component of Vizient core business practices and is critical to the success of our mission. To this end, we maintain a comprehensive <b>Governance, Business Conduct, Compliance and Ethics Program</b>.</p> <p>The Audit and Finance Committee oversees Vizient’s internal audit program. The internal audit team functions as an unbiased, independent assurance and consulting body to increase value and enhance our operations. Vizient’s audit team helps our organization accomplish our objectives in a disciplined and systematic approach. Vizient’s audit team also evaluates and advances the effectiveness of risk management, internal control and governance processes.</p> <p>The Institute of Internal Auditors (IIA), which is the governing body of the audit profession has conducted an External Quality Assessment (EQA), where they compared the Vizient internal audit team structures, policies, procedures and processes against the IIA’s International Professional Practices Framework (IPPF), commonly known as the Standards. The assessment concluded that Vizient complies with the requirements of the 52 Standards and Code of Ethics in all material respects.</p> <p>The boundary of stakeholders for this topic includes employees, members, suppliers, payers, patients and communities.</p> |
|                          | 419-1 Non-compliance with laws and regulations in the social and economic area                    | No material instances during the reporting period.  |



## SASB Disclosures

The Sustainability Accounting Standards Board (SASB) Standards guide the disclosure of financially material sustainability information by companies and are designed to help communicate how sustainability issues impact long-term enterprise value. For additional information, please visit the [SASB website](#).

### ACCOUNTING METRICS

| Topic                            | Metric   | Code         | References   |
|----------------------------------|--|--------------|--|
| Data security                    | Description of approach to identifying and addressing data security risks  | SV-PS-230a.1 | Proactively protecting ourselves and our members from cybersecurity attacks   page 20<br>GRI Content Index, Customer Privacy 103   page 64 |
|                                  | Description of policies and practices relating to collection, usage, and retention of customer information   | SV-PS-230a.2 | <a href="#">Vizient Privacy Policy and Legal Notice</a>  |
|                                  | Number of data breaches, including percentage involving customers' confidential business information (CBI) or personally identifiable information (PII) and number of customers affected | SV-PS-230a.3 | No material breaches during the reporting period.  |
| Workforce Diversity & Engagement | Percentage of gender and racial/ethnic group representation for executive management and all other employees   | SV-PS-330a.1 | 2021 employee demographics and diversity   page 26   |
|                                  | Voluntary and involuntary turnover rate for employees  | SV-PS-330a.2 | In 2021, employee voluntary and involuntary rates were 11% and 4% respectively.  |
|                                  | Employee engagement as a percentage  | SV-PS-330a.3 | Elevating employee voices   page 49  |
| Professional Integrity           | Description of approach to ensuring professional integrity   | SV-PS-510a.1 | <a href="#">Vizient Standards of Business Conduct</a><br>GRI Content Index, Socioeconomic Compliance 103   page 64                         |
|                                  | Total amount of monetary losses as a result of legal proceedings associated with professional integrity  | SV-PS-510a.2 | No material instances during the reporting period.   |

## ACTIVITY METRICS

| Metric   | Code        | References  |
|--|-------------|---|
| Number of employees by full-time and part-time, temporary and contract | SV-PS-000.A | As of December 31, 2021, Vizient had 4,039 full-time employees. Contractors and/or temporary workers do not comprise a significant amount of our workforce. We do not typically employ part-time workers. |

## U.N. Sustainable Development Goals

With 17 goals and 169 targets, the U.N. Sustainable Development Goals present a compelling plan for coordinated action among governments, businesses, communities and NGOs to collaborate and drive progress on critical topics for humanity to reach key 2030 goals. In fact, 2020 launched the [Decade of Action](#), a call to ramp up progress in order to achieve our shared global vision. Vizient has aligned our efforts with the [U.N. Sustainable Development Goals \(SDGs\)](#) to show our solidarity with other organizations working to build a healthier, more just and sustainable world. Together with our members, we have the opportunity to drive meaningful progress in support of several important U.N. Sustainable Development Goals, specifically the following:

| UN SDG  | Vizient actions   | Report chapters  |
|---|---|--|
| Health & Wellbeing<br>3: Ensure healthy lives and promote well-being for all at all ages  | Working to increase access and lower the cost of care through our core business and advocacy work, fighting health inequities across the care continuum, promoting safe and healthy products to our members, supporting the health and wellbeing of our employees, investing in health impact projects in local communities | Driving systems innovation<br>Advancing diversity, equity and inclusion<br>Promoting planetary health<br>Empowering our workforce            |
| Gender Equality<br>5: Achieve gender equality and empower all women and girls   | Prioritizing the advancement of women at the executive level with a five year goal of closing the gap by half, elevating women-owned businesses as part of our supplier diversity program   | Advancing diversity, equity and inclusion  |
| Work & Economic Growth<br>8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Providing competitive jobs for our employees, directing funds to our suppliers including diverse suppliers, and supporting job growth initiatives within the communities where we operate   | Our corporate responsibility strategy<br>Driving systems innovation<br>Advancing diversity, equity and inclusion<br>Empowering our workforce |
| Reduced Inequalities<br>10: Reduce inequality within and among countries  | Addressing the social determinants of health through data and analytics, member engagement, supplier diversity and community contracting, and strategically investing in community organizations  | Advancing diversity, equity and inclusion  |

| UN SDG   | Vizient actions  | Report chapters   |
|--|--|---|
| Responsible Production & Consumption<br>12: Ensure sustainable consumption and production patterns | Reducing our environmental footprint, encouraging our members to adopt more sustainable practices and product sourcing, partnering with organizations to raise the bar across industries   | Promoting planetary health  |
| Climate Action<br>13: Take urgent action to combat climate change and its impacts                  | Increasing supply chain transparency including of environmental attributes in order to empower easier product comparisons and smart, sustainable, values-aligned purchasing by our members | Our corporate responsibility strategy<br>Promoting planetary health |

## References

- 1 US News and World Report. Retrieved on January 27, 2022 from <https://health.usnews.com/health-care/best-hospitals/articles/best-hospitals-honor-roll-and-overview>.
- 2 From John Becker at Sg2
- 3 [https://newsroom.vizientinc.com/sites/vha.newshq.businesswire.com/files/doc\\_library/file/Drug\\_Shortages\\_Labor\\_Cost\\_Report\\_Vizient.pdf](https://newsroom.vizientinc.com/sites/vha.newshq.businesswire.com/files/doc_library/file/Drug_Shortages_Labor_Cost_Report_Vizient.pdf)
- 4 NORC at the University of Chicago. Recent trends in hospital drug spending and manufacturer shortages. American Hospital Association website. <https://www.aha.org/system/files/2019-01/aha-drug-pricing-study-report-01152019.pdf>. Published January 15, 2019. Accessed February 11, 2020.
- 5 <https://www.washingtonpost.com/nation/2020/04/07/coronavirus-is-infecting-killing-black-americans-an-alarmingly-high-rate-post-analysis-shows/?arc404=true>
- 6 [thelancet.com/countdown-health-climate](https://www.thelancet.com/countdown-health-climate)
- 7 [https://www.ajemjournal.com/article/S0735-6757\(18\)30653-3/fulltext](https://www.ajemjournal.com/article/S0735-6757(18)30653-3/fulltext)
- 8 <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml>
- 9 <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>
- 10 <https://www.mhanational.org/issues/state-mental-health-america#:~:text=Over%20half%20of%20adults%20with,who%20are%20going%20untreated.>
- 11 <https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf>
- 12 <https://www.aap.org/en/advocacy/child-and-adolescent-healthy-mental-development/aap-aacap-cha-declaration-of-a-national-emergency-in-child-and-adolescent-mental-health/>
- 13 <https://care.diabetesjournals.org/content/early/2020/06/09/dc19-1870>
- 14 <https://www.mountsinai.org/about/newsroom/2020/mount-sinai-researchers-unveil-mechanisms-to-prevent-crohns-disease-studies-describe-predictive-tools-and-triggering-environmental-risk-factors-key-to-prevention-pr>
- 15 <https://allofus.nih.gov/>
- 16 The Cost of a Data Breach Report
- 17 The World Bank and Institute for Health Metrics and Evaluation. The cost of air pollution: strengthening the economic case for action. World Bank website. <http://documents.worldbank.org/curated/en/781521473177013155/pdf/108141-REVISED-Cost-of-PollutionWebCORRECTEDfile.pdf>. Accessed January 12, 2021.
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