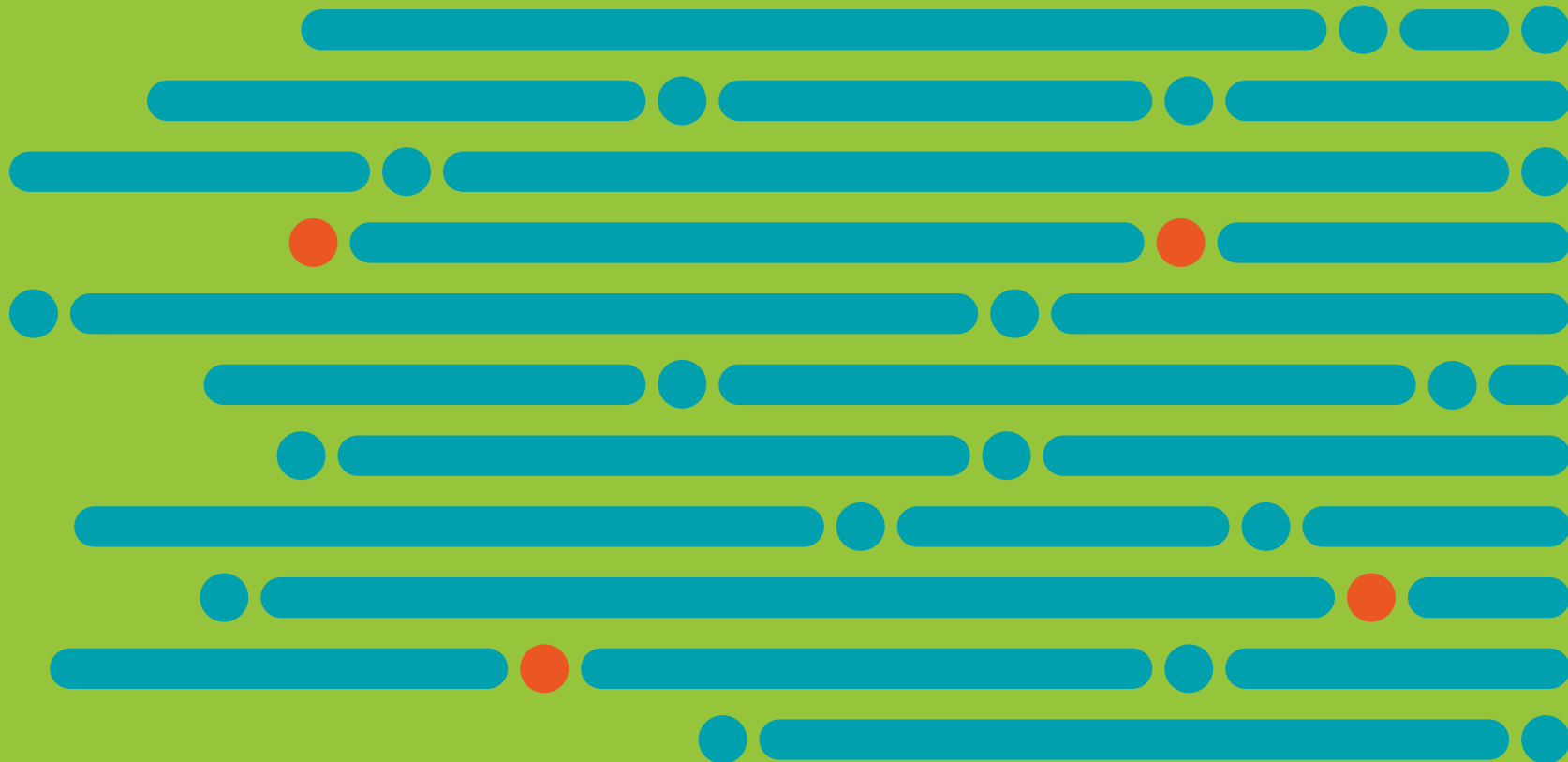


FY 2019

Corporate Responsibility Report





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Message from our president and CEO

A healthier, more equitable future

What does it mean to be a health care performance improvement company? How can we improve the health, well-being and prosperity of the diverse stakeholders that we serve?

This Corporate Responsibility Report is an invitation for you to experience how we see health care and our role in it. You'll discover how our values inform and inspire everything we do — from our core business and culture to our integrated approach to corporate responsibility.

You'll see our values come alive across five dimensions of corporate responsibility: building powerful partnerships, advancing equity and inclusion, promoting a healthier environment, accelerating our capabilities and strengthening our communities.

And you might come to appreciate, as I have, that our commitment to our values is our greatest strength. It's what has empowered us to earn the trust and respect of our members who represent more than 50% of the nation's acute care providers. To collaborate, innovate and lead our industry forward. And to help improve the experience of the millions of patients who walk through our members' doors seeking care every day.

We invite you to read details in our 2019 report, which documents our corporate responsibility strategies, commitments and actions. As with previous reports, we continue to follow the Global Reporting Initiative standards for sustainability reporting. We voluntarily measure ourselves against this benchmark to affirm our dedication to always operating according to the highest standards of ethics, transparency and accountability.

The milestones described in this report are the culmination of the collective efforts of our members, suppliers, community partners and, of course, our employees. Without your creativity, passion and exceptional skill, none of this would be possible.

To our continued collaboration and always reaching toward a healthier, more equitable and sustainable future.



Byron Jobe
President and CEO
Vizient



About Vizient

Vizient® is the nation's leading health care performance improvement company committed to optimizing every interaction along the continuum of care. Our members comprise more than half of the health care organizations across the United States — from large integrated delivery networks and academic medical centers to community hospitals, pediatric facilities and non-acute care providers.

Our mission is to strengthen our members' delivery of high-value care by aligning cost, quality and market performance.

Our solutions

Vizient brings strong capabilities in intelligence, analytics, advisory, sourcing and networks that enable members to achieve systemwide improvements at the intersection of cost, quality and market performance.

Together with our members, we are fueling new business models and new approaches to care — all through the brilliant connectivity between members, suppliers and the Vizient team.

Our reach

With 3,500 employees across 20 locations, Vizient serves more than half of the health care organizations across the United States — from large integrated delivery networks and academic medical centers to community hospitals, pediatric facilities and non-acute care providers. As a provider-driven organization, we represent scale in data, insights and purchasing power to help members perform at their best.



>50%

of the nation's acute care providers



>95%

of the nation's academic medical centers



>20%

of the nation's ambulatory market

Awards and recognitions



World's Most Ethical Companies

Designation for five years in a row as one of the World's Most Ethical Companies by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices

Best Places to Work in Healthcare

Selected for three years in a row as one of the Best Places to Work in Healthcare by *Modern Healthcare*

America's Best Management Consulting Firms

Recognized for four years in a row as one of America's Best Management Consulting Firms by *Forbes*

Our journey

Vizient was founded in 2015 as a result of the combined mergers of VHA, a national health care network of not-for-profit hospitals; University HealthSystem Consortium, an alliance of the nation's leading academic medical centers; and Novation, the health care contracting company they jointly owned.

Vizient is a new company with deep roots that date back to 1977 when VHA was first created. Our legacy companies have a combined history of innovation and proud industry firsts in connecting leaders, using data-driven insights and innovating purchasing and clinical solutions.

In 2016, Vizient acquired MedAssets' Spend and Clinical Resource Management segment, which included Sg2[®] health care intelligence. Today, Vizient provides unique and valuable data intelligence to address supply, clinical and operational improvements – as well as increased scale in purchasing – with the potential to deliver billions in savings to the nation's top hospitals and health systems.

About this report

This is our ninth report using the guidelines set forth by the Global Reporting Initiative (GRI) – the leading international framework for voluntary disclosures on economic, environmental and social performance. Vizient is a GRI organizational stakeholder and part of the GRI Gold Community, and we maintain a long-standing commitment to transparency. The boundary of this report covers our entire organization, and performance data covers calendar year 2019 unless otherwise noted.



Our vision for the future of health care

With a dynamic landscape and promising advances in research and technology, personalized medicine and preventive health, it is an exciting time to be in health care. And yet, complex challenges loom large.

- **Health care costs in the U.S. are rising**, with our country spending nearly double per person on health care than the average for other developed Organisation for Economic Co-operation and Development (OECD) countries.
- **Prescription drug costs and shortages** are disrupting patient care and straining hospitals' budgets and operations. The average total drug spend per admission increased by 18.5% between 2015 and 2017.¹
- **The opioid crisis** has taken an unprecedented toll. In 2017, an average of 130 Americans died every day due to an opioid overdose. The Centers for Disease Control and Prevention estimates that the total "economic burden" of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of health care, lost productivity, addiction treatment, criminal justice involvement and family services.²
- **Antibiotic resistant infections are on the rise**, sickening more than 2.8 million people, and taking the lives of 35,000, in the United States each year, according to a 2019 report by the Centers for Disease Control and Prevention. Estimates from the Infectious Disease Society of America put that number closer to 160,000.³
- **As a silver tsunami of baby boomers age, the demand for geriatric care will outpace the supply.** According to the Federal Qualified Health Center, we need four times the current number of geriatricians to meet the care needs of baby boomers — at a time when medical student enrollment into geriatric programs is in sharp decline.

These are just a handful of the challenges our members, our communities and our nation face — and it is up to us to work together to find innovative, data-driven solutions that enhance health, well-being and equity across the care continuum.



Our approach

How do we deliver solutions that proactively respond to these challenges and drive health care toward a brighter future? At Vizient, we believe that moving health care forward means thinking differently to drive improved results. Every day, we are in the business of helping transform how health care organizations do their best work. Vizient brings unique capabilities and expertise that are unmatched in the industry. We continue to build on these strengths by focusing our energy and investments in areas that differentiate us as a strategic partner.



Enterprise priorities

Leverage the scale and diversity of our membership

How we execute

- Connect like-minded providers in trusted forums to accelerate performance
- Expand the reach of our transparent comparative analytics platform and leverage member data and insights
- Utilize the collective voice, intellect and scale of the membership for advocacy and innovation

Deliver integrated solutions across the care continuum

How we execute

- Evolve our operations and delivery model to address both enterprise and service-line specific needs
- Transform the current supply chain model through increased innovation, automation and informed clinical decision-making
- Enhance our capabilities to become an extension of our members' operations

Enable a consistent and exceptional member experience

How we execute

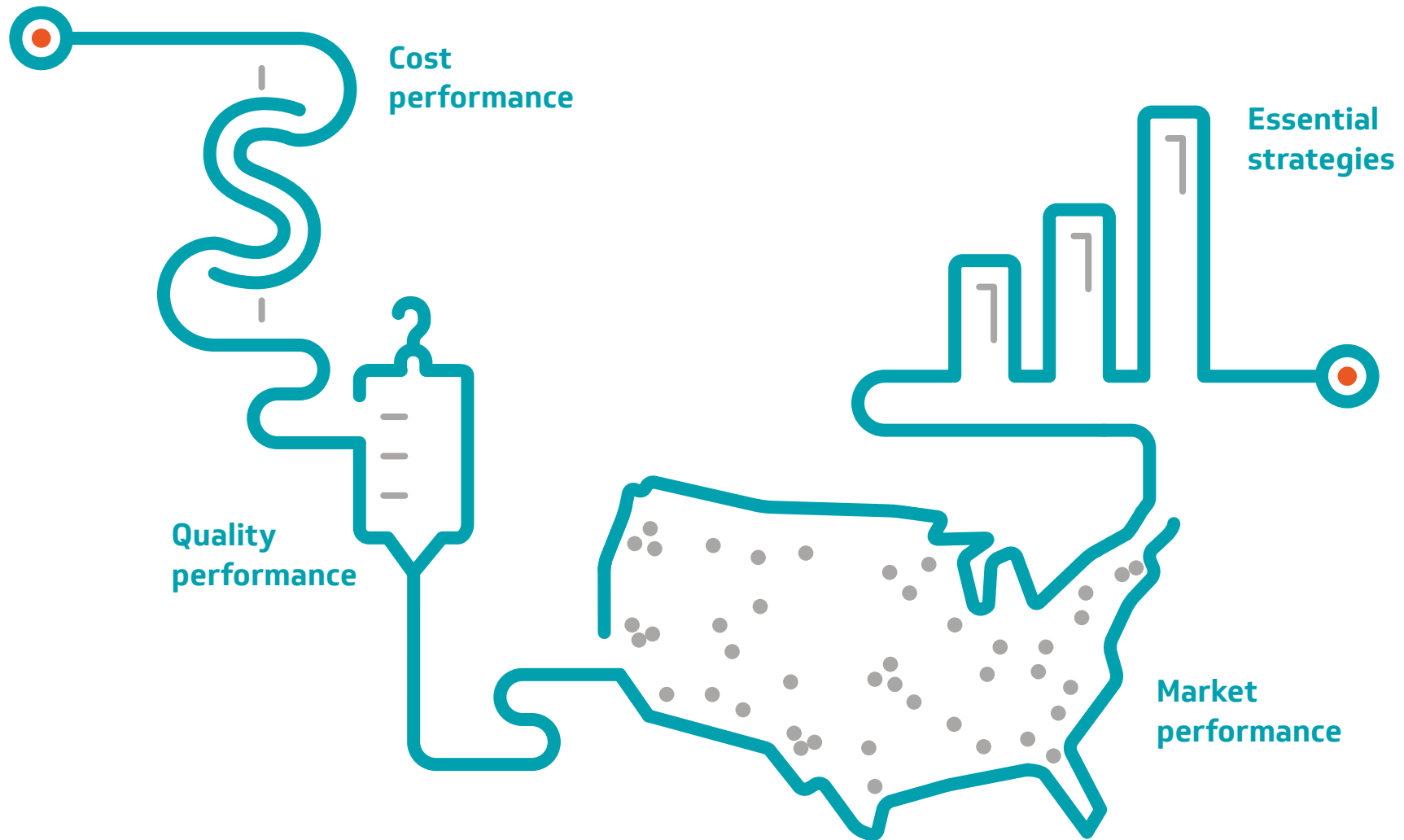
- Foster deep, trusted C-suite relationships
- Enable a sustainable cycle of improvement from planning through execution and monitoring
- Create partnerships with aligned objectives

“We leverage data, insights and expertise to help providers and suppliers optimize performance so they can concentrate on what matters most — delivering high-value and affordable care to patients and communities.”

Bharat Sundaram
President and Chief Operating Officer

Solving for the future

At Vizient, we help members improve their supply chain, operations, clinical and pharmacy businesses. Regardless of the arena, our solutions drive positive impact across three core indicators: cost, quality and market performance. We help members leverage robust analytics and apply essential integrated strategies to achieve systemwide improvement and prepare for future growth.



Performance measures

Top-performing providers set goals around three core business indicators and routinely monitor for results.

Cost performance

- Price performance on supplies, services and pharmacy
- Spend management through standardization and utilization
- Operational efficiency

Quality performance

- Clinical quality
- Safety
- Care variation
- Clinical engagement

Market performance

- Market share and growth
- System of care effectiveness
- Business model innovation



Essential strategies

Our more than 30 years of market experience working with thousands of providers demonstrates the interconnectedness of health system performance measures. Moving one lever can influence others and prompt the need for a broader solution in order to achieve and sustain meaningful improvements.

Today we work from our four essential strategies that position members for success in a dynamic environment and address these imperatives at the intersection of cost, quality and market performance.

- **Clinical-supply integration** fuels a balance of quality outcomes and supply costs
- **Service line success** enables patient-centered care across a system
- **Workforce of the future** creates a systemwide human capital strategy
- **Quality and accountability performance management** drives sustained improvements that elevate scorecard rankings

Corporate responsibility strategy and focus areas

Health care is a complex and dynamic business. At Vizient, we believe that in order to move our health care system forward, we have to think systemically. Work collaboratively across our team, members, suppliers and communities. And empower our members to provide exceptional, innovative, integrated, cost-effective solutions across the care continuum.

Approach: Leading with our values

Our company operates from a powerful set of values that inspire us to drive a new strategy, act as good corporate citizens and embrace the knowledge, skills, cultural perspectives and experiences 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	Be Accountable	Be Inclusive	Be Purposeful
Embrace an inquisitive mindset and drive innovation	Make informed choices and commit to own the results	Reach across boundaries and value diverse perspectives	Create meaningful experiences that make a positive difference

Our permission-to-play values anchor us on baseline expectations

Respect	Integrity	Service	Judgment
Treat others as you would like to be treated	Operate with unwavering honesty, ethics and trustworthiness	Diligently meet the needs of others	Make wise decisions

Additionally, as a private company, we uphold many of the same government and regulatory standards required for publicly traded companies. For example, we voluntarily 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. The commitment to compliance by all employees is essential to our core business practices and critical to the success of our mission.

“Values are the essential principles that govern how we show up in the course of our business.”

Byron Jobe
President and CEO

Materiality: Mapping what matters

Following the formation of Vizient in 2015, we partnered with an independent third-party advisory firm to complete a robust materiality assessment. Our goal was to ensure that we are focusing our corporate responsibility efforts on the most important economic, social and environmental issues for our members, employees and other key stakeholders.

As part of our materiality assessment process, we convened cross-functional representatives from different Vizient business units to complete a value chain impact mapping exercise to better understand the boundaries of our impacts and potential opportunities to drive progress. We also analyzed robust internal data and employee surveys, as well as researched key industry trends and conducted nearly 20 external stakeholder interviews to receive feedback and obtain viewpoints and perspectives from members, suppliers, industry associations and community organizations. The results from our materiality assessment were presented to our executive leadership team and have informed development of our corporate responsibility strategy.

Material topics identified for Vizient



- **Business model and product stewardship**
 Procurement practices, supplier diversity, care delivery, data security, climate resilience and environmentally preferred sourcing
- **Human capital**
 Labor practices, inclusion and diversity, talent development, talent attraction and employee engagement
- **Leadership and governance**
 Oversight, lobbying, transparency and business ethics
- **Environment**
 Energy, waste, water, climate change and harmful chemicals
- **Social capital**
 Community health, data privacy, social determinants of health, volunteerism and philanthropy



U.N. Sustainable Development Goals: Thinking globally

We view the **U.N. Sustainable Development Goals** as an important guidepost to assist in how we are able to execute and build upon the findings of our materiality assessment. 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 over the next decade.

Together with our members, we have the opportunity to drive meaningful progress in support of several important U.N. Sustainable Development Goals, including:



Strategy: Prioritizing key focus areas

At Vizient, we view corporate responsibility as inherent to our business strategy and mission. In order to move the health care system into the future and realize our vision of a healthy future for all, Vizient is committed to focusing our energy and effort against the following five priorities.



Building powerful partnerships

Because if we're going to deliver systems solutions, we have to create systems collaborations.

That means reaching out and connecting members, employees, suppliers, policymakers, and industry organizations to work collaboratively and create innovative, data-driven solutions that improve patient outcomes and lower costs. (page 15)

Advancing equity and inclusion

Because everyone deserves the same opportunity to lead a healthy life, we have to proactively embrace diversity and commit to equity across the entire value chain.

That means understanding and addressing the social determinants of health in our member communities and empowering them to deliver more equitable health outcomes. Seeking and supporting diverse suppliers that invest in and strengthen their local regions. And recruiting and supporting diverse employees so that our team looks like and fully represents the patients our members serve. (page 20)

Promoting a healthier environment

Because the health of our planet directly affects our collective human health, resilience and prosperity, we have to take action and empower sustainable choices.

That means sharing best practices among members and raising awareness across our industry. Working with members to improve their disaster preparedness, climate resiliency and adaptation strategies. Committing to environmental stewardship within our own operations. And leveraging our scale to require environmental data and minimum performance from suppliers to empower informed purchases. (page 33)

Accelerating our capabilities

Because it's going to take the workforce of the future to build the health care system of the future, we have to invest in our people and empower them with the right tools.

That means embracing a growth mindset. Developing people to their full potential and caring for their well-being. Encouraging systems innovation and smart technology adoption. And serving our members' needs today — and every tomorrow. (page 40)

Strengthening our communities

Because health starts in our homes, schools, workplaces and neighborhoods, we have to build our communities up from the inside out.

That means partnering with trusted on-the-ground organizations to provide vulnerable populations with access to food and shelter, education and child care, local job opportunities and affordable health care. And it means helping those communities heal from natural disaster. (page 46)

Impact highlights

Honored as one of the
World's Most Ethical Companies
every year since our company's inception

Launched nation's largest, most comprehensive portfolio of **organic baby products**, as well as environmentally preferred **furniture** that is free of PVC, antimicrobials, perfluorinated compounds, formaldehyde and flame retardants



70% increase in suppliers reporting on environmental attributes in the national bid process from 2017 to 2019

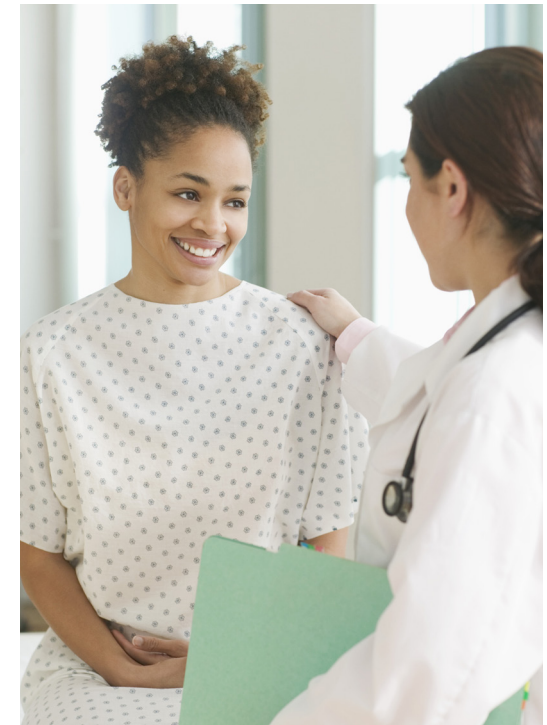
Partnered with physicians, clinicians and patients to design interventions addressing **racial health disparities**



Held 17th annual **Community Day** event where **1,900** employees volunteered 7,417 hours to local organizations



Utilized collaborative design and data-driven insights to reduce **maternal mortality** and **racial disparities**



Continued our partnership with **Inner City Capital Connections** to incubate entrepreneurs in disadvantaged communities

Impact highlights

Created our fourth Diversity Network Association (DNA) for **LGBTQ employees and allies**

Convened members and value-chain stakeholders to advance dialogue on critical health topics, including the **opioid crisis**



Expanded **family leave policies** for Vizient employees



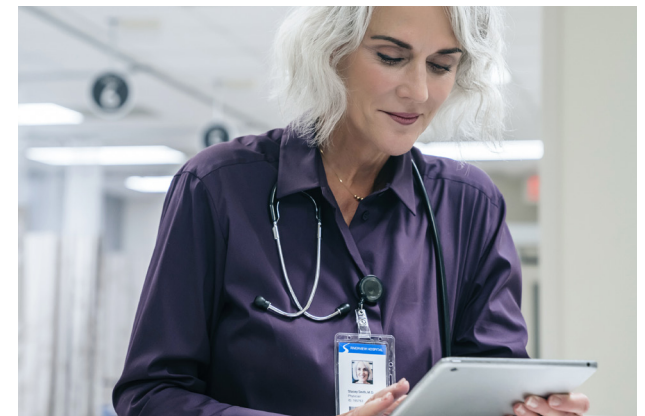
Piloted **machine learning** program to refine how technology augments and accelerates our consultants' ability to identify insights and advise members

Hosted **6,000+** members, suppliers and industry experts at the annual **Vizient Connections Summits**

Eliminating the purchase of **single-use plastics** across our offices

Partnered with cross-industry leaders on the Robert Wood Johnson Foundation's **Culture of Health for Business** project

Maintained **LEED® Certification** at our corporate headquarters in Irving, Texas and at our Chicago offices

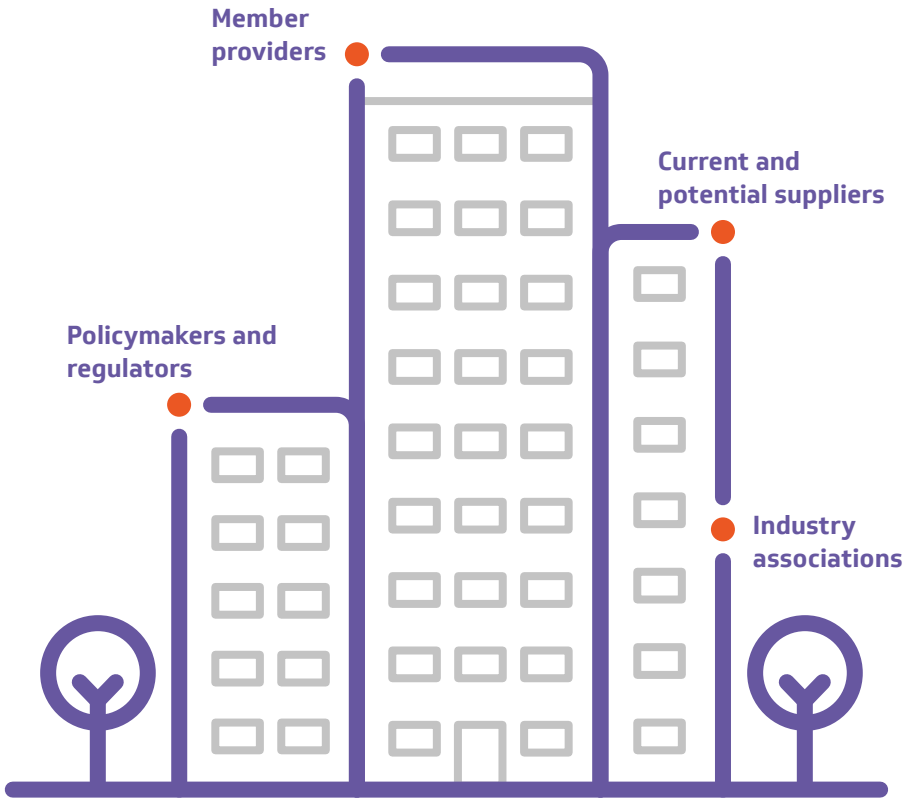


Building powerful partnerships

Because if we're going to deliver systems solutions, we have to create systems collaborations. For us at Vizient, building powerful partnerships means reaching out and connecting members, suppliers, policymakers and industry organizations to work collaboratively and create innovative data-driven solutions that improve patient outcomes and lower costs.



Key partnerships



Members

Vizient was founded on the belief that we can go faster and farther if we work together. In fact, looking at members with top-performing metrics we find that regardless of their size or structure, they all have one thing in common — a strong emphasis on collaboration across the value chain.

Consider the complex challenges facing our members, such as behavioral health. No one provider is capable of solving the many sensitive intricacies, complexities and upstream determinants of behavioral health. It takes diverse stakeholders coming together — like social services, community organizations, law enforcement, clinicians and health care systems. At Vizient, we view it as our role to initiate and host these kinds of productive collaborations across our members who collectively represented \$140 billion in 2019 purchasing volume.

Member networks

Our members represent a wide range of facility types across diverse geographies, but they all share the common objective 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 ventures. We connect our members around three primary objectives:

Leader Connections

Fostering trusted, intelligence-driven connections to solve problems and anticipate disruption

Performance Connections

Providing data-driven insights, innovative best practices and collaboration opportunities to accelerate performance for cost, quality and market improvement executives

Venture Connections

Co-developing transformational business models and new ventures with C-suite members, trusted partners and industry experts

At Vizient, we have two types of networks: (1) **Community-based Networks** that unite large integrated health care systems and community-based independent hospitals, and (2) academic medical center and health care systems networks known as the **Vizient University Health System Consortium**.

90 Community-based Networks

30 Vizient Consortium



1,300+ Participating hospitals

Member awards

Vizient further promotes best practices among members through our member awards for clinical performance and supply chain excellence. Our annual Bernard A. Birnbaum, MD, Quality Leadership Award celebrates superior performance across members in four categories: comprehensive academic medical centers; large, specialized complex care medical centers; complex care medical centers and community-based medical centers. Our Ambulatory Care Quality and Accountability Award measures the quality of outpatient care. Member achievements are also recognized via the Supply Chain Operational Excellence, Supplier Diversity Excellence and Environmentally Preferred Sourcing Excellence Awards.

@ Learn more about our **member awards** and recent recipients.

Vizient Connections Summits

We also bring members together with suppliers and industry experts at two annual Connections Summits, both in Las Vegas. The Connections Business Summit focuses on elevating operational performance. Last year, nearly 3,000 Vizient member organizations — including academic medical centers, complex teaching medical centers, community hospitals, pediatric facilities and other specialty providers — gathered to engage in educational offerings, networking opportunities, and collaborative activities to share best practices from supply chain to technology in order to help health care leaders achieve their operational goals. Last year, in response to member feedback, we doubled

the number of education sessions and incorporated peer-to-peer presentations to bring fresh ideas to common challenges. In similar fashion, the Connections Education Summit focuses on elevating clinical performance through comprehensive member education, best practices and collaborative problem-solving activities.

Suppliers

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, drive operational efficiency and promote sustainability. Our dedicated supplier relations team works hard to foster open, strong, collaborative, mutually beneficial, long-lasting relationships. Suppliers receive robust orientation sessions at the beginning of their contract and participate on an ongoing basis annually in order to stay abreast of Vizient strategies and priorities. They work with us every day through our Vizient Supplier Dashboard, which offers a variety of updated resources and tools that support ongoing success through the entirety of their Vizient agreement. Quarterly business reviews with portfolio executives help suppliers assess their progress and map future opportunities.

Suppliers also attend our annual Business Connections Summit, which offers members, industry experts and suppliers blended networking and educational programming focused on improving clinical outcomes, ensuring patient safety and reducing costs. Here, in front of thousands of industry leaders, we publicly recognize and celebrate outstanding supplier businesses and individuals for their dedication, innovation and performance through our **supplier awards**.



Industry

Vizient engages with various health care industry associations around the country on our members' behalf to help ensure the delivery of high-quality and cost-effective care. We also engage on issues of ethics, governance and open reporting, sustainability and environmental health and advancing health equity by addressing upstream social determinants of health.

Focus areas

Improving the cost and quality of care

Industry engagement

- **Healthcare Group Purchasing Industry Initiative (HGPII):** Vizient is a signatory company to HGPII, whose mission is to assure ongoing adherence to ethical conduct and business practices within the health care industry supply chain. Working together, GPOs have created more transparent business practices, resulting in one of the most open business models in health care.
- **Healthcare Supply Chain Association (HSCA):** HSCA represents the nation's leading health care GPOs, which deliver billions in savings annually to health care providers, Medicare and Medicaid, and taxpayers. HSCA and its member GPOs are committed to increasing competition and innovation in the market and to being supply chain leaders in transparency and accountability
- **American Hospital Association (AHA):** Vizient is an active member and often partners with AHA on government relations and advocacy matters. We are also a sponsor of the Association for Community Health Improvement (a community benefit organization of AHA) annual meeting and host member events and networking opportunities. We also sponsor the AHA Leadership and Supply Chain annual meeting.
- **The Catholic Health Association:** Vizient partners with this association on educational resources for members on community benefit issues.

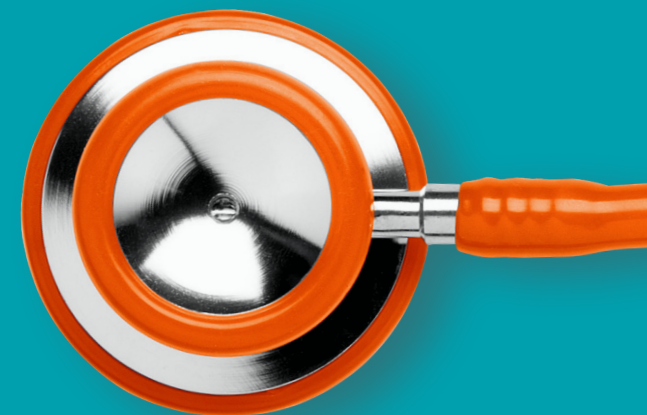
Advancing ethics and sustainability

Industry engagement

- **CleanMed:** Vizient participates annually in this leading national environmental conference for leaders in health care sustainability.
- **Sustainability Leadership Forum:** Vizient is an active member of this Dallas-based group of companies focused on discussing social responsibility and sustainability. There are forums in Atlanta, Brussels, Chicago, Dallas, London, New York, Philadelphia and Washington, D.C.
- **Sustainable Purchasing Leadership Council:** Vizient is a member of this nonprofit organization whose mission is to support and recognize purchasing leadership that accelerates the transition to a prosperous and sustainable future.
- **Chemical Footprint Project:** The Chemical Footprint Project's mission is to transform global chemical use by measuring and disclosing data on business progress to safer chemicals. It provides a tool for benchmarking companies as they select safer alternatives and reduce their use of chemicals of high concern. As a signatory, Vizient was an advocate in the 2018 CFP Survey to increase supplier participation in order to gain insight into suppliers' chemical use and understand how to reduce chemicals of concern in health care.
- **Ethisphere:** Vizient is a member of Ethisphere's Business Ethics Leadership Alliance, a group of leading American and global businesses committed to improving business ethics.

Culture of Health Initiative

In 2019, Vizient joined the Robert Wood Johnson Foundation's robust two-year Culture of Health initiative. The project was born out of a sense of urgency: We know that our health is greatly influenced by complex factors such as where we live, the strength of our families and the resilience of communities — but positive change is not happening fast enough. Informed by rigorous research on the multiple factors that affect health, the Culture of Health Action Framework sets a national agenda to improve health, equity and well-being, while providing numerous opportunities for diverse collaboration and action.



Government

Legislation and regulation dramatically shape the health care industry and create both operational challenges and opportunities for hospitals. Vizient engages with Congress and the executive branch agencies on behalf of our members, their patients and communities.

Our **Public Policy and Government Relations** team engages through direct advocacy efforts and coalitions in Washington to build working relationships with representatives from both parties in the House and Senate. Our advocacy efforts during 2019 included submitting 10 comment letters to federal agencies on proposed regulations, hosting three congressional briefings featuring Vizient hospital members and members of Congress and congressional staff, and frequent correspondence with lawmakers directly with or through coalitions to offer support and feedback on multiple pieces of legislation, among other activities.



Our priority issues for active engagement include:

Health care group purchasing and the GPO safe harbor

Supporting members by working to improve Overall Hospital Quality Star Ratings

Nonprofit hospitals' retention of their well-earned tax-exempt status

Prescription drug costs, 340B program, shortages and biosimilars

Infectious diseases and disaster readiness

Information technology and cybersecurity in health care

Improving care delivery through Medicare and Medicaid reimbursement and hospital delivery system reforms

Workforce policies that address the shortage of health care professionals

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 in-person and virtual Washington Update presentations to our members, and answering specific questions as they come in from the membership.

2019 member education highlights

1,583

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

50+

In-person public seminars, peer-to-peer workshops and broad network meetings with audiences up to 500 members

8

Official summaries issued to members

@ Learn more about our **policy positions and advocacy activities.**

Advancing equity and inclusion

Because everyone deserves the same opportunity to lead a healthy life, we proactively embrace diversity and commit to equity across the entire value chain.

At Vizion, advancing equity and inclusion means understanding and addressing the social determinants of health in our member communities and committing to equitable health outcomes. It also means seeking and supporting diverse suppliers that invest in and strengthen their local regions, and recruiting and supporting diverse employees so that our team fully represents the patients our members serve.



Mapping our value chain

We believe equity starts with welcoming diverse experiences, perspectives and identities to the table. Inclusion and diversity makes us all healthier and stronger, smarter and more innovative. That's why we're working to take a more holistic, systems approach to advancing equity and inclusion across the Vizient value chain.



Priority populations to engage, support and empower:

- Women
- Racial and ethnic minorities
- LGBTQ communities
- Veterans

Critical context: Understanding the social determinants of health

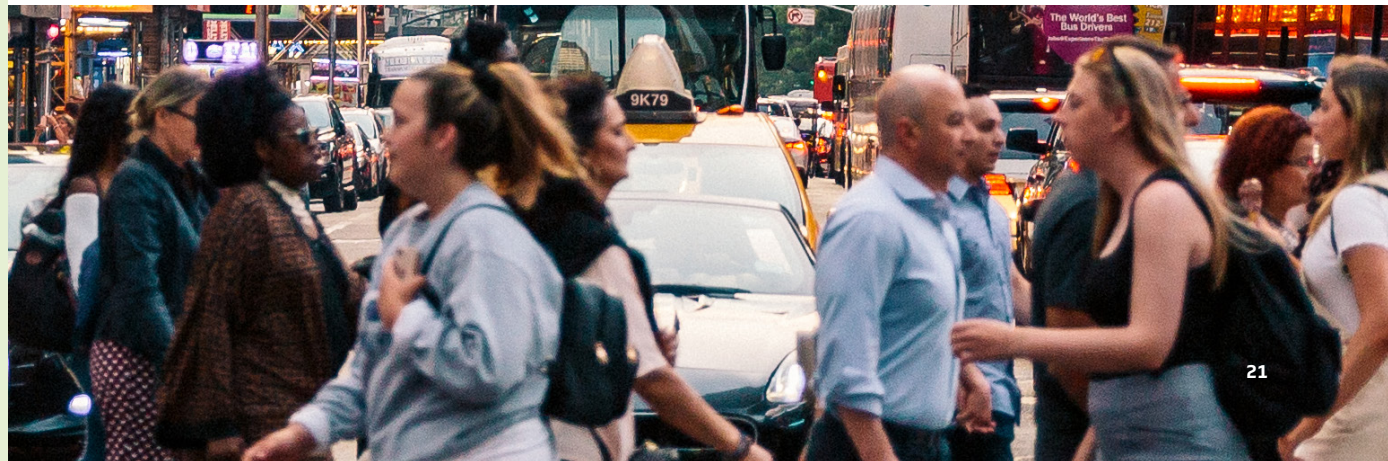
How can someone with diabetes keep her blood pressure under control if she doesn't have a safe place to live? How can a black trans man receive equitable care and treatment when unconscious bias impacts his clinicians?

Vizient is working to understand and address social determinants of health in our member communities and we are committed to equitable health outcomes for all — regardless of race, ethnicity, gender, sex, language, income or education.

According to the [Centers for Disease Control and Prevention](#), 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 race, income, sex, gender, orientation and legal status that are unexplained by genetics or personal health behavior. To reiterate, even with personal health behavior and genetics being equal, these arbitrary demographic factors and ensuing social factors in fact play an unfair, negative and outsized role in our quality of life, morbidity and disability, ability and willingness to seek care, health care costs, life expectancy and the number of healthy, disability-free years we can expect to enjoy after age 50.

Factors that lead to health disparities

Demographics	Social determinants	Health inequities
<ul style="list-style-type: none"> • Race and ethnicity • Gender identity • Sexual orientation 	<ul style="list-style-type: none"> • Education • Language • Employment • Income • Housing security • Community safety • Food security 	<ul style="list-style-type: none"> • Exposure to toxins • Access to clean water and air • Access to transport • Access to child care • Social relationships • Quality of life • Morbidity • Disability • Health care costs • Disability-free years we can expect to enjoy after age 50 • Life expectancy



Our value chain: members

At Vizient, we address inclusion and equity at the member level through a wide variety of efforts and activities — advisory services that improve cultural competency and health equity, programs that address upstream social determinants and affordability, advocacy that levels the playing field for hospitals treating vulnerable populations, networks that connect diversity officers to one another and awards that elevate and recognize members for championing diversity and equity.

Positive interventions to address social determinants

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. That is in large part because when social determinants of health are working against an individual, health care providers observe detrimental downstream impacts such as missed appointments and mismanagement of chronic conditions resulting in acute episodes, overutilization of emergency care, avoidance of necessary urgent care and the inability to take necessary medications.

With their influence as anchor institutions within communities and their level of autonomy, our members are expanding their scope of services to address social determinants of health, minimize negative impacts and realize improved health and cost outcomes. Evidence and our experience working with members shows that when properly designed, funded and executed, these interventions can mitigate the upstream causes of adverse health conditions, reduce costly downstream utilization of high-acuity care and significantly improve patient outcomes.

Social determinants	Provider interventions
Housing instability	Provide referrals to homeless shelters or temporary housing and legal aid to help access affordable housing or keep utilities running
Food insecurity	Refer patients to local food banks or provide food directly
Threats to personal safety	Mediate violence by referring patients to shelters, social workers, law enforcement and community mediators
Lack of education	Provide literacy, language and basic health education
Income insecurity	Connect patients to local employment services
Lack of transportation	Provide patients transport through vouchers or free shuttles
Social isolation	Provide counseling, addiction services and home visits

Vizient with Sg2

For Type 2 diabetes, fresh food outperforms medication



Geisinger Health Systems in Danville, Pennsylvania, developed a food program to improve the health of adults in surrounding counties with Type 2 diabetes. Analyzing its electronic health records, Geisinger identifies patients with high hemoglobin A1C levels (indicating poor diabetes control) and then screens them for food insecurity, referring patients who met the criteria to a care team that could “prescribe” healthy food to those patients and their families. Additionally, participants complete 15 hours of group classes on diabetes self-management. In the first year, this program enrolled 80 patients and their families, providing 10 meals a week to 250 people.

In one year, patient hemoglobin A1C levels dropped an average of 22% — a greater impact than the use of medications.

Vizient with Sg2

A public-private wellness center drops emergency utilization and costs

Baylor Scott & White Health in Dallas created a public-private partnership with Dallas Parks and Recreation to develop the BSW Health and Wellness Center, located in a low-income area with poor health and high emergency and inpatient utilization. The center addresses upstream social determinants and increases access to preventive and primary care with a team of physicians, social workers, nutritionists and community health workers. Dallas residents can join the center for free if they complete a health risk assessment.

A study of 1,055 participants measured a 21% reduction in emergency visits and a 34% reduction in the cost of emergency encounters after using wellness center services.

Keeping drugs affordable for all

In 2019, Vizient hosted a series of congressional briefings in Washington, D.C. bringing together member hospitals, policymakers and industry stakeholders to discuss strategies for addressing rising prescription drugs costs and shortages — such as plans for driving generic drug competition, increasing transparency around costs, enhancing supply chain efficiencies, preparing for biosimilar adoption and taking a proactive role in avoiding drug shortages.

“In recent years, drug shortages have plagued hospitals and providers. At Vizient, we believe it is a natural extension of our company’s purpose to lead and participate in discussions like these — and then work collaboratively across members to deliver innovative solutions.”

Dan Kistner
Senior Vice President, Pharmacy Services

Enhancing equitable CMS Hospital Star Ratings

Vizient is an advocate for improvements to the Centers for Medicare and Medicaid Services (CMS) Hospital Star Rating system. Designed to empower patients with an easy-to-understand tool to compare the quality performance of hospitals, the current methodology creates challenges as it uses the same standards to rate all hospitals regardless of the populations they serve — in essence, evaluating a specialized hospital serving a wealthy demographic and a community hospital serving vulnerable and complex patients using the exact same methods, ignoring the social determinants of health and in effect inadvertently punishing those hospitals for serving more vulnerable patients. **Vizient encourages CMS** to adopt a hospital stratification approach by grouping hospitals into cohorts based on the complexity of the patients treated. After hearing from industry stakeholders, CMS has announced that it will update its methodology in 2021.



Educating members on the unique needs of veterans

In the United States, there are currently about 20 million veterans, many still struggling with the wounds of war long after they've returned to civilian life. To help address this challenge, Vizient developed "A Field Guide for Improving Care for Veterans" focusing on the collection and utilization of veteran status while highlighting Lehigh Valley Health Network's partnership with Warrior Centric Health for their tailored approach to veteran care. The field guide outlines the unique health care needs and disparities of veterans along with best practices for collecting veteran status — including conducting focus groups, surveys and engagement councils to field test questions and ask veterans and their families about their service experience.

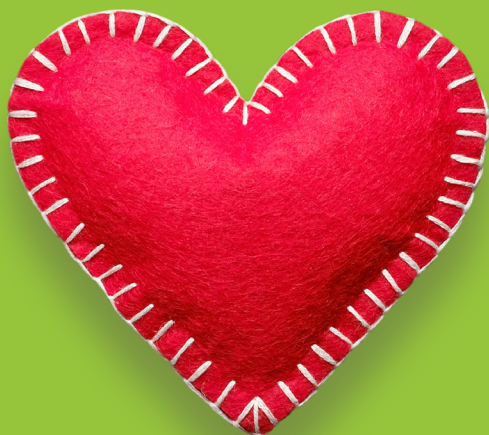
Establishing the Diversity Officers Network

Created in 2019, the Diversity Officer Network connects health care executives working on inclusion, diversity and health equity to share lessons learned, highlight best practices and technologies, learn from peers, and collaborate on shared challenges and innovative solutions. In 2020, this member group plans to focus on diversity and equity in people strategies, community strategies, supply chain and patient care.

Member awards for Supplier Diversity

The Supplier Diversity Excellence Award recognizes members for championing inclusion in their supply chain and accelerating economic growth in their local community through the engagement, empowerment and utilization of minority-, women- and veteran-owned businesses.

Categories	2019 Supplier Diversity Excellence Award Winners
Comprehensive Academic Medical Center	University of Maryland Medical System
Large, Specialized Complex Care Medical Center	Broward Health
Complex Care Medical Center	Arrowhead Regional Medical Center and County of San Bernardino
Community Hospital	Novant Health



Vizient member Kaiser Permanente wins CMS Health Equity Award

The CMS Health Equity Award recognizes strong commitment to health equity by reducing disparities affecting vulnerable populations. Kaiser Permanente won this inaugural award for their outstanding commitment to eliminating disparities in health care quality and access for its members receiving Medicare benefits — specifically through their Hypertension Program Improvement Process, which has significantly reduced disparities in blood pressure control rates across racial and ethnic groups, including among African-American Medicare members ages 18 to 85.

Our value chain: patients

While Vizient is not a provider of clinical care, we do bring members together to collaborate at the clinical level to increase health equity among all groups — regardless of race, ethnicity, gender, sexual identity or orientation, language skills, education or income.

Elevating provider-patient partnerships at our annual education summit

This past year at the annual fall Education Connections Summit, several patient and member-provider teams co-presented their collaborative work on increasing quality and health equity. For example, the University Hospitals and Cleveland Medical Center team co-developed a tool that empowers patients with the language and social permission to provide ICU doctors with productive feedback on how well they listen, communicate and engage with patients.

Driving results through our Impact Equity program

Last year, our Impact Equity program engaged participating members in a performance improvement initiative focused on addressing health disparities. Together, we analyzed patient data by cross-tabulating outcomes against social determinants like race, ethnicity language and education in order to identify and quantify health disparities. Once brought to light, we worked collaboratively with members to design solutions and initiate practice-level rapid cycle improvement interventions in patient engagement, communication and follow-up.

For example, the University of South Alabama health system worked with Vizient to focus on racial disparities in managing hypertension. Through co-designed interventions executed over a nine-month period, the University of South Alabama Health measured an overall 18% reduction in blood pressure control disparities between white and black patients.



Addressing racial disparities in maternal health

According to research published in The Lancet, maternal mortality in the U.S. is up to four times higher than in other developed nations. And while a black mother living in America is up to four times more likely to die in childbirth than a white mother, that disparity jumps in Chicago's West Side, where black women are six times more likely to die due to complications in childbirth than white women, according to the Illinois Department of Public Health. And perhaps even more tragic, 72% of those pregnancy-related deaths among black women in Illinois were deemed preventable.⁵

West Side United is a Chicago collaborative of six hospitals and community partners united in their common vision to improve neighborhood health. Vizient, through its subsidiary Sg2, partnered with West Side United to address the dire disparity in maternal health among black women. Our approach leveraged a collaborative design process engaging a cross-section of more than 20 local community and provider organizations in order to map the patient journey and potential solutions. We also conducted focus groups with mothers and identified their challenges and fears — like feeling judged and dismissed, dismay at the lack of choice in directing their care, confused by poor bedside communication and misinformation, pain and frustration around nursing challenges and an overall isolation due to breakdowns in continuity from prenatal to delivery to postpartum care.

Through this culturally-competent, patient-centered design process, CenteringPregnancy at the University of Illinois Center for Women's Health was born. Centered around an innovative model of group care, women participate in 10 prenatal visits following the first trimester — and each visit is two hours long, allowing ample time to listen, answer, advise and connect. Following their appointments, women at CenteringPregnancy participate in a small group meeting with eight to 10 other women of similar gestation or infant age. Facilitated by prenatal staff, the group discusses nutrition, stress management, pregnancy complications, relationship issues, labor and delivery, among other important topics relating to mothers' physical and emotional well-being.

Evidence-based outcomes include a reduction in preterm births including accounting for racial disparities, improved outcomes within high-risk pregnancies among teenagers, increased rates of breastfeeding, improved self-care and self-confidence among mothers and an estimated cost savings of over \$2,000 per mother receiving prenatal care through CenteringPregnancy.



Our value chain: communities

In addition to the positive impacts of our supplier, member and patient diversity efforts on broader communities, Vizient also partners with, volunteers with and donates to trusted on-the-ground organizations to address social determinants of health and increase vulnerable communities' access to food and shelter, child care and education, health care, job opportunities and emergency and disaster relief.

For example, when nine devastating tornadoes tore through the Dallas area in 2019 causing \$2 billion in damages, some communities were better equipped to recover than others.

Appreciating the impact of social determinants like race, ethnicity, language, legal status, education and income on the community of first-generation Guatemalan refugees and immigrants surrounding Cigarroa Elementary, Vizient chose to partner with this school — a community pillar and nexus of resources — to channel our disaster relief efforts.

At Vizient, we also believe it is our responsibility to be active, be responsive and show up in order to support equality and reverse the negative impacts of the social determinants of health. For example, in 2019 when Texas was considering a series of legislation including Senate Bill 17 to allow state-licensed professionals — from doctors and pharmacists to plumbers and electricians — to deny services on religious grounds, Vizient joined the larger business community to announce our opposition in order to protect the health and safety of our LGBTQ employees, suppliers, members and their patients.

Our value chain: suppliers

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

Vizient Supplier Diversity Program

The Vizient Supplier Diversity Program works to proactively recruit, grow and promote diverse suppliers of the highest quality to our membership 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.

Measuring the Supplier Diversity Program

Year	Total purchasing volume	Supplier Diversity Program volume	Percentage change in Supplier Diversity Program volume	Agreements with diverse suppliers
2019	\$104B	\$254.4M	-10.4%	131 agreements
2018	\$102B	\$283.8M	5.4%	154 agreements
2017	\$98B	\$269.2M	N/A	192 agreements



Supplier recruitment, mentoring and enrichment

Once identified, Vizient helps diverse suppliers meet competitive cost and quality performance metrics through ongoing mentorship and enrichment. In 2019, Vizient hosted its first annual Supplier Diversity Supplier Symposium — an educational summit gathering diverse suppliers in order to build community connections, deepen mentor relationships, recognize supplier innovation and excellence and discuss key priorities for the following year.

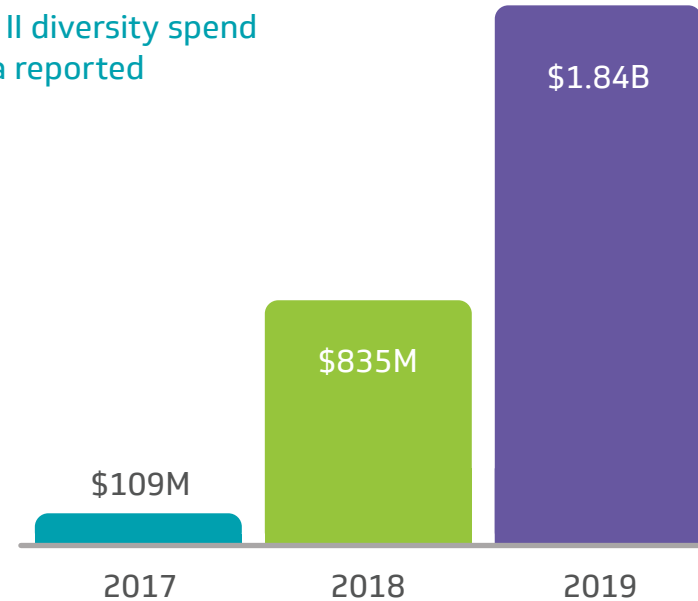
In addition to our own diverse supplier mentorship program, Vizient partners with Inner City Capital Connections (ICCC) to provide even more intensive support for high-potential entrepreneurs and business-owners in 14 key markets nationwide with executive education, coaching, access to capital, connections to business networks and contracting opportunities. In 2019, members recommended and Vizient provided scholarships for six suppliers to participate in the program, empowering them to grow their capacity at no additional charge.

Year	Total diverse suppliers contracted	Total diverse suppliers participating in education
2019	83 businesses	6 businesses
2018	102 businesses	2 businesses
2017	119 businesses	2 businesses

Increasing diversity and transparency with mandatory Tier II reporting

In 2018, Vizient became the first GPO to implement contractual language requiring all suppliers to report their Tier II spend (percentage of spend with diverse suppliers, contractors and subcontractors) quarterly. This allows our members to access both the Vizient Catalog and the Supplier Connection portal and find suppliers that meet their quality, cost and direct and indirect diversity criteria. Due to the multi-year nature of our supplier contracts, we anticipate all suppliers on contract to be reporting their Tier II spend by 2022.

Tier II diversity spend data reported



Promoting diverse suppliers among members

Our primary tool for increasing visibility of diverse suppliers among our members is the Supplier Connection Portal. Thousands of members visit this digital destination to find the high-quality products and services Vizient has to offer through its contract portfolio. Here, members can easily search for a variety of product and supplier attributes including Tier I and Tier II supplier diversity. In addition to making it easy for members to find diverse suppliers, with this tool they are also able to track and analyze their organization's aggregate diversity spend.

We also elevate diverse suppliers at our annual Business Connections Summit in Las Vegas with programming that connects diverse suppliers with members, providing them with valuable opportunities to engage and deepen their member relationships. We host an annual Supplier Diversity Reception to engage diverse suppliers attending the summit with members and each other.

Expanding our Local Purchasing Pilot Program

Since 2017, Vizient has been engaged in a multi-year Local Purchasing Pilot program in Chicago's Cook County, matching local members and local Vizient-contracted diverse suppliers. We measured awareness, interest and utilization of diverse suppliers among the local Vizient membership, as well as economic impact to local communities. Our efforts in Chicago will continue while we now work to launch the next phase of the local contracting program and recruit the next cohort of members and suppliers to expand this successful pilot to several new locations.

Widening our circle with industry outreach and engagement

Through our broader engagement with diversity groups and advocacy organizations within the health care industry, and industry at large, Vizient further fosters member-to-supplier and business-to-business relationships, collaboration and success. 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 2018, Cook County members increased diverse supplier volume from \$2.85 million to \$8.13 million — representing a 185% increase in one year of the pilot.

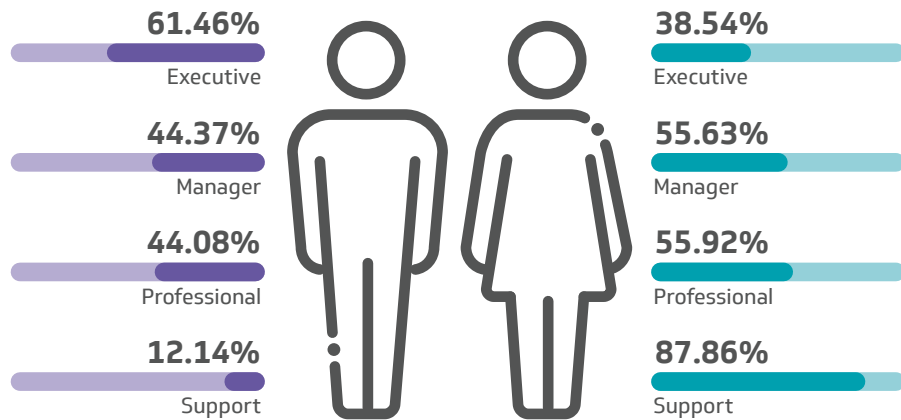


Our value chain: employees

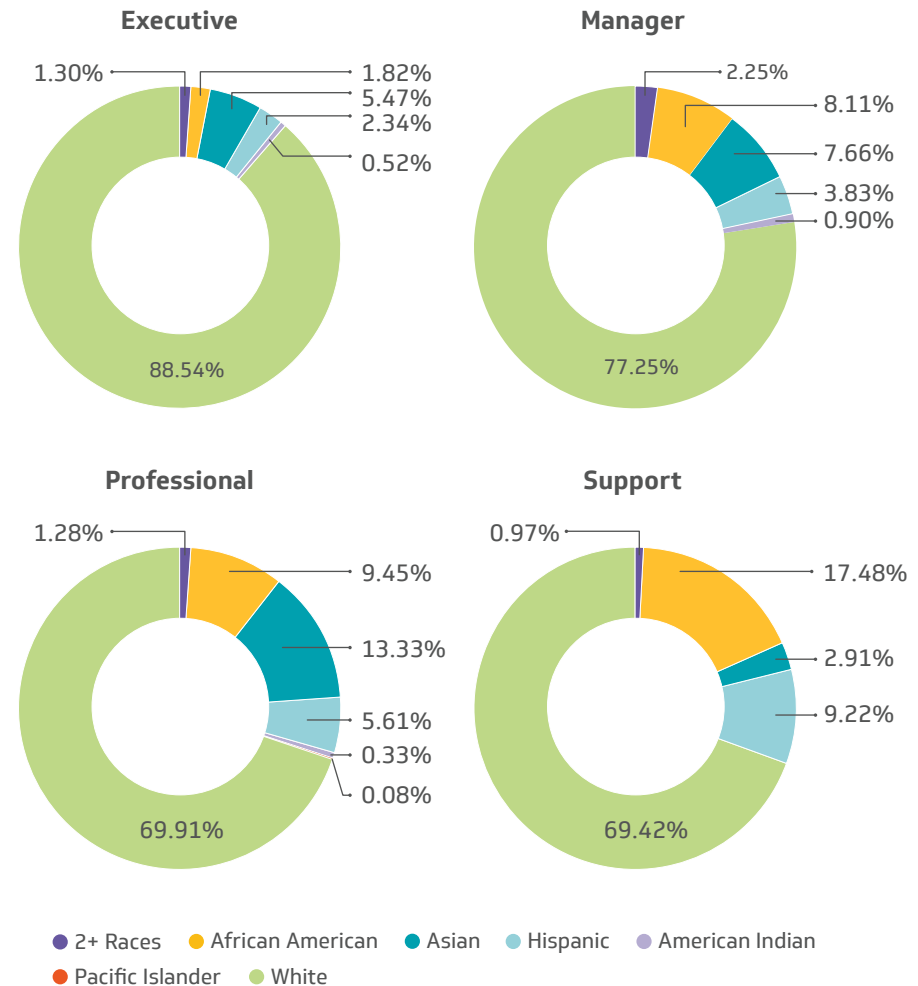
Our strength as an organization comes from the diverse skills, cultural backgrounds, knowledge and experience that our employees bring to the table. In order to best serve our members, help them meet increasingly complex and interconnected challenges and intimately understand the needs of the patients who enter their doors, Vizient employees must proactively seek out and increase the inclusivity of our culture and the diversity of our team. Additionally, we are exploring how best to address the social determinants of health and support positive interventions within our own organization.

2019 employee demographics and diversity

Enterprise gender representation



Enterprise race representation



Enterprise age representation

	30 or <	31-50	51+
Executive	0.00%	43.23%	56.77%
Manager	2.70%	63.51%	33.78%
Professional	15.68%	55.14%	29.18%
Support	16.02%	41.75%	42.23%

Building an inclusive culture

We consistently strive to create a culture and collective mindset where all employees feel welcome, seen and valued — and bring their full, authentic selves to work every day. Because only when people bring all of who they are, do they give their all. In 2019 we updated our values and behaviors to reflect this priority with the addition of the following behavior: “Be Inclusive.” Specifically, we aim to reach across boundaries to seek diverse perspectives, empower others and win together as one team.

We offer online classes on values, culture and unconscious bias to all Vizient employees. Our inclusion and diversity team regularly measures the pulse of culture through employee surveys and working closely with individuals in the Diversity Networking Associations (DNAs).



“On my team, inclusion and diversity starts with me. It’s about intentional actions and explicit expectations that I have for the entire team — including myself. This year, our Annual Kick-Off meeting was in Louisville, Kentucky, and occurred during Black History Month. With two days of education ahead of us, we chose to tour the Muhamad Ali Museum. We marveled at the great sports figure he was, yet left with a deep awareness and appreciation for the honorable man he was outside the ring, one who stood publicly for his beliefs during the civil rights movement, even when it threatened his career.”

Rand Ballard
Chief Customer Officer

Connecting employees to champion diversity

Working at the grassroots level, our workforce promotes diversity through employee Diversity Networking Associations (DNAs). These DNAs participate in outreach that expands the perspectives of the broader team, provide critical feedback on pilot programs and share innovative ideas for increasing inclusion and diversity both internally and across the value chain. We have four DNA groups, each having the support of a dedicated executive sponsor.

Vizient DNAs

Gender Equality DNA Champions women at work

This group welcomes all genders interested in promoting equal opportunity for women and non-gender conforming people within Vizient. Together, employees work to promote equitable leadership development and recruitment.

Lead 2040 DNA Champions racial inclusion

With a name inspired by the projection that racial and ethnic minorities will comprise the majority of the U.S. workforce by 2040, this group promotes awareness of the organizational benefits of diversity, while developing and celebrating the next generation of diverse leadership at Vizient.

PRIDE DNA Champions LGBTQ inclusion

Our newest employee group, the PRIDE DNA provides a home to LGBTQ employees and allies, develops LGBTQ talent, champions the idea that “love is love” and works to build bridges of understanding across the broader Vizient workforce.

Veterans DNA Champions service members

This group supports employees who have served in the armed forces or employees with family members who serve or have served in the military, while promoting volunteerism that benefits veteran organizations and encouraging employees to share their stories with the broader Vizient team. This group also serves as a resource to Vizient in veteran-related matters and recruiting.

Recruiting and growing diverse talent

Vizient proactively works to identify and recruit diverse talent by working with organizations including Prospanica and the National Black MBA Association to expand our talent pipeline.

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 and equitable compensation, we have implemented an innovative predictive pay modeling tool. The statistical analysis program tracks employees across a number of key indicators, including performance measures, length of time with the company and educational attainments alongside gender, race and ethnicity and age. The analysis creates internal transparency and equity when it comes to what is valued and rewarded. The analysis also ensures that any anomalies are identified and carefully explored and addressed with managers and individuals.



Promoting a healthier environment

Because the health of our planet directly impacts our collective human health, resilience and prosperity, we have to take action and empower sustainable choices. That means raising awareness among members and industry as well as requiring environmental data and minimum performance from suppliers to empower informed purchases. It also means working with members and suppliers to improve their disaster preparedness, climate resiliency and adaptation strategies and walking the talk within our own operations.



There can be no healthy communities without a healthy environment. Interrelated environmental threats including air pollution, climate change, 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.⁶

These threats are often not evenly distributed across communities as social determinants of health make specific segments of the population more vulnerable. For example, it is estimated that 90% of children breathe toxic air every day, and 600,000 childhood deaths occur from respiratory disease annually.⁷

Impact of planetary health on communities

Environmental risks

- Hurricanes, wildfires and extreme weather events
- Declining air, water and soil quality
- Increased exposure to harmful chemicals and carcinogens
- Rising temperatures
- Rising sea levels

Social determinants of health

- Age
- Gender
- Race and ethnicity
- Socioeconomic status (including quality of housing, education, access to care and community infrastructure)

Exacerbation in chronic and acute health conditions

- Asthma
- Allergies
- Chronic obstructive pulmonary disease (COPD)
- Cardiovascular disease
- Cancer
- Food-, water- and vector-borne diseases
- Heat-related illness
- Mental illness and stress
- Obesity

Our strategies for promoting a healthier environment

Planetary health is a rich topic, and we recognize that we are embarking on a multi-decade journey. Our path forward is guided by the following strategies:

- Sharing best practices among members
- Increasing community resilience
- Leading by example
- Leveraging scale to transform sourcing



Sharing best practices among members

Vizient works with members to reduce their impact through sourcing and to improve their operations through eco-efficiency, disaster readiness and adaptation strategies. We also participate in various industry groups to collaborate on solutions and promote more widespread adoption of our environmental sourcing standards.

For example, Gundersen is the first health care system in the country to be energy independent, producing more than they consume. In the last decade, their energy conservation efforts have resulted in a 55% improvement and a cumulative financial savings of more than \$20 million. And when it comes to waste management, they have an industry leading 67% recycling rate.⁸

Kaiser Permanente, the nation's largest nonprofit integrated health care system, is another leader in environmental sustainability. Kaiser Permanente recently agreed to purchase 180 megawatt hours of clean energy — enough to power 27 of its 39 hospitals — which will enable the construction of utility-scale solar and wind farms, and one of the country's largest battery-energy storage systems. The agreement is part of a comprehensive portfolio of renewable energy solutions and greenhouse gas reduction strategies that will enable it to achieve its goal of being carbon neutral in 2020. Kaiser Permanente also pledges that by 2025 it will increase its purchase of products and materials that meet environmental standards to 50%, buy all of its food locally or from farms and producers that use sustainable practices, and reduce its water use per square foot by 25%.⁹

Increasing community resilience

The 100 Resilient Cities project defines resiliency as a community's ability to respond to not just shocks — like earthquakes, fires, floods, hurricanes — but also the daily and seasonal stresses that weaken the fabric of a city such as water shortages, exposure to toxins, infectious outbreaks, overtaxed or inefficient public transport, and lack of access to green spaces. When communities are prepared to address both shocks and stresses, they are better equipped to deliver basic services to all populations, in good times and bad. With their influence as anchor institutions and major employers within communities, hospitals play a critical role in increasing the health and environmental resilience of their communities.

Working in partnership with the Texas Trees Foundation, Toyota and The City of Dallas, Vizient hosted a 100 Resilient Cities workshop to focus on improving mobility, infrastructure, air quality, and heat release for patients and physicians moving throughout Dallas' Southwestern Medical District — the second largest heat island in North Texas. Leading expert attendees explored specific solutions and, while many will take years to implement, the Southwestern Medical District is on the path to improved environmental sustainability. Moving from ideas to action, 2019 progress includes successfully installing additional pedestrian walkways between facilities, master planning to increase canopy diversity and overall cover and plan for new playgrounds, securing funding for an underground parking garages covered with grass and reconvening experts to refine plans for reducing car traffic and resultant air pollution in the area.

"Natural disasters put an enormous strain on hospitals. It is imperative we learn from our combined experiences and proactively put measures in place so we can provide the best possible care when our communities need it the most."

Colleen Risk
Chief People Officer

In 2019, Vizient hosted a congressional briefing in Washington, D.C., bringing together experts from across the nation who have dealt with some of the most devastating recent natural disasters, including Hurricane Harvey in Texas, to discuss how hospitals can better prepare for and respond to these events. Presenting participants included health care executives from Beth Israel Deaconess Medical Center in Boston and Memorial Hermann Health System in Houston, Vizient's Senior Vice President of Sourcing Operations Cathy Denning and U.S. Representative Pete Olson (R-Texas).

Leading by example: Minimizing our own footprint

While we can have the greatest positive impact by advising and empowering our members, we also aim to walk the talk on environmental stewardship by minimizing our operational footprint.

Our corporate headquarters campus in Irving, Texas, has been awarded LEED Silver Certification for Commercial Interiors from the U.S. Green Building Council — the largest LEED certified project of its kind in Texas by 28 times. Our campus features Energy Star-rated equipment and appliances; high-efficiency plumbing fixtures in restrooms, coffee galley, 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 well-being with access to natural light and recreational spaces. 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.

We have also been at the forefront of removing single-use plastics from our operations. A two-year project, we began by identifying a vendor that manufactures its compostable cups in the United States. Today, all lids, straws and coffee cups at our corporate campus are compostable. Our next focus is to transition to compostable cutlery.

Leveraging our scale to transform member sourcing

In evaluating the composition of the health care industry's greenhouse gas emissions, we find that 71% are derived 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.¹⁰

Given our standing as the largest GPO in the country and the fact that sourcing is responsible for the lion's share of health-impacting emissions, Vizient is committed to leading the way toward a healthier, more resilient supply chain that does minimal harm. We do this using a two-pronged approach:

- **Raise the bar:** Elevating requirements for all suppliers and setting industrywide standards
- **Reward the best:** Promoting best practices and products among our members

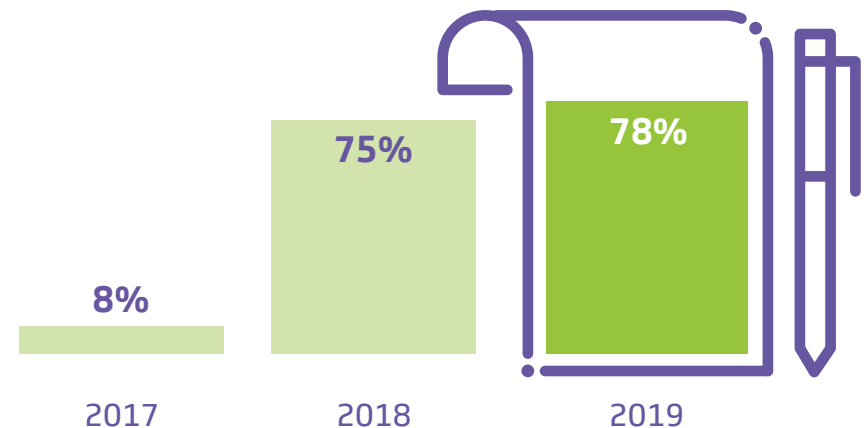


Raise the bar

Requiring transparency

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.

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



The Vizient Environmental Advisory Council aims to increase the percentage of suppliers reporting on environmental attributes in the national bid process to 90% in 2020.

Reducing harmful substances

Hazardous chemicals cost the U.S. more than \$340 billion a year in health care, social services, special education and lost productivity. And a 2017 study showed that the typical pediatric hospital room contained more than 110 chemicals of high concern.¹¹

In order to minimize risk to patients, family members, clinicians and the planet we all rely on, Vizient has prioritized reducing two harmful substances: polyvinyl chloride (PVC) and Di-2-ethylhexyl phthalate (DEHP). These chemicals of concern are linked to serious adverse health effects such as cancer, obesity, neurodevelopment abnormalities and reproductive issues. In addition, these substances are released into the air and onto the skin throughout a product's life cycle.

Our effort has started with priority products — those that come into direct contact with or are inserted inside of patients and clinicians, such as gloves, masks, catheters, GI tubes, lactation care, and I.V. sets. Leveraging our standing in the market, we are approaching suppliers and asking that they provide us with healthier alternatives (avoiding **regrettable substitutes**), or that they collaborate with us in order to innovate new products that eliminate these harmful substances completely within 18 months of the start of our agreement.

Vizient reduced polyvinyl chloride (PVC) and phthalates by 25% across all priority products in 2019.

In addition to the focus on PVC and phthalates, Vizient is constantly working to reduce all chemicals of high concern including bisphenols, bromine- and chlorine-based compounds, **Proposition 65** chemicals, antimicrobial and antibacterial agents, flame retardants, heavy metals and perfluorinated compounds, among others. Vizient requires suppliers to report on 11 harmful chemicals across all products within the 23 standardized attributes. We encourage members to both elevate and standardize their chemical reporting and attribute requirements in order to expedite change in the marketplace.



Reward the best

Environmentally Preferred Sourcing

In 2019, Vizient launched its Environmentally Preferred Sourcing (EPS) Designated Portfolio — the broadest, most cost-effective environmental product portfolio in the industry. Beyond our competitive cost and quality criteria, those listed in the Vizient EPS designated portfolio go even further to meet additional environmental qualifications. In order to make the cut, a product 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. In 2020 and beyond, we will continue to develop and refine our EPS standards and promote these highly competitive products among members.

Environmentally Preferred Sourcing: 2019 baseline

9 EPS-designated agreements

530,945 with environmentally preferred attributes available via Vizient database

Specialty portfolios: Furniture

In 2019, Vizient launched the nation’s largest, most comprehensive portfolio of environmentally preferred furniture. From task chairs and patient recliners to sofas, and bookcases, the furniture in this portfolio is free of formaldehyde, perfluorinated compounds, polyvinyl chloride, antimicrobials and flame retardants. These five chemicals of concern have been linked to adverse health effects like endocrine and thyroid disruption, immune system deterioration and reproductive toxicity. Beyond their removal, Vizient is also going beyond to empower members with relevant information including third-party certifications such as Cradle to Cradle, LEED, or ANSI BIFMA in the portfolio database. Suppliers include Herman Miller, Knoll, Steelcase, AllSeating Furniture, Global Industries Furniture, National Office Furniture, and Haworth.

Specialty portfolios: Organic baby care

In response to rising demand, this year we also launched the nation’s largest organic baby care portfolio such as baby lotion, shampoo, powder, and lotions,. In order to evaluate these products, we created a unique EPS scorecard that covers additional attributes — beyond the standard 23 — specific to the baby care category such as free of all dyes and colorants, free of fragrances and free of talc. In addition to our own data collection and third-party verification, 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. Our awarded organic baby care suppliers are Abena North America (Bambo Nature) and DandleLION.

The Vizient Environmentally Preferred Sourcing Excellence Award

Based on quantitative purchasing data and qualitative policies, this award recognizes members that positively contribute to human and environmental health through responsible purchasing.

Categories	2019 Environmentally Preferred Sourcing Excellence Award winners
Comprehensive academic medical center	Hospital of the University of Pennsylvania
Large, specialized complex care medical center	Cooper University Health Care
Complex care medical center	UC Health
Community hospital	Hawaii Pacific Health



Learn more about Vizient’s **Environmentally Preferred Sourcing** program, and watch our short **informational video**.



Outreach: Moving the industry forward

Given our size and standing, Vizient is uniquely positioned to help lead the industry to advance environmental preferred sourcing. We do this not only through our members, but also by engaging with outside industry groups and competitors. Specifically, we seek to address two main interconnected barriers to widespread environmental preferred sourcing adoption: (1) the lack of standardization and (2) the associated cost. If health care agrees on standardized criteria, then we create vast efficiency for both suppliers and members. And if we are able to increase standardization and adoption, we will see increased interest and economies of scale that lower costs.



Partnerships to increase the adoption of standard environmental attributes across health care are critical, and in 2019, we are proud to report the following highlights:

Industry affiliations	2019 highlights
Chemical Footprint Project	Vizient took a more active role in the Chemical Footprint Project by reaching out to over 300 suppliers asking them to join us in participation. As a result of our supplier outreach efforts, participation in the project rose 29% this year.
Green Science Policy Institute	Vizient was honored to be approached by Green Science Policy Institute to participate in their invite-only global Toxic Reductions Retreat. At the Toxic Reductions Retreat, we were able to share our best practices, learn from others and build relationships at this powerful gathering focused on creating healthier consumer products.
Healthcare Group Purchasing Industry Initiative (HGPII)	In 2019, we continued to encourage all GPOs to adopt the 23 environmentally preferred attributes as the industry standard. In addition, Vizient was a leader on the task force that facilitated group discussions on setting the industry standard. As a result, fellow GPOs ROI and HealthTrust requested these attributes from Vizient.
Sustainable Purchasing Leadership Council (SPLC)	In 2019, the SPLC awarded Vizient with the Supplier Leadership Award for our work in standardizing environmentally preferable purchasing across the entire health care sector. Vizient also led an Innovation Accelerator session at the SPLC 2019 Summit.

Accelerating our capabilities

Because it's going to take the workforce of the future to build the health care system of the future, we have to invest in our people and empower them to deliver.

At Vizient, we're committed to embracing a growth mindset, developing our diverse team to their full potential and caring for their well-being. And, we're committed to pushing our data analytics, continually improving systems and encouraging technology testing and smart adoption. This is how we serve our members' needs today — and every tomorrow.



We believe our collective, enterprisewide focus on advancing our culture and supporting our employees' professional and personal advancement is a powerful accelerator driving innovation, member value and solutions to the most pressing challenges facing the delivery of health care.

Our culture

What does it mean to be the leading health care performance improvement company? How do we help members solve the Rubik's cube of aligning cost, quality and market performance along the continuum of care?

At Vizient, our strength comes from being able to balance growth, exploration, experimentation and failing fast with health care's need for precision, accuracy, accountability and results. Indeed, fostering a growth mindset within health care is no small task. For us, it starts with embracing our core values and behaviors:

- **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 multi-year culture transformation blueprint starts with our values and behaviors and expands to systems, processes and policies — infusing everything from our recruiting and onboarding, learning and development, performance management, compensation, benefits and rewards and recognition.

For example, our Culture Connectors program brings together more than 500 employees from around the country to build peer relationships across levels and departments and to regularly engage together in structured activities that promote the company's values. Learning and development makes values tangible, actionable and measurable. Our Experts in Action recognition program acknowledges employees that model our values while achieving top performance. And annual performance reviews include dedicated space to share stories in which team members have leaned into our values during the year.

“Vizient is home to ambitious individuals and bold dreamers dedicated to making real change. We believe that fully supporting and equitably compensating our people unleashes their potential. Empowering employees to excel personally and professionally not only delivers healthier outcomes for our members — it's one of the most powerful societal contributions we make.”

Colleen Risk
Chief People Officer



Learning and development

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 create their career development plan and individual 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).

To help our employees grow and reach their goals, we offer continuous and varied learning opportunities using a 70-20-10 approach.



Learning through doing 70%

Methods:

- Accepting stretch assignments
- Job shadowing
- Improving processes
- Collaborating to launch new products and services

Vizient programs:

- Onboarding
- Leadership development journey
- Rotational program (in development)

Learning through others 20%

Methods:

- Seeking team feedback
- Engaging in informal peer-to-peer learning
- Mentoring

Vizient programs:

- Mentoring program
- Coaching
- Book clubs

Learning through courses 10%

Methods:

- Training
- Books
- Seminars
- Self-study
- Certificates

Vizient programs:

- Open learning classes*
- Workday learning
- Business operations training
- People practices

*Open learning classes covering a wide range of topics including emotional intelligence, unconscious bias, Personalism, managing multiple projects and crucial conversations.

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. We require employees to earn a grade of "C" or better or "pass" in a pass-fail class. Employees present the relevant registration forms, tuition receipts, proof of payment and final grade report to receive reimbursement.

Employee health and well-being

We believe that the health and overall well-being of our team is central to high performance, creativity, productivity and success — and we aim to model best practices for our members and the industry at large.

Our physical work spaces are designed so that every team member enjoys ample natural light, ergonomic and adaptable work stations, triple-filtered air and water as well as plants. Employees and managers also have the freedom and flexibility to negotiate when and where work is performed so that both individual and team needs are respected and met. And our culture promotes healthy habits, supporting group workout and yoga classes, cooking and meal-planning meet-ups.

Work-life balance and benefits

Our goal is to make all employees feel safe, seen, heard and valued. This year, we are proud to offer several new features to our robust benefits package. In addition to supporting our employees, these benefits also create a positive impact on upstream health determinants.

Supporting family life and the journey toward parenthood

To support families and 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 a qualifying military exigency. In both instances, 80% of base salary is provided during this time, and employees have the option of using any remaining paid time off to “buy up” to 100% of pay.

The journey to parenthood is becoming more personal, unique and complex — and can be physically, emotionally and financially challenging. To support our employees and their family aspirations, Vizient now 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.



Employee engagement and feedback

We believe that the quality of our employees' experience drives our members' experience. To understand the health of the organization, we conduct engagement surveys every 18 months as well as intermittent pulse surveys that center on various topics. Together, these feedback loops help us to monitor our work environment, employee practices and overall culture and to discover areas of improvement.

Our 2019 engagement surveys recorded engagement index levels between 83-85%. Employees indicated that they remain at Vizient because of their positive relationships with their managers and co-workers, the flexibility the company provides for work-life balance and the opportunity to work in partnership with the country's leading health systems. Additionally, employees value the company's adherence to ethical standards.

As we move forward, we also identified areas for improvement, which align well with our corporate priorities to fully unify our culture and operations, foster an inclusive and diverse environment, and invest in learning and career development.

Driving peer-to-peer support, data collection and insights

In 2019, Vizient Community launched its online collaboration platform empowering member networks to connect with their peers anytime. In this secure and trusted environment, members share ideas, learn from relevant peer organizations, raise questions around common issues, address specific performance challenges, promote innovative solutions, access on-demand resources and connect with Vizient subject matter experts — all in real time. At the close of 2019, more than 13,000 individuals from member organizations were active on the platform. We expect to continue to grow participation in 2020 and beyond.

Leveraging data to improve hospital performance and address drug shortages

Over the last few years, the amount of data available to health care providers has increased significantly. The ability to drill down and benchmark performance against peer organizations has become a best practice for identifying and prioritizing improvement opportunities. In addition to the data-driven performance work we do with members, Vizient also hosted a congressional briefing in Washington, D.C., where Vizient members from the University of Kentucky Healthcare and Penn Medicine shared how they are using data, quantitative analytics and empirical metrics to drive quality improvement at their institutions to benefit their patients and communities.



Innovation: Big data and machine learning

While 16,000 hospitals worldwide collect data on patients, the vast majority of that data (80%) is unstructured and stored in a variety of forms, from lab results and images to medical transcripts.¹²

As the nation's leading health care improvement company, Vizient has a unique 30,000-foot view on the industry, including more than \$140 billion in supply spend data, 62 million patient records, 29 million inpatient encounter records and 411 outpatient encounter records. And we have a unique opportunity to help our members streamline, structure and protect their data in order to gain actionable insights and make data-driven improvements while ensuring the highest level of patient privacy are upheld.

In 2019, Vizient developed an adaptive tool that allows members to easily input their data in its existing format. Our tool then performs data cleansing, accuracy and reconciliation so that the data becomes structured and accessible for computation and deriving insights.

In 2019, we also worked with our senior consultants to refine how technology augments their ability to support members. With the curiosity and intelligence of our people backed by the power and speed of machine learning, we are able to accelerate calculations on those

extremely large, high-quality data sets and deliver actionable insights in record time. Our consultants discover otherwise hidden connections, indicators and opportunities to improve both member operations and clinical practice. Next year, our focus is to scale machine learning across all advisory groups.

Privacy and security is especially critical in health care. At Vizient, we take a layered approach — from requiring two-factor authentication, securing both member and Vizient's own access to data, creating layers of security and permissions within our systems and logging and tracking all admin activity. In 2019, there were no breaches of protected health information.

Looking ahead to next year, in addition to advancing big data and machine learning, we will be ramping up research into the viability and applicability of blockchain-based technology. Blockchain has the potential to simplify, automate and secure health care operations that currently require complex processes, multiple levels of cooperation and navigating different operating systems. We are particularly interested in how blockchain can improve areas like price matching between hospital and distributor and also group purchasing organization and supplier, tracking and tracing pharmaceutical chain of custody and managing portable and secure patient-owned medical records.



@ Learn more about our **Innovation Technology Program**, and visit the Vizient **newsroom** for the latest updates on our thought leadership activities and initiatives.

Strengthening our communities

Because health starts in our homes, schools, workplaces and neighborhoods, we have to build our communities up from the inside out.

We support our communities by partnering with, volunteering with and donating to trusted on-the-ground organizations to address social determinants of health and increase vulnerable communities' access to important needs, including food and shelter, child care and education, health care, job opportunities and emergency and disaster relief.



How we serve: Vizient Cares program

We support our communities through the Vizient Cares program, which focuses on community involvement, corporate giving and establishing outreach programs that positively affect the communities we serve. The program features a number of initiatives, from our disaster relief efforts to our CEO-led day of service. Vizient Cares is an opportunity for employees to leverage their unique abilities and passions to address the social determinants of health by serving and empowering local communities nationwide.

Signature initiatives

Assisting Communities Together

Assisting Communities Together (ACT) grants all full-time Vizient employees five paid work days to spend out of the office volunteering. We encourage employees to plan for their volunteer days in advance, similar to a trip they might take. Volunteer time can be enjoyed individually or as part of a larger group. In 2019, about 2,079 employees recorded more than 26,444 volunteer hours.

Volunteer match

We also offer volunteer matching that boosts our employees' volunteer hours of the ACT program. To further encourage their passionate service, Vizient contributes \$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 2019, our employees used their volunteer match to support more than 414 charities, totaling \$217,395 in contributions.

Vizient Helping Hand

Everyone faces tumultuous experiences in life. The Vizient Helping Hand Fund is a 501(c)(3) qualified charitable organization 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. Our employees fund the program solely through donations, with every cent directly contributing to helping a fellow employee.

Community Day

Community Day unites us in collective action for the common good. Since 2003, every year on the same day, all employees from across the organization, from the C-suite to support staff, across 20 offices and remote locations — stop what they're doing to venture out into the community, roll up their sleeves and partner with local charities to serve others and make a difference in our neighborhoods. Community Day evolved from a small outreach initiative to now include partnerships with more than 80 nonprofits annually. This entire day dedicated to service remains a cornerstone of our community outreach program. Over the course of the Community Day program, our company and employees have donated 46,000 hours of their time and talents. In 2019, Vizient recorded 7,417 volunteer hours.

International volunteer projects

Vizient offers employees the opportunity to volunteer through established international service trips. Individuals can use volunteer time off for a portion of the service trip. For every project, one of our employees serves as an ambassador to answer questions and address concerns regarding the experience. The Vizient employee ambassador promotes the project and Vizient as a whole. Past trips include employee support for Project Perfect World in Ecuador, Potter's House in Guatemala, Heart for Africa in South Africa and Mully Children's Family in Kenya.



Where we focus our time, talents and resources

We support our communities by volunteering, donating, and partnering with trusted on-the-ground organizations to increase access to:

- Food and shelter
- Child care and education
- Health care
- Job opportunities
- Emergency and disaster relief



Food and shelter

Bags for shelters and foster care groups

In 2019, Vizient employees from across the U.S. collectively participated in upcycling T-shirts into tote bags that were sent to family shelters and foster care group homes to help them organize their belongings with care and dignity. When people are forced to leave their home quickly, travel bags are not the first thing on their minds. Together, our employees were able to divert several hundred of pounds of textile material from landfills and create more than 1,000 bags for those navigating transition.

Child care and education

Caring for children in the darkest hours

In 2019, Vizient awarded our Norman Borlaug Humanitarian Award and a corporate grant to Community Partners of Dallas. From fulfilling children's basic human needs to helping abused and neglected children in crisis, Community Partners of Dallas epitomizes the passion Dr. Borlaug had for his fellow man. The grant specifically supported the operation of their Night Response Unit, which responds to Child Protective Services to take in children who are removed from home in the middle of the night.



Toys for children in foster care

Vizient employees supported the work of Community Partners of Dallas by participating in a toy drive for children in the Dallas foster care system. Together, we collected toys in hopes of reminding these children that they are loved and that they matter.

Preparing low-income students for success at college and work

According to the Economic Opportunity Assessment by the Communities Foundation of Texas, Dallas continues to be further segregated by income and by race and the educational attainment gap between socio-economic levels continues to grow. With only 11% of Latino and 13% of black students in Dallas County completing a four-year degree, there is a clear and urgent need for an educational model that successfully supports socio-economically disadvantaged students of color.

Vizient partner Cristo Rey Dallas — a Catholic college preparatory high school for low-income students of all faiths — is meeting this need. The majority of Cristo Rey Dallas students (97%) are Latino and most live below the federal poverty line. And, an impressive 90% of Cristo Rey graduates are admitted to college, while alumni graduate from college at four times the rate of their peers in similar financial situations.

The school owes its success in large part to its educational model, which combines a rigorous preparatory curriculum with an innovative work study program, providing students with hands-on professional experience and the opportunity to earn 63% of the cost of their education. Students hold salaried positions one day a week at companies including AT&T and PwC.

In 2019, Vizient awarded Cristo Rey Dallas a grant for the construction of a new 3,600-square-foot Corporate Work Study Center. Each year, the center will train 500 incoming students for their first real job as part of their summer learning institute. Coding classes, computer and information systems courses and soft skills training will also be held throughout the year.



Health care

Elevating care for survivors of domestic violence

Domestic violence affects one in three women nationally. Illinois' Cook County has the highest rates of domestic violence in the state, with women of color suffering a disproportionate impact. In 2019, Vizient awarded The Network — a collaborative membership organization using education, organization and advocacy to end domestic violence and its underlying causes — a grant for a new Toolkit for their Medical Response Collaborative (MRC). With support from Vizient, The Network is developing an online, robust, user-friendly toolkit that empowers service providers and first responders to create their own culturally-sensitive system to screen, identify and refer survivors to specialized domestic violence services.

Funding the first-ever CenteringParenting program in Dallas County

For over 47 years, Los Barrios Unidos has been bridging language and cultural differences in order to provide safe, accessible, comprehensive primary care and support services to low-income Latinos. Fully accredited by The Joint Commission, Los Barrios Unidos Community Clinic (LBUCC) cares for all patients regardless of their ability to pay for services.

In 2019, Vizient awarded LBUCC with a grant to support programming and construction of the first-ever CenteringParenting program in Dallas County.

The program features group health care, bringing groups of eight to 10 same-age infants and their caregivers together with health care providers, their team and a Promotora de Salud (Health Promoter) for shared well child visits, education, activities and discussions that reinforce healthy choices, support and friendship. A Latinx community member, the Promotora receives specialized training to provide basic health education, engages patients and community members, schedules and builds strong relationships with program participants and collects evaluation data. While a typical individual appointment lasts 15 to 30 minutes, a shared medical appointment is 90 minutes long and combines group education with serial one-on-one examinations in the same room. This allows participants to spend more time with the health care team, the Promotora and each other.

Data shows that the program leads to higher appointment show-rates, immunization rates, breastfeeding rates, improved detection and treatment of postpartum depression and improved diet and nutrition for the whole family. The program also fosters long-term friendships, emotional support and community connections — essentials for human well-being and resiliency.

The new center is scheduled to open in spring of 2022 and is estimated to serve 80,230 patients each year.



Job opportunities

Investing in inner-city entrepreneurs

Vizient is committed to partnering with Inner City Capital Connections (ICCC) — the only program in the country that educates investment-ready inner city companies and then matches them with investors. ICCC provides underserved, high-potential entrepreneurs with executive education, mentoring, access to capital, connections to business networks and contracting opportunities. And when their companies grow and succeed, they create more local jobs, hire more diverse team members, offer critical benefits like insurance and health care, and spur broader community development. In 2019, Vizient again awarded ICCC a grant for its clear social and economic return on dollars invested. And through Vizient, our members recommended six suppliers to the program in 2019, empowering those accepted suppliers to participate in the program and grow their capacity at no additional charge.

Emergency and disaster relief

Rebuilding Cigarroa Elementary after devastating October tornadoes

At around 9:30 p.m. on Oct. 20, 2019, nine devastating tornadoes tore through Dallas, causing about \$2 billion in damages — the costliest tornado outbreak in Texas history, according to the Insurance Council of Texas. In response, Vizient focused on healing Dallas ISD Cigarroa Elementary School, located within a community of many first-generation Guatemalan refugees and immigrants. In collaboration with United to Learn, team members donated 843 books to supplement the library and home reading program. Volunteers also worked on campus to rebuild benches and paint interior and exterior walls.

Helping our communities respond to emergencies and rebuild afterwards

The Vizient Disaster Response Program uses proactive forecasting to anticipate needs and proactively reach out to members that are in the path of a hurricane, tornado or other potential natural disaster. With the corporate-level relationships to break down barriers and ask our industry partners and suppliers to help our members, Vizient is uniquely positioned to drive action after disaster. For nearly 30 years, through the Vizient Foundation, we have provided financial support to Vizient employees and employees of our member organizations affected by Federal Emergency Management Agency-declared disasters, including tornadoes, earthquakes, hurricanes and floods. Since 1992, Vizient has donated \$13.2 million to support more than 79,500 people facing dire emergencies. In 2019, Vizient donated \$123,500, reaching 1,022 people that year.





An open invitation

It's a dynamic, complex industry we work in. And we can't do this work alone. It takes all of us working together — members, employees, suppliers, communities, industry leaders and policymakers.

So if you have an idea, story or question, let us know. If you have a solution, or a challenge, reach out. If you have any feedback on how we can improve, please contact us at info@vizientinc.com.

Consider this an open invitation.



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) What we do Our solutions Our networks
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) What we do Our solutions Our networks
102-7	Scale of the organization	About Vizient (page 4)
102-8	Information on employees and other workers	As of December 31, 2019, we had 3,457 employees. Contractors and/or seasonal workers do not comprise a significant amount.

Indicator	Description	References
102-9	Supply chain	Vizient represents approximately \$140 billion in annual purchasing volume through our group purchasing organization. Please note that our direct supply chain also include 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 a healthier environment (pages 33-39)
102-12	External initiatives	U.N. Sustainable Development Goals (page 11) Building powerful partnerships (page 15) Promoting a healthier environment (pages 33-39)
102-13	Membership of associations	Building powerful partnerships (page 15) Advancing equity and inclusion (page 20) Promoting a healthier environment (pages 33-39)
Strategy		
102-14	Statement from the most senior decision-maker	A healthier, more equitable future (page 3)
102-15	Key impacts, risks, and opportunities	Our vision for the future of health care (pages 6-9) Corporate responsibility strategy and focus areas (pages 10-12) 2020 Playbook
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Leading with our values (page 10) Our culture (page 41) Standards of Business Conduct
102-17	Mechanisms for advice and concerns about ethics	Standards of Business Conduct (pages 14-15 and 23) EthicsPoint Compliance Line We maintain independent reporting hotlines that are available 24/7 to report potential concerns, which can be reported confidentiality. We strictly prohibit harassment of or retaliation against any employee or person who, in good faith, reports a known or suspected violation.

Indicator	Description	References
Governance		
102-18	Governance structure of the organization	<p>Board of Directors</p> <p>Vizient is governed by a 20-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>Board of Directors</p> <p>Committee Charters</p> <p>All board members are appointed by the chairman to serve on one of our seven committees: Executive Committee, Compensation Committee, Audit and Compliance Committee, Data and Analytics Advisory Committee, Finance Committee, Innovation Committee and Nominating Committee.</p> <p>Each committee's charter defines its role and responsibilities within the Vizient corporate governance framework.</p>
102-23	Chair of the highest governance body	<p>David P. Blom is the board chair of Vizient.</p> <p>Mr. Blom 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>Nominating Committee Charter</p> <p>The Nominating 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 seven 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>
102-35	Remuneration policies	<p>Compensation Committee Charter</p>
102-36	Process for determining remuneration	<p>Compensation Committee Charter</p>

Indicator	Description	References
Stakeholder Engagement		
102-40	List of stakeholder groups	Building powerful partnerships (page 15)
Stakeholder Engagement		
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.
102-43	Approach to stakeholder engagement	Building powerful partnerships (page 15)
102-44	Key topics and concerns raised	Materiality: Mapping what matters (page 11)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Not applicable to Vizient
102-46	Defining report content and topic boundaries	Materiality: Mapping what matters (page 11) 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	Materiality: Mapping what matters (page 11)
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 calendar year 2019.
102-51	Date of most recent report	2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Contact us Specific inquiries can also be directed to Terri Scannell, Senior Social Responsibility Director at Vizient, by emailing responsibility@vizientinc.com .
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	2020 Playbook The boundary of stakeholders for this topic includes employees, members, suppliers, payers, patients and communities.
	201-1	Direct economic value generated and distributed	Strengthening our communities (page 46) This indicator is partially reported.
	201-2	Financial implications and other risks and opportunities due to climate change	Promoting a healthier environment (pages 33-39)
Indirect Economic Impacts	103	Management approach disclosure	Our vision for the future of health care (pages 6-9) Building powerful partnerships (pages 15-19) Advancing equity and inclusion (pages 20-32) Strengthening our communities (pages 46-51) The boundary of stakeholders for this topic includes members, suppliers, payers, patients and communities.
	203-1	Infrastructure investments and services supported	Strengthening our communities (pages 46-51)
Environmental Standards			
Environmental Compliance	103	Management approach disclosure	Leading by example: Minimizing our own footprint (page 35) 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	Suppliers (pages 17-18) Vizient Supplier Standards The boundary of stakeholders for this topic includes members and suppliers.

Material Topics	GRI Indicators	References	
	308-1	New suppliers that were screened using environmental criteria	<p>Promoting a healthier environment: Sharing best practices among members (page 34)</p> <p>Promoting a healthier environment: Leveraging our scale to transform sourcing (pages 36-37)</p> <p>In 2019, Vizient offered approximately nine agreements covering 530,945 products that contain environmentally preferred attributes in its catalog.</p>
Social Standards			
Employment	103	Management approach disclosure	<p>Accelerating our capabilities (pages 40-45)</p> <p>Careers</p> <p>The boundary of stakeholders for this topic includes employees and members.</p>
	401-2	Benefits	<p>Careers</p> <p>Benefits are made available to all full-time employees. We do not typically hire part-time employees.</p>
	401-3	Parental leave	<p>Accelerating our capabilities (pages 40-45)</p> <p>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.</p>
Training and Education	103	Management approach disclosure	<p>Accelerating our capabilities (pages 40-45)</p> <p>Careers</p> <p>The boundary of stakeholders for this topic includes employees and members.</p>
	404-1	Average hours of training per year per employee	<p>In 2019, Vizient employees completed 14,259 online hours and 26,519 classroom hours for a total of 40,778 hours, as reported in our internal learning management system (LMS). Our staff averaged 8.87 hours of training and/or learning.</p> <p>Please note that reported hours is based on online or classroom sessions that were logged into the LMS, and excluded additional learning hours that were provided outside of the LMS tracking.</p>

Material Topics	GRI Indicators	References	
	404-2	Programs for upgrading employee skills and transition assistance programs	Accelerating our capabilities (pages 40-45)
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees received performance reviews during the reporting period.
Diversity and Equal Opportunity	103	Management approach disclosure	Advancing equity and inclusion (pages 20-32) The boundary of stakeholders for this topic includes employees and members.
	405-1	Diversity of governance bodies and employees	Advancing equity and inclusion (pages 20-32) Our Board of Directors is currently comprised of four women and sixteen men.
Local Communities	103	Management approach disclosure	Strengthening our communities (pages 46-51) The boundary of stakeholders for this topic includes communities, employees and members.
	413-1	Operations with local community engagement, impact assessments, and development programs	Strengthening our communities (pages 46-51)
Supplier Social Assessment	103	Management approach disclosure	Advancing equity and inclusion (pages 20-32) Vizient Supplier Standards The boundary of stakeholders for this topic includes members, suppliers and communities.
	414-1	New suppliers that were screened using labor practices criteria	Supplier Diversity program growth (page 27)
Public Policy	103	Management approach disclosure	Building powerful partnerships (pages 15-19) Public Policy and Government Relations The boundary of stakeholders for this topic includes members, legislative and regulatory bodies, industry associations and communities.

Material Topics	GRI Indicators	References	
	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 — regardless of party affiliation. 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 2019, annual political contributions were \$33,500. \$18,500 was contributed to Republican candidates and GOP-supporting PACs. \$15,000 was contributed to Democratic candidates and DNC-supporting PACs.</p>
Customer Privacy	103	Management approach disclosure	<p>Corporate responsibility strategy and focus areas (page 10)</p> <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.

Material Topics	GRI Indicators	References	
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 Business Conduct, Compliance and Ethics Program.</p> <p>The Audit and Compliance Committee also 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



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