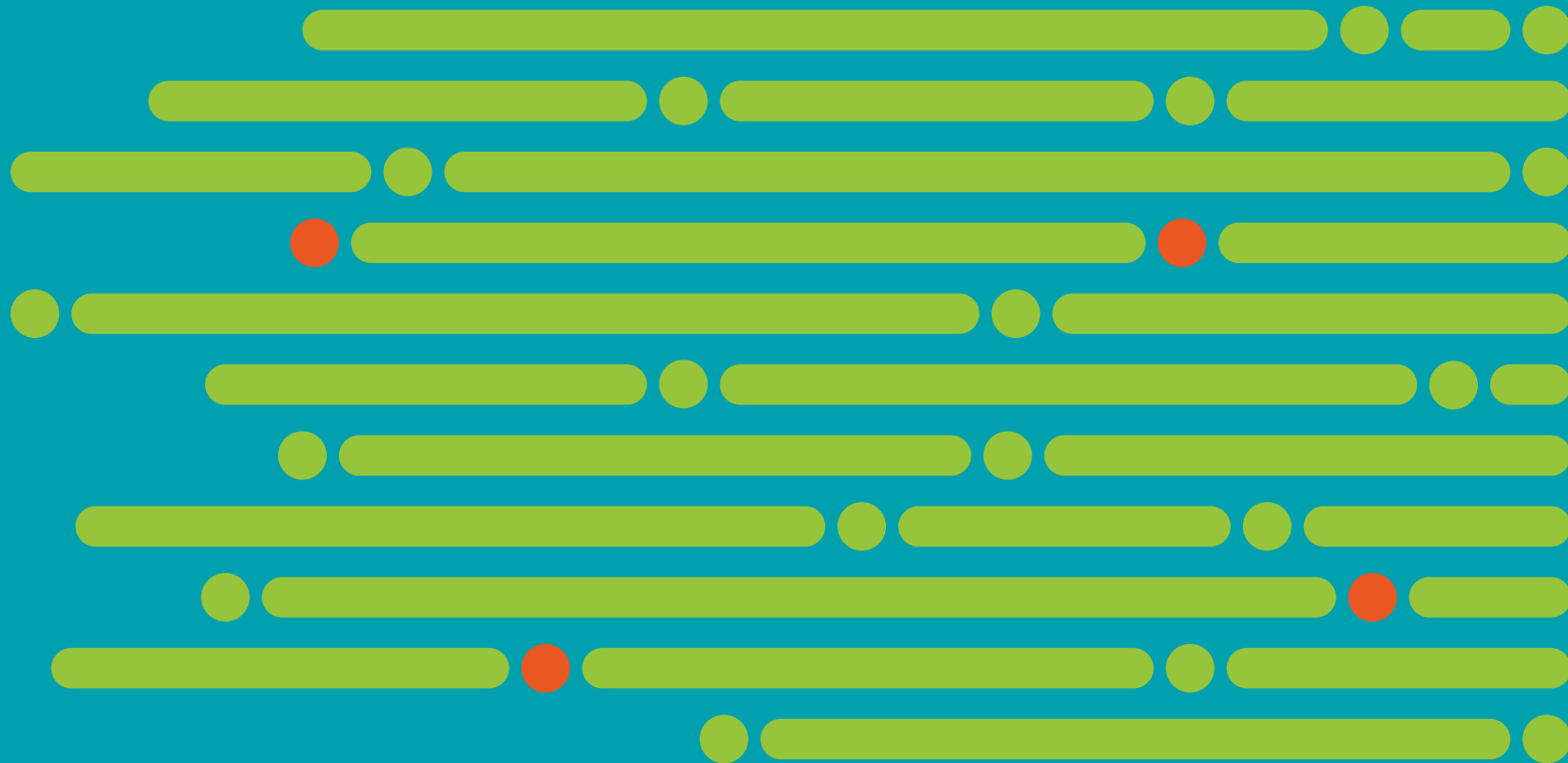


FY 2020

# Corporate Responsibility Report





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# Message from our president and CEO

## Our call to action

What does it take to be a leader in times of crisis? What are we called to do? And what do we learn about ourselves through the process?

This Corporate Responsibility Report covers an unprecedented year. The global COVID-19 pandemic accelerated our collective understanding of the weaknesses in our systems and the injustices in our society. It has exacerbated long-standing health inequities. Unevenly devastated people's financial stability. Tested our global supply chains. Imperiled and exhausted our care workers. Placed extraordinary financial pressure on our hospitals. And taken an unfathomable number of lives. And at the very same time, urgent calls for equality ring across the country, while extreme weather and climate change show us not some distant future, but our current reality.

This year tested us. It called us to pause and earnestly reflect inward, and to move and take bold action. To adapt and create innovative solutions, and to deliver expert-led data-enabled safety and certainty. To take the long view, and to demand more from ourselves and our society here and now.

Through it all, we realized the importance of leaning into our values and remembering what matters most. Our interconnectedness and interdependence. The importance of good health, friends and family. And the phenomenal good we're capable of when we come together.

We invite you to discover the details in this 2020 report—how we're building powerful partnerships, advancing equity and inclusion, promoting planetary health, accelerating our capabilities and strengthening our communities.

This year marks our 10th report following the Global Reporting Initiative standards for sustainability reporting, affirming our dedication to operating according to the highest standards of ethics, transparency and accountability.

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

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



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 unites unique capabilities in expert-led advisory services with unprecedented scale in data intelligence and analytics, 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 3,600 employees across 20 locations, Vizient serves more than half of the health care organizations across the United States. As a member-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 recognition



### World's Most Ethical Companies

For six years in a row, Vizient has been designated 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. In 2020, we partnered with Ethisphere to conduct an employee survey and assessment of ethical culture at Vizient. Our overall scores revealed that we outperform relevant benchmarks—and that we have an opportunity to increase manager communication around ethics moving forward.

### Great Place to Work-Certified

In 2020, Vizient became a **Great Place to Work-Certified™** company. As part of the certification process, Great Places to Work surveyed our employees using their trust index to map employee experience and help our organization better understand how to create an even greater workplace for all.

## 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 expert-led services built on proprietary 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 10th 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 2020 unless otherwise noted.

In 2020, we are also reporting using the new Culture of Health for Business (COH4B) Framework, a set of 16 specific business practices informed by rigorous research into how private sector leadership can influence key determinants of individual and population health. The practices span a range of activity across corporate strategy, policies and benefits, workforce and operations and community engagement. This report addresses all 16.



# Impact highlights

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

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Entered into exclusive  
**partnership with IBM  
Watson Health**



Honored as a  
**2020 All-Star of Supplier Diversity**  
by Minority Business News USA

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Launched our  
**Community Contracting Program**  
to help members strategically shift spend to  
qualified local, diverse suppliers

**Invested our own capital**  
to expand domestic personal protective  
equipment (PPE) production:

19 million disposable gowns

More than 2 million reusable gowns

More than 700,000 reusable  
masks every month



Committed to concrete  
**five-year diversity goals**  
to create a measurably inclusive culture and  
diversify our workforce at every level

Successfully advocated for the end of the Food and  
Drug Administration (FDA)'s Unapproved Drug  
Initiative (UDI) Program, **saving the health  
care system up to \$26.6 billion  
over five years**



Experts from Sg2—a Vizion company—created a  
**COVID-19 Surge Demand  
Calculator**, which we offered to all U.S.  
hospitals at no cost





# Impact highlights

Ranked PPE against our Gold Standard for Environmentally Preferred Sourcing to help hospitals choose safe and sustainable options



Allocated grants that provided **500,000 meals to food banks** around the country and will feed **600 Dallas children and their families over a three-year period**



Testified before the Senate Finance Committee to provide insights into the counterfeit PPE market



Increased availability of propofol, a sedative used to intubate patients, by an additional **676,000 units of propofol** through our Novaplus Enhanced Supply Program



22,543 products met our new and exclusive **Gold Standard for Environmentally Preferred Sourcing**

Marked **10 years** reporting against the Global Reporting Index

Earned the status of a **Great Place to Work-Certified company**



Incorporated the new **Culture of Health for Business (COH4B) Framework** which we helped to develop, in our reporting

# Confronting COVID-19

COVID-19 has proven to be the great accelerant—opening the nation’s eyes to weaknesses in our system and injustices in our society. It has exposed and exacerbated long-standing health inequities. Devastated people’s financial stability. Tested our global supply chains. Imperiled and exhausted our health care workers. Forced impossible choices. Placed unprecedented financial pressure on our hospitals. And taken an unfathomable number of lives.

At Vizient, we are committed to leveraging this newfound awareness to galvanize even greater action, to fortify the health care value chain and to systemically and sustainably help repair injustices and inequities. So that in time, we can honestly say that we are stronger and wiser for having endured, and that we have made a meaningful impact.

But for all the heartache and hardship the pandemic has caused, it has also reminded us of our indelible interconnectedness and interdependence. Of the importance of good health, friends and family. Of our creativity, grit and determination. And of the phenomenal good we’re capable of when we come together.

## How we responded

COVID-19 required Vizient to augment and shift our operations and adapt to a new emerging reality. Given our scale, structure and skill, Vizient was uniquely positioned to confront the pandemic.

Guided and strengthened by our values—to be bold and innovate, to be accountable and own our results, to be inclusive and seek diverse perspectives, to be purposeful and strive for meaningful impact—Vizient leveraged our relationships, expertise, data, communications and capital to innovate and respond to the urgent needs of our member hospitals and the country.



## Our impact

Increased access to critical supplies

Increased access to essential pharmaceuticals

Increased health care capacity through local collaborations

Helped to alleviate critical caregiver shortages

Developed data-driven clinical and operational tools to navigate COVID-19

Enhanced communication between hospitals and suppliers

Shared insights and expertise with government agencies

Launched Vaccine Task Force to support hospital readiness and streamline rollout

This section highlights just a handful of the many ways that we have served our members and the country during the pandemic.



## Increased access to critical supplies

Partnering with contracted suppliers to rapidly expand personal protective equipment (PPE) capacity resulting in an additional 2.5 million N95 masks, 2.8 million three-ply adjustable cotton masks, 21.5 million disposable isolation gowns—Association for the Advancement of Medical Instrumentation (AAMI) levels 1-3—and 1.9 million face shields being delivered to our members in 2020.



2.5 million  
N95 masks

21.5 million  
disposable isolation gowns  
(AAMI levels 1-3)

2.8 million  
three-ply adjustable cotton masks

1.9 million  
face shields

Investing our own capital to start and expand domestic PPE production by entering into unprecedented strategic partnership agreements with manufacturers Encompass, Standard Textile and Prestige Ameritech. By investing more than \$12 million, Vizient supplied an additional 19 million AAMI level-3 disposable isolation gowns, more than 2 million reusable isolation gowns and more than 700,000 reusable surgical masks and face shields. [Learn more](#) about our ongoing efforts to invest in onshore PPE manufacturing and stabilize supply.


19 million AAMI level-3 disposable isolation gowns

2+ million reusable isolation gowns

700,000+ reusable surgical masks and face shields monthly

## Increased access to essential pharmaceuticals

Leveraging our Novaplus® Enhanced Supply program, launched before the pandemic, to increase drug supply. The Novaplus Enhanced Supply Program requires contracted suppliers to hold a six-month surplus inventory of essential chronic and acute sterile medications—including propofol, a sedative used to intubate patients in preparation for using a ventilator. When the pandemic hit, we were able to increase access to an additional 676,000 additional units of propofol.



676,000  
additional units of  
propofol supplied

Sounding the alarm about the shortage of ventilator drugs in March 2020, and working with the FDA and contracted manufacturers to bring more drugs safely to market.

1st  
to sound the alarm about  
shortage of ventilator drugs

## Increased health care capacity through local collaborations

Supporting cities and states with access to clinical resources and health care professionals including doctors, nurses, administrators and Vizient supply chain operations team members in order to improve hospital operations and critical decision-making

Relocating Vizient supply chain teams to hospitals



## Developed data-driven clinical and operational tools to navigate COVID-19

Developing the COVID-19 Surge Demand Calculator and offering it to all U.S. hospitals at no cost. Together with Sg2, this robust data-driven scenario planning tool helps providers prepare for large increases in patient volume and plan for ICU bed and ventilator demand. Originally released in March 2020, our teams issued **important updates** in December 2020. Learn more about and download the **Surge Demand Calculator**.



Offered COVID-19 Surge Demand Calculator to all U.S. hospitals at no cost

Creating the PPE Conservation Impact Calculator, Ventilation Medication Demand Projection Calculator and various other tools on a variety of topics including drug shortage mitigation, evidence and controversies associated with COVID-19, guidance on the resumption of elective procedures, and updates on new treatments, variants and vaccines.



## Shared insights and expertise with key federal agencies

Serving as a **trusted adviser** to the federal agencies including the White House Coronavirus Task Force, the Federal Emergency Management Agency's various supply chain task forces, the FDA, the Centers for Disease Control and Prevention and the U.S. Department of Health and Human Services by providing regular insights and recommendations on issues such as supply visibility, data management, price spikes, PPE burn rates, mitigation strategies and vaccine distribution.

Having **Cathy Denning, Vizient group SVP of sourcing operations and analytics, testifying before the Senate Committee on Finance** to provide insights into the counterfeit PPE market—which exploits health care providers and the government with exorbitantly priced medical supplies and/or poses grave danger to health workers and patients with substandard equipment. **Read the full expert testimony.**



## Helped to alleviate critical caregiver shortages

Recruiting and deploying more than 5,000 auxiliary caregivers to positions across the country using a proactive staffing strategy

5,000

auxiliary caregivers recruited and deployed across the U.S.



## Enhanced communication between hospitals and suppliers

Creating a dedicated disaster response team to field urgent member questions and concerns and coordinate appropriate responses with suppliers and other stakeholders.



1,000+  
member inquiries fielded each week

## Launched Vaccine Task Force to support hospital readiness and streamline rollout

Launching the [Vizient Vaccine Task Force](#), a cross-section of experts from clinical pharmacy, pharmacy consulting and sourcing who consolidate only the most accurate and up-to-date information for our members. Our task force monitors the various vaccine pipelines, model related equipment supplies (such as ultra freezers and syringes), participates in weekly HHS calls, advocates for equitable vaccine distribution and advises on hospital distribution policy, logistics, staffing and reporting. Visit the [Vaccine Resource Center](#).



## Looking ahead: enhancing future preparedness

Even as we respond to the pandemic, we are also looking ahead to ensure that the health care industry is ready to manage future crises. For example, we are working with multiple stakeholders to identify and share leading practices and lessons learned, drive end-to-end transparency across and deep into the supply chain and advance greater supply chain resilience. We are also highly aware of the physical and emotional toll the pandemic has had on health care workers and are taking steps to address both the health and well-being of those in the industry and the growing shortage of health care workers in the U.S.

# Our vision for the future of health care

Health care is a complex and dynamic business, full of both difficult challenges and life-saving opportunities. Looking at the landscape and into the horizon, a handful of priority challenges stand out.

- **Health inequities based on race and socioeconomic status** continue to plague the country, as the pandemic made painfully clear. A recent analysis revealed that in places such as Chicago and Louisiana, Black patients account for nearly 70% of COVID-19-related deaths, while representing only about 30% of the population.<sup>1</sup>
- **Mental health and addiction** have long troubled Americans. Nearly one in five adults live with a mental illness.<sup>2</sup> During the pandemic, cases have risen with 40% reporting struggles with mental health or substances abuse.<sup>3</sup> Unfortunately, an estimated half of adults with serious mental illness are not getting treatment.<sup>4</sup>
- **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.<sup>5</sup>
- **Health care worker shortages, burnout and retirement** will cause massive challenges in delivering care. The Association of American Medical Colleges predicts a shortage of up to 139,000 physicians by 2033.<sup>6</sup> According to a recent evaluation in the *American Journal of Medical Quality*, the shortage of registered nurses will reach nearly 510,400 by 2030.<sup>7</sup>
- **Extreme weather events and changing climate patterns** were named the biggest global health threat and the greatest global health opportunity of the century in *The Lancet* journal, impacting cardiovascular and respiratory disease, food security and exposure to water-borne and infectious diseases—with the most vulnerable populations bearing the brunt of the risk.<sup>8</sup> In 2020, millions across the western United States were impacted by raging wildfires and toxic air. Fires also disrupted area health providers' ability to provide care.



There are also areas of tremendous potential. Below are a few of the opportunities we are tracking.

- **Virtual care and telehealth** have been rapidly adopted during the pandemic, shifting industry capacity and patient appetite for remote care. In addition to improving access, telehealth also brings cost savings up to \$120 per visit.<sup>9</sup> This is part of a broader trend toward the distribution of care across more non-acute, ambulatory and virtual care spaces.
- **Predictive analytics support clinical care** in real time, both improving patient outcomes and cutting costs. Predictive models using patient data, like comorbidities and medications, have helped providers make more accurate prognoses and manage treatments of diseases like diabetes.<sup>10</sup> And in a recent study from Mount Sinai, predictive analytics identified environmental risk factors that could lead to a new understanding of what triggers Crohn's disease.<sup>11</sup>
- **Precision and regenerative medicines** like gene editing and stem cell therapies hold tremendous potential. With CRISPR, scientists have already made headway in treating muscular dystrophy, heart disease and cancer. The National Institutes of Health is working to gather the "largest, richest biomedical dataset of its kind" to accelerate the deployment of precision medicine.<sup>12</sup>



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



## Our approach

How do we deliver solutions that proactively respond to these challenges, seize opportunities 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

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### 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

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### 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

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### Enable a consistent and exceptional member experience

#### How we execute

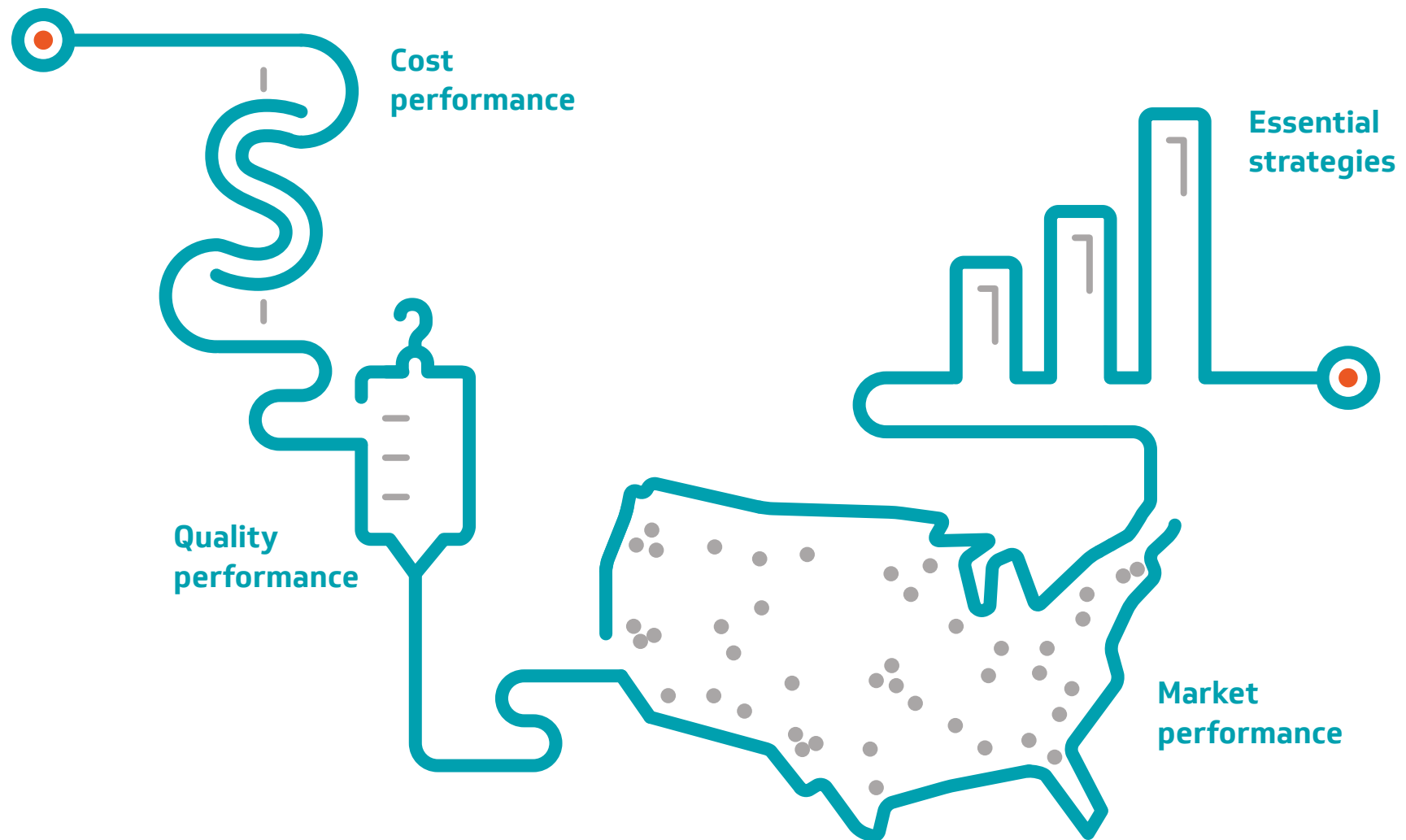
- Foster deep, trusted C-suite relationships
- Enable a sustainable cycle of improvement from planning through execution and monitoring
- Create partnerships with aligned objectives

*“Our expert-led advisory services and unprecedented scale in data intelligence and analytics help us work with providers to optimize performance and create new value and delivery models that improve patient health, lower costs and advance equity.”*

**Bharat Sundaram**  
President and Chief Operating Officer

# Meeting today's challenges — and tomorrow's opportunities

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 connect with and learn from their peers, 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 impact themes

If ever there was any doubt, this year proved that health care is a complex and dynamic business. At Vizient, we believe that to address the seismic challenges before us and 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 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

<b>Be Bold</b>	<b>Be Accountable</b>	<b>Be Inclusive</b>	<b>Be Purposeful</b>
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

<b>Respect</b>	<b>Integrity</b>	<b>Service</b>	<b>Judgment</b>
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, we leverage concepts from the Sarbanes-Oxley Act in developing our internal control framework and perform testing on a regular basis, as well as conduct financial, operational, performance and compliance reviews. These controls are 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.

*“This year was unlike any other we’ve ever faced. It tested us. And we drew strength, clarity and purpose by leaning into our values to guide the way forward.”*

**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**  
Diversity and inclusion, talent development, talent attraction, employee engagement and labor practices



- **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

# Strategy: Our impact themes

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 impact themes.



## Building powerful partnerships

Because if we're going to bounce back after the pandemic and 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 22)

## Advancing equity and inclusion

Because everyone deserves the same opportunity to lead a healthy life and because we know that inequities are real and must be addressed, 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 providers to deliver more equitable health and economic 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 29)

## Promoting planetary health

Because planetary health is human health, we have to take action and empower smart, sustainable, resilient choices. That means sharing best practices among members and raising awareness across our industry. Working with members to improve their disaster preparedness, climate resilience 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 prioritizing patient health and safety. (page 42)

## 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 and technologies. That means embracing a growth mindset. Developing people to their full potential and caring for their well-being. Leveraging data, machine learning and artificial intelligence to power performance. And serving our members' needs today—and every tomorrow. (page 49)

## 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 disasters—like the physical, emotional and financial fallout from COVID-19. (page 57)

# U.N. Sustainable Development Goals: a global call to action

In alignment with global business best practices, Vizient views 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 to reach key 2030 goals. In fact, 2020 launched the Decade of Action, a call to ramp up progress in order to achieve our shared global vision.

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



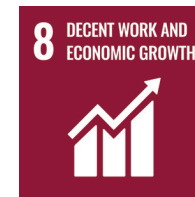
## Vizient actions aligned with U.N. Sustainable Development Goals



Working to increase access and lower the cost of care through our core business and advocacy work, fighting health inequities across the care continuum, promoting safe and healthy products to our members, supporting the health and well-being of our employees, investing in health impact projects in local communities



Prioritizing the advancement of women at the executive level with a five-year goal of closing the gap by half, elevating women-owned businesses as part of our supplier diversity program



Providing competitive jobs for our employees, directing funds to our suppliers including diverse suppliers, and supporting job growth initiatives within the communities where we operate

### Vizient impact themes

**Building powerful partnerships**

**Advancing equity and inclusion**

**Promoting planetary health**

**Accelerating our capabilities**

**Strengthening our communities**

**Advancing equity and inclusion**

**Building powerful partnerships**

**Advancing equity and inclusion**

**Strengthening our communities**



## Vizient actions aligned with U.N. Sustainable Development Goals



Addressing the social determinants of health through data and analytics, member engagement, supplier diversity and community contracting, and strategically investing in community organizations



Reducing our environmental footprint, encouraging our members to adopt more sustainable practices and product sourcing, partnering with organizations to raise the bar across industries



Increasing supply chain transparency including of environmental attributes in order to empower easier product comparisons and smart, sustainable, values-aligned purchasing by our members



Making the connection between climate change and human health, advancing industry solutions and supporting our members to tackle this critical issue

### Vizient impact themes

**Advancing equity and inclusion**

**Promoting planetary health**

**Building powerful partnerships**

**Promoting planetary health**

**Promoting planetary health**





# 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 more than \$112 billion in 2020 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. And networks provide an ongoing, open platform for us to listen to and learn from our members, so that we can better serve them and advocate on their behalf.

We connect our members around three primary objectives:

### Leader Connections

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

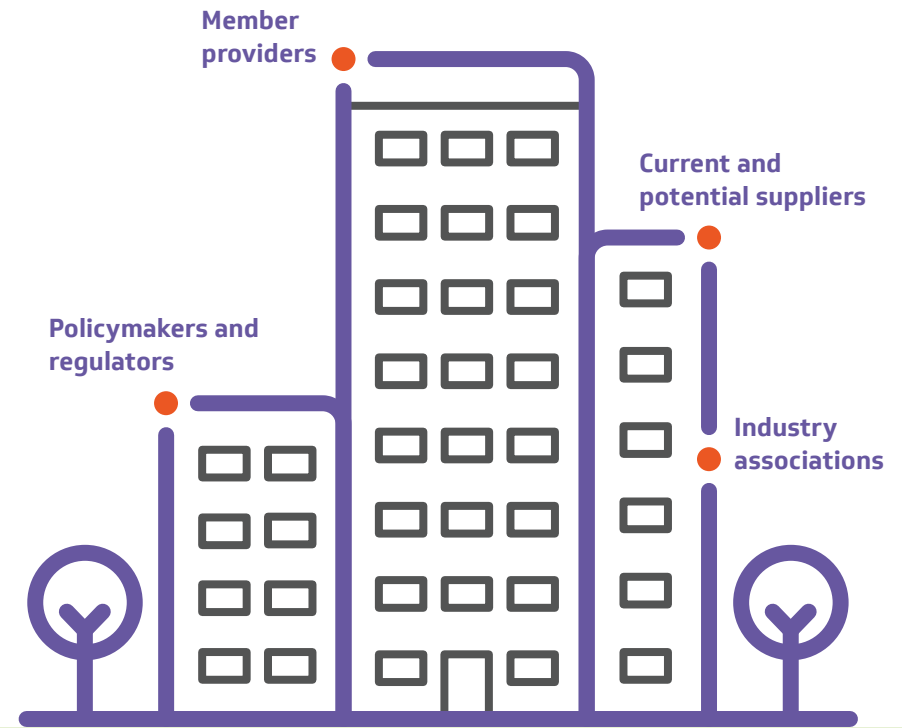
### Performance Connections

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 Consortia



1,300+ participating hospitals

*“Our networks have grown and the relationships between members have deepened. The bridges built during this challenging time give us all a powerful platform and reservoir for the future.”*

### Julie Cereso

Group Senior Vice President  
Performance Management and National Networks



## Shifting our focus and approach during the pandemic

Under normal circumstances, we have an annual program to engage members on strategic priorities. However, 2020 was not a normal year and we shifted our focus to members' top priority: COVID-19. Accordingly, we canceled our annual Connections Business Summit, and we transitioned our Connections Education Summit—where we gather members and suppliers to focus on education and performance improvement—into a successful virtual event with a 127% increase in attendees from previous years. Instead of issuing member awards, we shared comparative data to help providers assess and improve their performance.

To support our members through COVID-19, we gathered the most up-to-date and accurate data-driven information, tools and resources to share with members. In turn, they shared emerging practices that were working for them—everything from new methods of treating patients to managing supplies and testing staff. Given the novel nature of the virus, this regular, real-time peer-to-peer sharing gave other providers the information and confidence they needed to rapidly adopt and scale emerging leading practices and improve quality of care and health outcomes.

Our experts leveraged data and insights from our members to inform the development of critical tools such as the Demand Surge Calculator, the PPE Conservation Impact Calculator and the Ventilation Medication Demand Projection Calculator. We created provider resources and guides on a variety of topics including drug shortage mitigation, evidence and controversies associated with COVID-19, guidance on the resumption of elective procedures, and updates on new treatments, variants and vaccines.

## Caring for health care workers: a focus on mental health

Staff and clinicians are indispensable to the care of patients and communities affected by the pandemic, but they themselves have been facing many challenges, both personally and professionally. Clinicians are under significant stress, facing illness, grieving the loss of patients and loved ones and coping with income reductions due to low patient volumes. In order to support the resilience and well-being of health care's most precious resource—its clinicians—Vizient created the [Clinical Workforce Well-being Playbook](#) sharing leading practices and evidence-based interventions to support the mental health and well-being of front-line clinicians.

## 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. And those healthy supplier relationships proved essential to our ability to quickly respond to pandemic pressures. Working together, we redistributed resources, shifted production, increased transparency, uncovered risk and strengthened our sourcing system.

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.

As part of the 2020 virtual Connections Education Summit, Vizient recognized 16 suppliers and distributors for their outstanding work delivering exceptional service to member hospitals.

@ Learn more about our supplier awards and recent recipients.



## 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.



## Industry engagement

### To improve the cost, quality and equity of care

- **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 (ACHI) and Institute for Diversity and Health Equity. Due to COVID-19, the AHA Leadership and Supply Chain annual meetings were cancelled and Vizient sponsored AHA's virtual conference: Navigating A New Reality.
- **The Catholic Health Association (CHA):** Vizient partners with this association on educational resources for members on community benefit, equity and health issues.
- **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.

### To advance ethics and sustainability

- **Chemical Footprint Project (CFP):** 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. Now, we are in the process of integrating CFP data into our own sourcing databases to improve transparency and empower healthy purchasing decisions.
- **CleanMed:** This year, in lieu of conference sponsorship, we donated to support the organization's virtual education efforts.
- **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.
- **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.

## Culture of Health for Business

In 2019, Vizient joined the Robert Wood Johnson Foundation’s robust two-year Culture of Health initiative alongside other task force partners including Johnson & Johnson, Merck, Berkshire Hathaway and Intermountain Healthcare. 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.

In 2020, the initiative launched the Culture of Health for Business (COH4B) Framework, a set of 16 specific business practices informed by rigorous research into how private sector leadership can influence key determinants of individual and population health. The practices span a range of activity across corporate strategy, policies and benefits, workforce and operations and community engagement. For more information on how Vizient is using the COH4B Framework, see the appendix on page 72.



### Corporate strategy

**Culture of Health leadership**

**Responsible corporate political activity**

**Responsible marketing practices**

### Policies and benefits

**Health and wellness promotion**

**Paid family and medical leave**

**Employer-based health insurance**

**Equality and diversity (including disability)**

**Financial literacy**

### Workforce and operations

**Fair work hours and schedules**

**Job security**

**Pay practices**

**Occupational health and safety**

**Healthy physical work environments**

### Community engagement

**Environmental impacts on communities**

**Social capital and cohesion**

**Community investments and involvement**



## Government

Legislation and regulation dramatically shape the health care industry and create both operational challenges and opportunities for hospitals. Vizient engages with executive branch agencies and members of Congress from both parties in the House and Senate on behalf of our members, their patients and communities. With direct letters, regulatory comments and other activities, Vizient strives to be a constructive resource and maintain relationships with lawmakers, regulatory agencies and administration officials to provide a unified voice on issues that have a direct impact on our organization and the members we serve.

For example, this year Vizient urged Congress to:

- Continue to deliver essential financial support for hospitals throughout the COVID-19 pandemic, including bolstering the Provider Relief Fund, protecting hospitals from Medicare sequestration and Medicaid Disproportionate Share Hospital payment cuts and making changes to the Medicare Accelerated and Advanced Payment Programs to allow for greater flexibility in repaying advanced payments or for full loan forgiveness.
- Consider providing hazard pay to frontline clinical workers and liability protections for hospitals and health care workers operating in good faith to provide care during the COVID-19 pandemic.
- Make permanent several policy changes that have allowed telehealth services to be rapidly deployed during the pandemic.

## Advocacy highlights

**12** letters endorsing legislation or policy improvements to complement ongoing direct advocacy engagement

**19** comment letters to federal agencies on proposed regulations

**6** additional letters outside of the official comment period



## Our priority issues for active engagement include:

- COVID-19 response and relief efforts for hospitals and health care providers
- Medical supply chain security and counterfeit personal protective equipment (PPE)
- Health care group purchasing and the GPO safe harbor
- Community benefit and tax-exempt status for nonprofit hospitals
- Prescription drug costs, shortages, support for the 340B program and biosimilars
- Infectious diseases and disaster readiness
- Information technology and cybersecurity in health care
- Increasing efficiency, aligning incentives and enhancing value in health care delivery
- Improving care delivery by protecting Medicare and Medicaid reimbursement and promoting hospital delivery system reforms
- Workforce policies that address the shortage of health care professionals
- Supporting members by working to improve Overall Hospital Quality Star Ratings

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



## Vizient employee education

This year, we also provided a post-election update to our employees. This well-attended webinar covered election results, anticipated shifts in executive and congressional priorities and the potential impact on health care at large and our members in particular.

## 2020 member education highlights

**1,660** member subscribers receive our Washington Update, offering a unique, comprehensive, digestible examination of the latest news

**45+** virtual seminars, peer-to-peer workshops and network meetings with members

**15** official summaries issued to members



Explore all the details of our policy positions and advocacy activities.



# Advancing equity and inclusion

Because everyone deserves the same opportunity to lead a healthy life and because we know that inequities are real and must be addressed, we have to proactively embrace diversity and commit to equity across the entire value chain.

Vizient has long been committed to equity and inclusion—but the pandemic’s disproportionate impact on racial and ethnic minority groups and the summer’s painfully warranted demands for social justice have called for deeper self-reflection. This year, we’ve asked ourselves how we can engage more earnestly, set the bar higher and work more urgently from the inside out to create a more just and inclusive society. That means recruiting and supporting diverse employees at every level of our company. It means seeking and supporting diverse suppliers that invest in and strengthen their local regions. And now more than ever, it means proactively tackling the social determinants of health in our member communities and committing to equitable health outcomes for all.



## Mapping our value chain

Diversity, equity and inclusion make us all healthier and stronger, smarter and more innovative. And it's the right thing to do. That's why we're taking a more holistic, inside-out systems approach to advancing equity and inclusion across the Vizient value chain.



## 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, collaborate, innovate and help them meet increasingly complex and interconnected challenges and understand the needs of the patients who enter their doors, we must do two things simultaneously.

1. We must create a **truly inclusive culture** where all employees feel welcome, seen, valued and treated fairly.
2. We must create **true parity** and diversify our workforce so that there is equitable representation across every level of the organization.

### An honest assessment

Engaging in this work requires earnest self-examination. This year we identified a gap between our aspirations and the current reality—specifically for women and those in racial and ethnic minority groups.

Exploring the lived experience of women within our organization, we learned that they are less likely to feel that perspectives like theirs are included in decision-making, marked by a 10-point difference compared to their male colleagues. Looking at parity of women in leadership, only 40% of women make up the executive level while they represent 50% of the overall workforce.

Employees within racial and ethnic minority groups report feeling less comfortable being their authentic selves at work, illustrated by a 23-point difference between white and Black employees. Black employees are much less likely to believe that people from all backgrounds have equal opportunities to succeed at work, marked by a 33-point difference from their white colleagues. And looking at diversity in leadership, only 11% of racial and ethnic minorities make up the executive level while they represent 40% of the overall workforce.

This is where we stand today—and we can and must do better.



Priority populations to engage, serve and empower

Women      Racial and ethnic minorities  
LGBTQ communities      Veterans

# Building the organization we all deserve

## Our five-year goals

Vizient is committed to empowering an exceptional workplace experience for every employee and developing a diverse workforce across all levels of the organization. To help us get there, we created the concrete five-year goals below. In addition to our president and CEO taking personal responsibility for Vizient's meeting these commitments, each goal is sponsored by a cross-section of direct reports including our president and chief operating officer, chief people officer, chief legal officer, chief customer officer, chief financial officer and group SVP of strategy, marketing and corporate development, as well as employee-led diversity associations (DNAs).

- **Eliminate the experience gap** between employee groups when it comes to engagement, perceptions around diversity and inclusion and experiences of leadership.
- **Earn external validation** by achieving recognition as a Fortune 100 Best Companies to Work For, receiving the Catalyst Award for embracing gender equality, and earning a perfect score on the Human Rights Campaign (HRC) Corporate Equality Index for LGBTQ inclusion.
- **Increase executive parity for women and racial and ethnic minorities**, closing the gap by half. That means that in five years, by 2026, our goal is to have our executive level comprised of 45% women and 25% racial and ethnic minorities.

*“We are both humbled by the work in front of us and confident in our commitment and ability to achieve our five-year goals, including creating parity across the organization for women and racial minorities”*

**Colleen Risk**  
Chief People Officer



## Our action plan

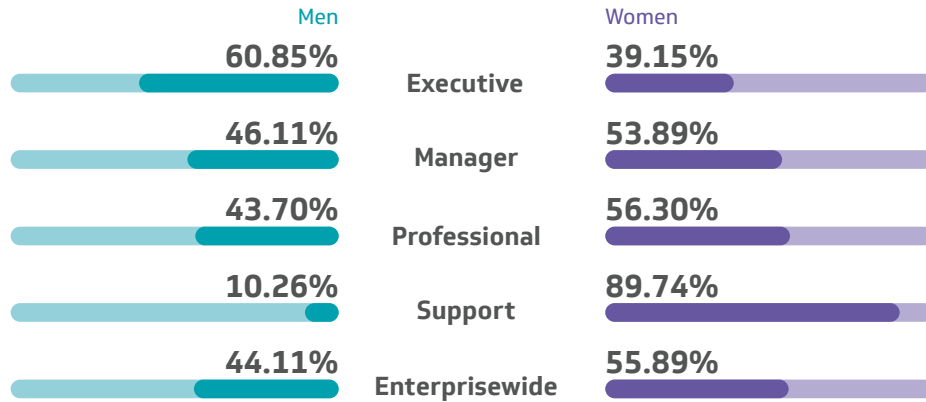
In order to achieve our goals by 2026, we have developed a holistic seven-pronged strategy and quarterly action plan including:

- 1 **Leadership engagement and ownership** of our diversity goals and action plans, with our leaders demonstrating that they are competent, capable, confident and comfortable showing up and speaking up in these spaces.
- 2 **Change management strategies and transparent communication** to inform, align and engage employees on our performance—both our progress and challenges.
- 3 **Workforce education and training** to build a capable, competent and bias-free workforce able to elevate diverse talent and leverage diverse perspectives across all dimensions of our organization.
- 4 **Enterprisewide behavioral standards and governance** to support inclusive mindsets and practices that foster full engagement.
- 5 **Human resources practices** to mitigate bias and increase equity across pipeline investments and recruiting, hiring, managing, developing and promoting our people.
- 6 **Employee networks and programs** to grow DNAs and integrate them into our larger diversity programs and practices.
- 7 **Enterprisewide scorecards** to provide regular assessments and areas for improvement on diversity and inclusion, employee engagement and leadership review.

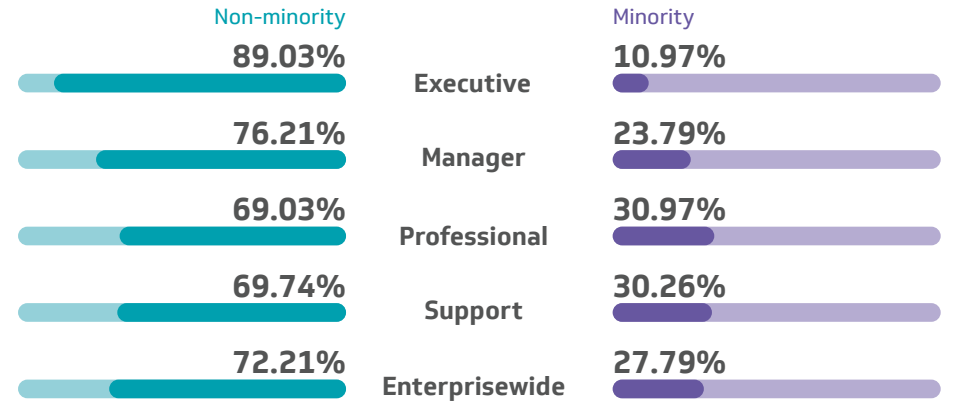
# Working toward parity

## 2020 employee demographics and diversity

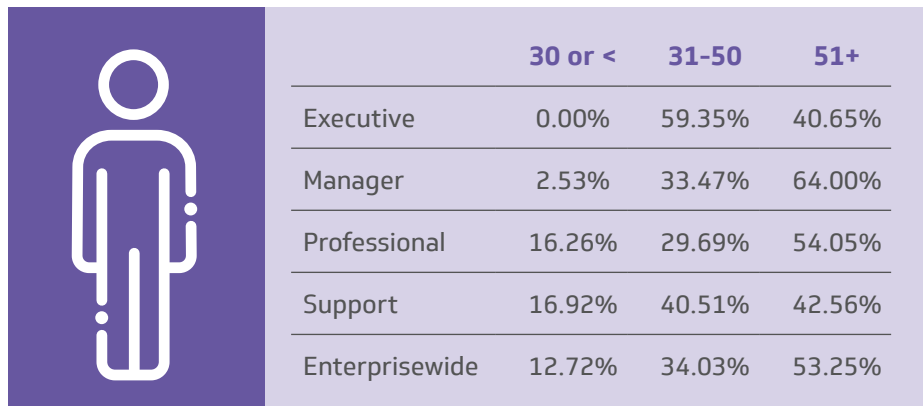
### Gender representation



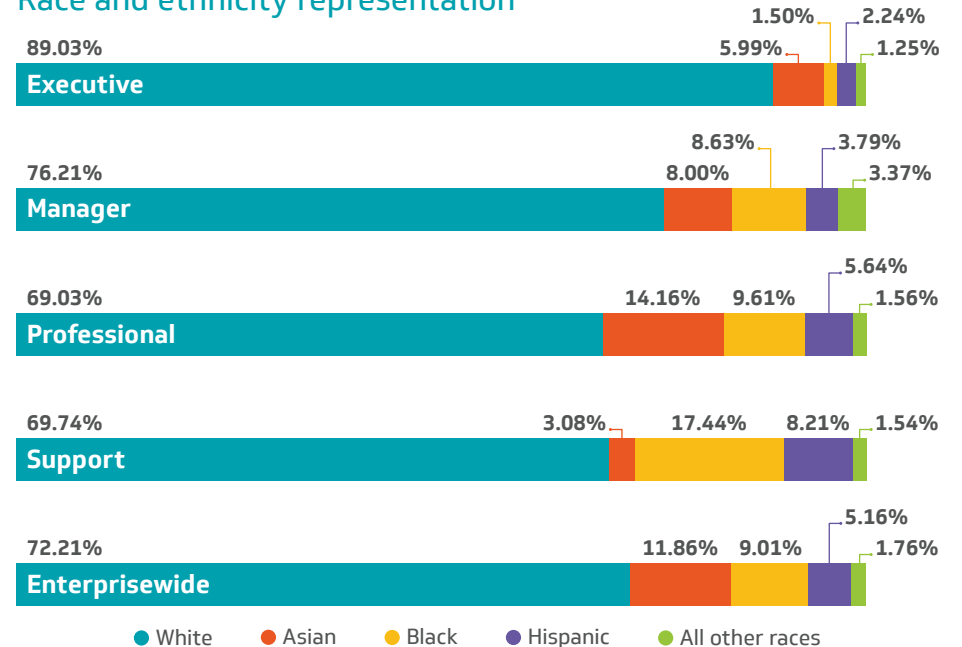
### Minority representation



### Age



### Race and ethnicity representation





## 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.

## Connecting employees to champion diversity

Working at the grassroots level, our workforce promotes diversity through employee Diversity Networking Associations (DNAs). These DNAs participate in broader team outreach, 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 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 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.



## Reflections: shared space for candid conversations

In 2020, as protests mounted around the nation, we created Reflections: a series of moderated sessions designed to provide a safe space where employees can have candid conversations, hear diverse perspectives and empower each other to address difficult issues and value new possibilities. While difficult, these types of conversations are critical to enhancing our growth mindset and creating an inclusive culture. Employee feedback and participation numbers indicate that the platform has made a positive impact.

## Participating in Human Rights Campaign (HRC) Foundation's Corporate Equality Index

For the first time, in 2020, we completed the HRC Foundation's Corporate Equality Index survey, the nation's leading benchmark on policies, practices and benefits supporting lesbian, gay, bisexual, transgender and queer employees. In our inaugural year, thanks in part to policies like our inclusive family planning benefits, Vizient received a score of 85. Within five years, we aim to score 100.

## Earning a Great Places to Work certification

Last year, Vizient became a Great Place to Work-Certified™ company. As part of the certification process, Great Places to Work surveyed our employees to map their experience and help our organization better understand how to create an even greater workplace for all. Looking ahead as part of our five-year goals, we are aiming higher: to be ranked among the Fortune 100 Best Companies to Work For.

*"It's up to us—starting with those of us in leadership—to create the organization we all deserve. We are laser focused on making sure our values and intentions align with our impact."*

**Byron Jobe**  
President and CEO





# Our value chain: suppliers

Studies show that companies owned by minorities, women, veterans, LGBT and disabled people 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 internal purchasing teams, our member hospitals and the industry at large. By 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.

## Expanding our program to include LGBT and disabled communities

In 2020, Vizient expanded our Supplier Diversity Program for businesses owned by minorities, women and veterans to also include businesses owned by people who are lesbian, gay, bisexual or transgender as well as people with a disability. To be registered with the Vizient Supplier Diversity Program, suppliers' ownership must be independently certified by an LGBT or disability association recognized by Vizient.



*“This expansion aligns with Vizient’s commitment to diversity and inclusion. We are proud of our diverse workforce and, moreover, recognize the diversity of our members’ teams and the communities they serve. We want our supplier partners to reflect this diversity as well.”*

**Bharat Sundaram**  
President and Chief Operating Officer

## Supplier recruitment, mentoring and enrichment

Once identified, Vizient helps diverse suppliers meet competitive cost and quality performance metrics through ongoing mentorship and enrichment. In addition to our own mentorship program, Vizient partners with Inner City Capital Connections (ICCC) to provide even more intensive support for high-potential entrepreneurs and business owners in 14 key markets nationwide with executive education, coaching, access to capital, connections to business networks and contracting opportunities. In 2020, members recommended and Vizient provided scholarships for 20 suppliers to participate in the program, more than tripling last year's participation and empowering them to grow their capacity at no additional charge.

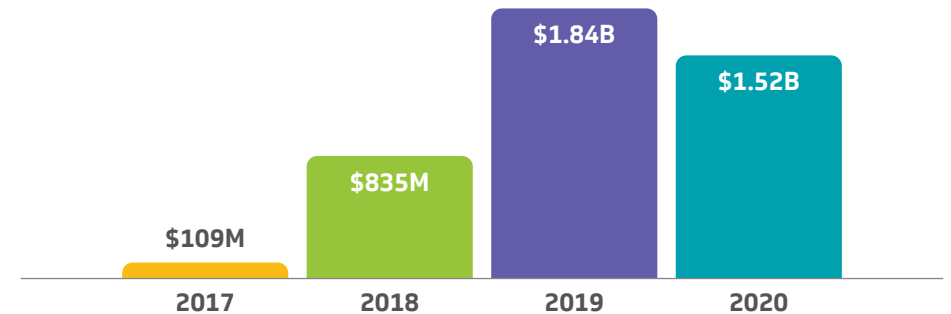
Year	Total diverse suppliers contracted	Total diverse suppliers participating in education
2020	103 businesses	20 businesses
2019	83 businesses	6 businesses
2018	102 businesses	2 businesses
2017	119 businesses	2 businesses



## 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. Given the multi-year nature of our supplier contracts, we are on pace to have all suppliers on contract reporting their Tier II spend by 2022.

### Tier II diversity spend data reported\*



\*Does not include small business

## 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.

In addition, under normal, non-pandemic circumstances, we also elevate diverse suppliers at our annual Business Connections Summit and host an annual Supplier Diversity Reception to bring together diverse suppliers with members and each other. Next year, we hope to host these important gatherings once again.



## Launching the Community Contracting Program

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

Working with our Supplier Diversity Advisory Council, we introduced the Community Contracting program which facilitates member sourcing and contracting with both Tier I and Tier II certified diverse, local businesses. The program is designed to help members strategically shift a portion of their spend to local, diverse suppliers. This not only improves the resilience of the supply chain, but also creates local jobs and improves economic development and ultimately health outcomes and equity for their communities. Our initial rollout includes San Francisco, Chicago, Dallas/Fort Worth and Atlanta—all high-need metropolitan areas with untapped networks of diverse suppliers. When complete, the program will be available to diverse suppliers in 50 cities across the country. Vizient is the only GPO offering this type of solution to its members and the program will continue to expand on an annual basis.

## Diverse Supplier of the Year

In 2020, Vizient recognized family-minority-veteran owned manufacturer and specialty distributor, Kerma Medical Products, for their outstanding commitment to delivering quality products, hiring the majority of their talent (88%) from their local area in Suffolk, Virginia, sourcing from diverse suppliers, mentoring other diverse businesses and serving their local community. Founded in 1991, the company has grown into one of the largest minority-veteran owned manufacturers of medical products in the country.

## Vizient honored as 2020 All-Star of Supplier Diversity

In November of 2020, Minority Business News USA honored Vizient as one of its “2020 All-Stars of Supplier Diversity.” The prestigious honor celebrates supplier diversity professionals for their commitment to growing their companies’ diversity programs.

## 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.



# 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.

Social determinants	Provider interventions
Housing instability	<ul style="list-style-type: none"> <li>Provide referrals to homeless shelters or temporary housing and legal aid to help access affordable housing or keep utilities running</li> <li>Invest in affordable housing projects</li> </ul>
Food insecurity	<ul style="list-style-type: none"> <li>Refer patients to local food banks or provide food directly</li> </ul>
Threats to personal safety	<ul style="list-style-type: none"> <li>Mediate violence by referring patients to shelters, social workers, community-based law enforcement and community mediators</li> </ul>
Lack of education	<ul style="list-style-type: none"> <li>Provide literacy, language and basic health education</li> </ul>
Income insecurity	<ul style="list-style-type: none"> <li>Connect patients to local employment services</li> <li>Hire locally and build a career ladder for local residents</li> <li>Buy and contract with local businesses</li> </ul>
Lack of transportation	<ul style="list-style-type: none"> <li>Provide patients transport through vouchers or free shuttles</li> <li>Launch mobile clinics for health screenings or improved access to services</li> </ul>
Social isolation	<ul style="list-style-type: none"> <li>Provide counseling, addiction services and home visits</li> </ul>

# 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.

# Contributing to the Investing in Community Health Toolkit

In 2020, Vizient partnered with the Center for Community Investment, Catholic Health Association (CHA) and other collaborators to develop the **Investing in Community Health Toolkit**. This robust resource helps health care providers shift how they see their resources and their role, expand their efforts to support their communities, and maximize their impact on community health by harnessing the power of their investment capital. The toolkit delves into critical topics such as distinguishing between financial contributions and investment strategies, understanding the value of investment strategies for addressing the social determinants of health, and mobilizing investment capital to make sustainable, long-term improvements to community health.





## Queen's Medical Center, Hawaii

### Caring for homeless patients with post-discharge interventions

Hawaii has one of the nation's highest rates of homelessness per capita, and the Queen's Medical Center (QMC) was struggling to sustainably serve this population. Every year, homeless high-utilizer patients logged 10,000 emergency department visits and 5,300 hospital days, costing the facility \$11 million in annual revenue loss.

Looking to improve care outcomes and reduce utilization and costs, QMC developed the Queen's Care Coalition. This post-discharge intervention program leverages patient care navigators to bridge communication gaps between QHS hospitals, payers and primary care physicians and to connect patients to critical social services to address their most immediate needs. The coalition also engages in administration advocacy at the legislative level.

Through the coalition, 81% of participants were connected to much-needed social services and resources. After sharing data with local public housing authorities, 15 high-utilizer patients secured stable housing. And preliminary results showed the program exceeded initial utilization goals, reducing emergency department use by 75% and hospitalized days by 33%.



**75%**  
reduced emergency  
department use

**33%**  
hospitalized days

## Rush University Health System, Chicago

### Deploying anchor strategies and investing in community development

In 2016, Rush University Medical Center, located on Chicago's West Side, completed its Community Health Needs Assessment (CHNA) and discovered a 16-year disparity in life expectancy between its neighborhood and Chicago's downtown Loop. Rush is seeking to close that gap by half by 2030.

To get there, Rush has developed an integrated anchor strategy to address the social determinants of health and invest in the economic prosperity of the West Side. Leveraging its economic power as the largest private employer on the West Side, they are focused on a variety of initiatives such as recruiting and hiring West Side residents, developing career pathways and offering a tuition-free medical assistant certification program, tapping local labor to build facilities, sourcing from local vendors and investing in local businesses and investing millions of dollars into community economic development projects like affordable housing and workforce development.

Rush, along with its West Side United partners, has invested \$7.7 million in affordable housing and capital projects across the West Side. Having hired more than 16% of new employees locally in their first year, Rush set next year's goal at 18% or more.

**\$7.7M**  
invested in affordable housing  
and capital projects in the area

**16%**  
of new employees hired from  
the neighborhood





## Pro-bono partnership

# Heartland Alliance Health, Chicago

## Bridging the digital divide in behavioral and medical telehealth

Based in Chicago, Heartland Alliance Health (HAH), one of the five entities comprising Heartland Alliance, is a nonprofit committed to providing medical and behavioral health care to those who have the most challenges and the fewest resources, including people experiencing homelessness or struggling with multiple illnesses. HAH currently serves over 10,000 participants across three federally qualified health centers on Chicago's North, South and West Sides. As a result of the pandemic, HAH has seen a significant uptick in telehealth utilization. And yet, HAH's participants face steep barriers to participating in telehealth. Together with Vizient and Sg2 skills-based employee volunteers, HAH is developing strategic interventions to bridge the digital divide and equitably increase the utilization of behavioral and medical telehealth across all patients regardless of income, race or any other social determinant.



## Diversifying the supply chain: sharing leading practices

Due to the pandemic we did not present members with the Supplier Diversity Excellence award in 2020. Instead, we emphasized sharing information on performance and leading practices for sourcing from diverse suppliers.

## Saving U.S. health care billions in drug costs

In 2020, Vizient successfully advocated for the end of FDA's Unapproved Drug Initiative (UDI) Program. The program was established in 2006 to incentivize the review process of drugs that were developed prior to the establishment of modern safety and efficacy requirements. However, the problem was that the UDI granted market exclusivity and patent protection to the first manufacturer to receive approval status, in effect blocking previous competitors from the market and causing astronomical price increases for drugs that were up to 50 years old. While the safety and efficacy goals of the program were appropriate, the net market impact was not. Vizient's analysis found that terminating the UDI could save the U.S. health care system between \$7.5 billion and \$26.6 billion over five years. Vizient engaged our members, the press and the executive branch to raise awareness of the financial ramifications of continuing the UDI. In part due to our advocacy and amplification of the issue, on November 20, 2020, the Trump administration announced the intent to terminate the UDI program. [Learn more](#) about our analysis and advocacy.

*“When it comes to pharmaceuticals, we are focused on two things: lowering drug costs and eradicating drug shortages. We believe addressing the unintended consequences of the UDI will be one of the biggest factors that prevents drug costs from soaring next year and beyond. And that improves safety and access to care for all patients.”*

**Dan Kistner**

Senior Vice President, Pharmacy Services

# 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.

## Launching new patient equity measures

In recent years, the number of core measures required by the Centers for Medicare and Medicaid Services (CMS) has decreased—core measures that were used by Vizient to look at differences in clinical performance across race, gender, and socioeconomic status. This prompted Vizient to begin redesigning a more comprehensive, action-oriented approach for providers to track patient equity across the care continuum. Together with our Member Equity Taskforce, we evaluated new and existing measures for comparing statistical differences based on gender, race and socioeconomic status. After significant review and testing, we established eight new access, process and outcome measures. And starting in 2020, we began using and scoring these measures among our members for the first time, which has resulted in much greater visibility into equity performance.

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

Prior to admission	<ul style="list-style-type: none"><li>• Access to outpatient and/or preventive care within 10 days</li><li>• Referrals to cardiology specialists</li><li>• Pharmaceutical or surgical interventions</li><li>• Management of risk factors (e.g., blood pressure, smoking, weight management)</li></ul>
After admission	<ul style="list-style-type: none"><li>• Brain natriuretic peptide (BNP) process measure</li><li>• Inpatient mortality outcome measure</li></ul>

# 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.

Access to nutritious food is the foundation of health. This year communities across the country have been experiencing acute food insecurity and hunger due to pandemic-related job losses and loss of income when, for example, caregivers must stay home due to school closures or lack of child care options. At the start of the pandemic, Vizient awarded a \$50,000 grant to Feeding America, allowing the nonprofit to provide 500,000 meals to food banks around the country. We also gave \$10,000 to the North Texas Food Bank to expand food pantries within middle schools in Dallas ISD and serve an additional 600 children and their families annually for three years.

For more on how our strategic partnerships and investments are addressing the social determinants of health and strengthening communities, see pages 57-61.





# Promoting planetary health

Because planetary health is human health, we have to take action and empower smart, sustainable, resilient choices. That means sharing leading practices among members and raising awareness across our industry. Working with members to improve their duty to disaster preparedness, climate resilience 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 prioritizing patient health and safety.





There can be no healthy communities without a healthy environment. Interrelated environmental threats including climate change, air pollution, water scarcity, increased toxicity and declining soil quality pose current threats and long-term risks to community health and economic prosperity. According to the World Bank, air pollution alone costs the global economy \$225 billion annually and is the fourth-leading cause of premature death in the world.<sup>13</sup> The health care sector itself plays a contributing role to climate change, with 8.5% of all U.S. greenhouse gas emissions stemming from health care.<sup>14</sup>

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.<sup>15</sup>

## 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 planetary health

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 and data 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, adaptation strategies and environmental advisory solutions. Historically within health care, there has been a lack of standardization for sustainability. That's why Vizient participates in various industry groups and with our members to promote more widespread adoption of common environmental sourcing standards—such as the 23 standardized attributes first modeled by Kaiser Permanente and adopted by Vizient as the backbone of our environmentally preferred sourcing (EPS) program.

Vizient members Memorial Sloan Kettering and Seattle Children's Hospital offer outstanding examples of providers taking a strategic approach to sustainability and protecting their vulnerable patient populations through sourcing safer chemicals. Both have served on Vizient's Environmental Advisory Council (EAC), which helps to guide our environmentally preferred sourcing strategy.

These two leading institutions take a strategic approach to sustainability, addressing their own operational footprint, sustainable procurement practices, climate action and resilience. Both focus their efforts by leveraging common frameworks like Green Science Policy's six classes approach to eliminating chemicals of concern and avoiding regrettable substitutes. Below are the steps Memorial Sloan Kettering and Seattle Children's Hospital are taking to ensure a healthier, safer environment for their patients and the planet:

- Eliminating mercury
- Eliminating polyvinyl chloride (PVC) and Di-2- ethylhexyl phthalate (DEHP)
- Greening 90% of their cleaning purchases through Green Seal or UL ECOLOGO
- Eliminating triclosan and triclocarban from hand hygiene products
- Ensuring that flooring meets Health Care Without Harm's Healthy Flooring criteria
- Reducing or eliminating pesticides

According to Seattle Children's Hospital, the sourcing sweet spot is when products meet cost, quality and performance requirements, come from diverse suppliers and earn environmentally preferred status—and that's what Vizient makes possible through our sourcing team and transparent, intuitive databases.

## 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 own operational footprint. As Vizient operates within the services industry, the majority of our impact comes from building and office operations. In response to the pandemic, our employees have been working from home since March 2020. We have used the artificial drop in foot traffic to prepare our facilities for continued improvements to health, safety and environmental efficiency.

All major office locations and all new office buildings have a minimum of LEED Silver Certification for Commercial Interiors from the U.S. Green Building Council. Our corporate headquarters campus in Irving, Texas is the largest LEED certified project of its kind in the state. Our campus features exclusively Energy Star-rated computers and laptops, electronic equipment and appliances; high-efficiency plumbing fixtures in restrooms, coffee 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. During pandemic-free times, we also encourage low-carbon commuting options—by providing special parking assignments for employees who carpool and adding sidewalks to connect public bus lines to our offices.

We have also been at the forefront of removing single-use plastics from our operations. Today, all lids, straws and coffee cups at our corporate campus are compostable. As we begin to transition safely back into our office spaces, we will also begin transitioning to compostable cutlery.

## 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.<sup>16</sup>

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:

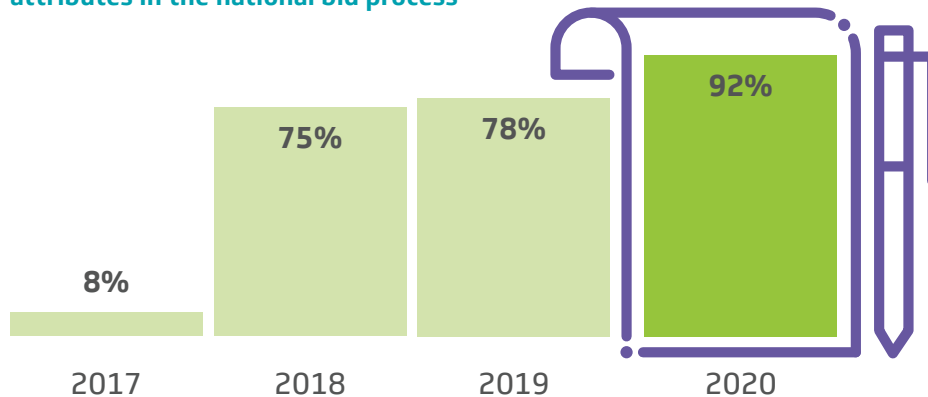
- **Raise the bar:** Elevating requirements for all suppliers and setting industrywide standards
- **Reward the best:** Promoting best practices and products among our members

## 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

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



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.

## 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.<sup>17</sup> No one government agency has sufficient authority to ensure the safety of chemicals used in everyday products. More than 80,000 chemicals are currently being used in products, and not all of them are safe.<sup>18</sup>





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.

In 2020, we had 100% transparency of priority categories in our database with all 23 attributes being reported, up from 53% transparency the previous year.

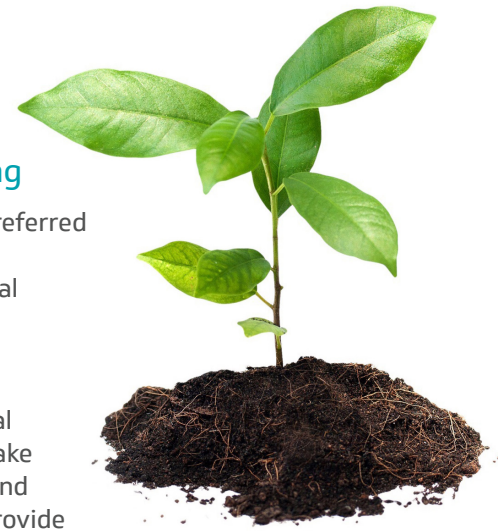
In addition to the focus on PVC and phthalates, Vizient is constantly working to reduce all chemicals of high concern including bisphenols, bromine- and chlorine-based compounds, chemicals prohibited in [California’s Proposition 65](#), antimicrobial and antibacterial agents, flame retardants, heavy 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

Vizient has 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.

And in 2020, in an effort to increase industry standardization, Vizient created a Gold Standard within the EPS portfolio which mirrors Kaiser Permanente’s Environmentally Preferable Purchasing standard requiring at least 11 positive chemical attributes and at least two positive waste attributes. As we enter this next critical decade for the environment, we will continue to develop and refine our EPS standards and promote these highly competitive products among members.



Year	Number of EPS-designated agreements	Products with environmentally preferred attributes available via Vizient database	Products meeting our Gold Standard for EPS available via Vizient database
2020	10 EPS agreements	992,738 EPS products	22,543 Gold Standard products
2019	9 EPS agreements	530,945 EPS products	N/A

## Guide for Personal Protective Equipment

With demand for personal protective equipment (PPE) surging across the country, this year we created a guide for PPE, analyzing suppliers and products based on both chemical and manufacturing waste performance against Vizient's Gold Standard for EPS. This tool provides all members with critical visibility so they can simultaneously prioritize both clinician and patient health and safety and environmental performance.

## Specialty portfolios: Furniture

Vizient's portfolio of environmentally preferred furniture is the nation's largest and most comprehensive. 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

Similarly, Vizient has the nation's largest organic baby care portfolio with products such as shampoos, powders 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.



Learn more about Vizient's Environmentally Preferred Sourcing program.



## Outreach: Moving the industry forward

Given our size and standing, Vizient is uniquely positioned to help lead the industry to advance environmentally 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 2020, we are proud to report the following highlights:

Industry affiliations	2020 highlights
Chemical Footprint Project	Previously, Vizient took a more active role in the Chemical Footprint Project by inviting more than 300 suppliers to participate in the project. As a result, participation in the project rose 29% that year. In 2020, Vizient integrated Chemical Footprint Project data into our sourcing database and tools, further augmenting product transparency and making it easier for our members to make informed purchasing decisions.
Green Science Policy Institute	Vizient continues to engage with the Green Science Policy Institute and to use their chemical class approach in our EPS methodology.
Healthcare Group Purchasing Industry Initiative (HGPII)	In 2020, we continued to encourage all GPOs to adopt the 23 environmentally preferred attributes as the industry standard. In addition, we participated in this year's HGPII Sustainability Webinar as a panelist offering insights on environmentally preferred sourcing for the industry.





# 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 and technologies to innovate and deliver.

At Vizion, we're committed to embracing a growth mindset, developing our diverse team to their full potential and caring for their health and well-being. And, we're committed to accelerating our data analytics, machine learning and artificial intelligence capabilities to power performance. This is how we serve our members' needs today—and every tomorrow.



## 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—but the pandemic showed us that doing so is vital. It starts with embracing our core values and behaviors:

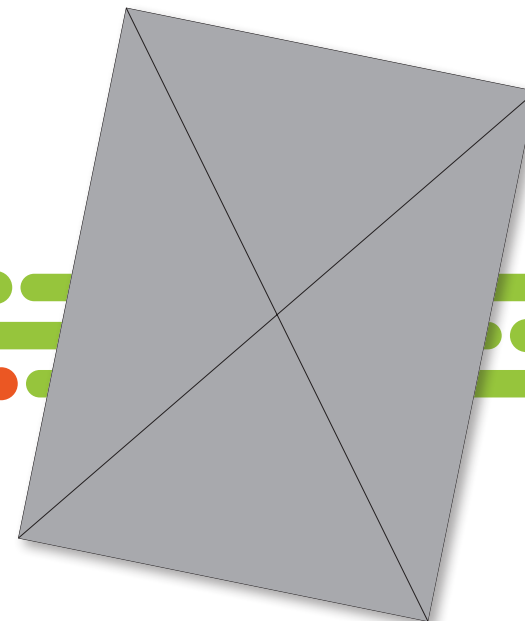
- **Be Bold**  
Embrace an inquisitive mindset and drive innovation
- **Be Accountable**  
Make informed choices and commit to own the results
- **Be Inclusive**  
Reach across boundaries and value diverse perspectives
- **Be Purposeful**  
Create meaningful experiences that make a positive difference

Our multi-year culture transformation blueprint starts with embodying 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.

In 2020, our employee survey measured the extent to which our values are permeating our everyday conversations and actions, and how well our values are encouraged, supported and rewarded. This year's results identified an opportunity to foster and support being bold and embracing an inquisitive mindset. Accordingly, we have launched culture change initiatives, our employee Culture Book and related programming. We continue to invest in our Culture Connectors program, which brings together more than 500 employees from around the country to build relationships across levels and departments and regularly engage in structured activities that promote our values, and in our Experts in Action recognition program acknowledging employees who model our values while achieving top performance. Annual performance reviews also include dedicated space to share stories in which team members have leaned into our values during the year.

*“We are on a multi-year culture transformation journey. And this year was all about encouraging, supporting and rewarding our team to embody our values—with a special emphasis on leaning into bold ideas and taking accountability for our actions.”*

**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 and with managers and the organization supporting employee growth and achievement. Every year, employees create their individualized 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 enhance employees' abilities to enact this process, in 2020 we developed and launched multiple on-demand e-learnings and instructor-led workshops.

The Learning and Development team uses design thinking and agile principles to adapt our learning design and development process. Building on the continuous learning opportunities offered using a 70-20-10 approach (learning through doing, from others, from courses), this year Learning and Development has begun collaborating across the enterprise to optimize individual, team-based and organizational learning and talent development while supporting our broader culture transformation. Topics have expanded to encompass our

values and culture, diversity and inclusion, the business of health care, Vizient business operations, professional development soft and hard skills training, and role-based leadership development. As we continue to evolve, learning and development aims to become more adaptive, resulting in a more agile team capable of stronger business performance while aligning employees' unique experiences and aspirations with the company's strategic needs.

While courses, programs and curricula continue to be a mainstay of learning and development at Vizient, a new and critical part of our learning strategy is elevating learning technology platforms in order to deliver enhanced learning experiences. In 2020, we launched our new Learner Experience Platform (LXP), an intuitive, integrated space that enables peer-to-peer sharing and learning, vastly improved data and analytics tracking individual, team and enterprise progress and active machine learning to improve recommendations and development planning.

### Tuition reimbursement program

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





## Keeping our people safe through COVID-19

### Working remotely

With the emergence of COVID-19, Vizient prioritized the health and safety of our people and instated a work-from-home policy in March 2020. We also installed or established health and safety measures such as touchless-entry doors, hand sanitizing stations, distancing aids on floors and capacity signage for employees who do enter any of our 20 locations. In a matter of days, our technology team implemented the collaboration platform, Microsoft Teams. Initial weekly and now monthly voicemails from our CEO have kept employees encouraged and abreast of pandemic-related policy updates, work-from-home expectations, new well-being leave, and health care benefits. And Vizient medical leadership team member Dr. Tom Villanueva has been a reassuring presence with regular COVID-19 education updates and open question-and-answer discussions.

### Restricted travel policy

In keeping with our commitment to flatten the curve, Vizient instituted an international and domestic travel ban in late February, which gave us time to learn more about the virus and keep our people safe. Since then, we have regularly updated our employee travel policies following CDC guidelines.

### Planning for a safe return

The Vizient COVID-19 Employee Reentry Task Force continually assesses local public health data to determine when each office can safely begin to open their doors and welcome employees who are ready to return back to our offices.

## Maintaining stability for employees

### Guarantees for hourly employees

Prioritizing those in our lower compensation bands, in May 2020 Vizient leadership guaranteed that all hourly workers would continue to receive their full pay at standard hours, regardless of work schedule.

### Launching Our Talent First initiative

Leadership also launched Our Talent First, an initiative that prioritizes internal recruiting for open positions and matches team members interested in gaining new professional experiences with project initiatives and other business needs. For example, an employee within our Community Outreach team was temporarily placed in the Disaster Response War Room, bringing their expertise in community partnerships to help sourcing teams with logistics around distributing product donations to members. This initiative allows us to leverage our employees' expertise while supporting career development. Within one month of launching, we matched over 50 requests.

### Extending benefits to part-time employees

To extend important health benefits to those managing new work/life demands, employees working an average of 20 hours per week, as opposed to 30 hours per week, are now eligible for benefits starting in 2021.

### Increasing health savings account contributions

In 2020, we also introduced a higher health savings account seed to help employees cover health care expenses now or ensure increased savings for the future. The employer contribution is fully funded on Jan. 1 to ensure employees have access to these funds throughout the year.

### Making medical insurance more accessible

Lastly, we adjusted our medical contribution tiers to ensure that employees do not forgo medical coverage because of cost. Starting in 2021, employees earning \$150,000 or more will pay more for medical coverage, while those earning less than \$150,000 will not see their costs for coverage increase.



## Prioritizing employee health and well-being

During these times of isolation and uncertainty, employee health and well-being is more important than ever. Central to high performance, creativity, productivity and success, our health and well-being program aims to model leading practices for our members and the industry at large.

This year, we are rolling out a new, comprehensive health and wellness strategy with programming, partnerships and resources covering six major areas: physical health, mental well-being, social and community connections, meaningful work, healthy environment and financial well-being.



## Work-life balance and benefits

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

## Comprehensive health and wellness strategy



### Physical health

including exercise, nutrition, sleep and energy management



### Mental well-being

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



### Social and community connections

including healthy relationships, employee voice, community contribution and outreach



### Meaningful work

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



### Healthy environment

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



### Financial well-being

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





## 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 qualifying military service.

To support our employees and their family aspirations, in 2019 Vizient began offering employees and significant others access to inclusive family-building benefits including intrauterine insemination, in vitro fertilization, egg freezing, tissue acquisition and unlimited guidance and personalized support from a patient care advocate throughout their fertility journey.

## Supporting parents and caregivers through COVID-19

With remote learning and limited child care options, working parents and caregivers have been on what feels like never-ending double duty. Recognizing employees' strain and fatigue, we engaged caregivers in a series of focus groups where we were able to identify stressors and solutions. In 2020, Vizient rolled out an employee-led forum for working parents to share their experiences and support each other. We emphasized our existing flex-time policy through communications from our CEO, HR department and individual managers, encouraging employees to share their revised business hours in team meetings, email signatures, voicemails and Microsoft Teams status updates. We also promoted relevant benefits such as our Employee Assistance Program, through which employees and their families have access to up to three counseling sessions per issue, per year. In 2020, Vizient also created an emergency family and medical leave benefit, through which working parents could qualify for temporary leave if they are unable to work because their child is home due to school closures or child care cancellations during COVID-19.

## 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 annual engagement surveys 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.

Last year, we identified areas for improvement around fully unifying our culture and operations, fostering an inclusive and diverse environment, and investing in learning and career development. And in 2020 we prioritized and invested time, energy and resources into each of these areas.

Despite the challenges that 2020 presented, our engagement surveys reported engagement levels at 84%, a score that puts Vizient in the top 10% of professional services organizations. Employees indicated that they remain at Vizient because of how their work directly impacts the pandemic and the health of patients around the country; frequent and open communication from senior leadership; the prioritization of employee health, well-being and flexibility especially during the pandemic; and the organization's strong commitment to diversity, equality and social justice, and to corporate responsibility and community engagement. Areas for improvement include: continuing to build trust and to advance diversity and inclusion, and continuing to support and reward employees' creative, new ideas and bold actions.



## Our technology

Vizient unites unique capabilities in expert-led advisory services with unprecedented scale in data intelligence and analytics, sourcing and networks that enable members to achieve systemwide improvements at the intersection of cost, quality and market performance. Our aim is to be at the forefront of applying advanced technologies like machine learning, artificial intelligence and blockchain in innovative ways within the health care industry.

### Powering the response to COVID-19

Our data and technology teams played a critical role in our COVID-19 Task Force, empowering them to provide accurate information and updates to members, suppliers and government agencies. In a matter of three months (rather than years) we created new COVID-19 risk models for patients, including integrating codes for payer billing and government reporting.

Our analysis went into more than 30 COVID-19-specific clinical and operational guides on a variety of topics including drug shortage mitigation, evidence and controversies associated with COVID-19, guidance on the resumption of elective procedures, and updates on new treatments, variants and vaccines. Our analytics team also played a significant role in developing and updating critical tools such as the Demand Surge Calculator and the PPE Conservation Impact Calculator.

## Leveraging data and machine learning to improve hospital performance

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 leading practice for identifying and prioritizing improvement opportunities. This year, our work has been focused on several fronts: leaning into data architecture to help organize member data, data as a service (DaaS) and interoperability to facilitate information flow across the various systems in use throughout our membership, machine learning and AI engine to automate supply chain and sourcing analyses. The more we apply these technologies, the smaller the variation in results—meaning accuracy only increases. This will become even more important as care, and patient data along with it, continues to move out of the acute setting and into various non-acute spaces.

### Automating member data flows

In 2020, Vizient launched a pilot program within our **Clinical Data Base** that automatically draws clinical data from electronic health records (instead of administrative data) to deliver actionable insights. With participating members, we were able to send queries to multiple sources within the hospital system and receive data in return. So instead of a health care worker spending hundreds of hours a year preparing and maintaining data fields, this automated process will do it for them. With the pilot program complete, Vizient is now onboarding members into this new service. Looking ahead, we are working with natural language processing (NLP) to turn data received from providers into insights, and we see real opportunity to increase the frequency of data sharing from today's monthly feeds to daily feeds that empower real-time clinical care decisions.

### Partnering with IBM Watson Health

In May of 2020, Vizient entered into a strategic partnership and exclusive licensing agreement with IBM Watson Health. This partnership elevates our analytics portfolio with enhanced benchmarking, forecasting and strategic planning, and clinical and operational performance to increase the quality of care while lowering costs. Organizations of all sizes and types will benefit from these meaningful comparisons and practices that are demonstrated as being best-in-class.





## Earning gold competency in Microsoft's Data Analytics

Vizient recently attained a gold Data Analytics competency, demonstrating a “best-in-class” ability and commitment to meet customers’ evolving needs in today’s mobile-first, cloud-first world and distinguishing itself within Microsoft’s partner ecosystem. Gold status demonstrates Vizient’s ability to guide its member hospitals through its data application solutions as well as scale up those applications as more hospitals seek insights to help them improve performance and drive costs down.

## Empowering 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. Since its inception, we have seen phenomenal growth in participation and engagement. And this year, the platform has played an important role as members exchanged critical information and emerging leading practices to confront the pandemic.



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 ground up and from the inside out.

We take a strategic approach to supporting 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. This year the pandemic placed even greater strain on the physical, mental and financial health of vulnerable populations, making our commitment to communities more important than ever.





# 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.

- **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 2020, about 1,093 employees recorded more than 21,613 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 2020, our employees used their volunteer match to support more than 713 charities, totaling \$226,438 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 and Vizient fund the program 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 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 56,147 hours of their time and talents. Given that our entire workforce was working from home in 2020, this year we expanded Community Day across all of October, recording 10,147 employee volunteer hours that month.
- **International volunteer projects:** Vizient offers employees the opportunity to volunteer through established international service trips. Individuals can use volunteer time off for 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. All trips that had been planned for this year were postponed due to the pandemic.



## Vizient Cares

### Our strategic approach to community engagement and investment

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

### Feeding the hungry across America and in Dallas middle schools

Access to nutritious food is the foundation of health. This year, communities across the country have been experiencing acute food insecurity and hunger due to pandemic-related job losses and loss of income when, for example, caregivers must stay home due to school closures or lack of child care options. At the start of the pandemic, Vizient awarded a \$50,000 grant to Feeding America, allowing the nonprofit to provide 500,000 meals to food banks around the country. We also provided a grant to the North Texas Food Bank to expand food pantries within middle schools in Dallas ISD. This donation will allow our partner to serve an additional 600 children and their families each year over a three-year period.

## Child care and education

### Providing free, on-site child care to patients in need

Attending critical medical appointments can be a struggle for any parent or guardian, but particularly those who are unable to afford or secure child care. Unfortunately, many may choose to delay or forego treatment entirely when faced with the challenge of finding child care. Such barriers to health care are especially prevalent at Parkland Health and Hospital System—the only public health system in Dallas County and the largest provider of care to Medicaid-enrolled and uninsured patients in the Dallas area.

Opening its doors in fall 2020, Annie's Place at Parkland provides parents and guardians facing medical crises with free, education-focused child care so they can attend medical appointments, receive treatment, and recover—all while knowing that their children are being cared for in a safe and supportive environment. Annie's Place is expecting to serve 75 children per day and more than 3,200 children per year. Vizient awarded a grant to Annie's Place to support the construction of its new facility, hiring additional staff and operating the center.



## Caring for children in foster care

Vizient employees supported the work of Community Partners of Dallas by volunteering to prepare snack bags for children in the Dallas foster care system and donating gifts and clothing in our holiday drive. This year, Vizient also provided a grant to cover operating expenses due to loss of income from cancelled fundraising events.





## Health care

### Stepping up 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. And with the added stress and isolation due to COVID-19, reports of domestic abuse have risen at alarming rates. In 2020, Vizient awarded multi-year partner The Network—a collaborative membership organization using education, organization and advocacy to end domestic violence and its underlying causes—a grant to pivot its programs in order to better serve women during the pandemic.

For example, The Network has operated the Illinois Statewide Domestic Violence Hotline for the past 22 years, ensuring that survivors have access to a trained advocate who can provide crisis intervention, safety planning, information and connection to social services. During the pandemic, text messages to the hotline have skyrocketed 3,100% with calls having risen 18%. Our grant helped to manage the increase in volume and successfully place 217 families into safe community-based crisis housing between April and June while shelter-in-place orders were in effect.

Additionally, in 2020 The Network established an Emergency Response Fund for survivors of domestic violence to address critical gaps in the safety net. This Fund allows The Network to provide direct, micro-grants to victims and survivors when no other options are available to them.

### 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.



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.

Once open, the new center is estimated to serve 80,230 patients each year.

In 2020, Vizient awarded LBUCC a grant to cover operating expenses due to loss of income from COVID-19. And we are currently encouraging them to apply for funding to support vaccine distribution.



## Job opportunities

### Redeploying veterans into health care

Hire Heroes USA empowers U.S. military members, veterans and military spouses to succeed in the civilian workforce. Through one-on-one career counseling and individualized resources, Hire Heroes transition specialists help clients achieve career readiness and achieve employment that is financially sustaining and professionally rewarding. In 2020, Vizient gave a grant to Hire Heroes to support recruiting, training and placing veterans into health care positions.

## Emergency and disaster relief

### Helping communities respond to emergencies and rebuild afterward

The Vizient Disaster Response Program uses proactive forecasting to anticipate needs and proactively reach out to members who 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 FEMA-declared disasters, including tornadoes, earthquakes, hurricanes and floods. Since 1992, Vizient has engaged in 160 disaster relief efforts, donating \$13.45 million to support more than 89,986 people facing dire emergencies. In 2020, Vizient engaged in 11 disaster relief efforts, donating \$155,000 and reaching 10,418 people that year.



# An expression of gratitude

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

On behalf of everyone at Vizient, we want to thank you all for your courage, commitment and creativity. For showing up, even when you've been exhausted. For risking your own health, so you could take care of someone else's. We deeply admire your experience and trust your advice.

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](mailto:info@vizientinc.com).

Consider this an open invitation.

Here's to healthier, stronger years ahead—for all of us.





# Appendices

## GRI Content Index

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

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

### General Standard Disclosures:

Indicator	Description	References
<b>Organizational Profile</b>		
102-1	Name of the organization	Vizient, Inc.
102-2	Activities, brands, products, and services	About Vizient (page 4) <a href="#">What we do</a> <a href="#">Our solutions</a> <a href="#">Our networks</a>
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) <a href="#">What we do</a> <a href="#">Our solutions</a> <a href="#">Our networks</a>

Indicator	Description	References
102-7	Scale of the organization	About Vizient (page 4)
102-8	Information on employees and other workers	As of December 31, 2020, we had 3,641 employees. Contractors and/or seasonal workers do not comprise a significant amount of our workforce. We do not typically employ part-time workers.
102-9	Supply chain	Vizient represents approximately \$112.845 billion in annual purchasing volume through our group purchasing organization.  Please note that our direct supply chain also includes procurement for information technology, office supplies and professional services to support our operation.
102-10	Significant changes to the organization and its supply chain	None during the reporting period
102-11	Precautionary Principle or approach	Promoting planetary health (pages 42-47)
102-12	External initiatives	U.N. Sustainable Development Goals (pages 20-21) Culture of Health for Business (COH4B) (page 26) Building powerful partnerships (pages 22-28) Promoting planetary health (pages 42-47)
102-13	Membership of associations	Building powerful partnerships (pages 22-28) Advancing equity and inclusion (pages 29-41) Promoting planetary health (pages 42-47)
<b>Strategy</b>		
102-14	Statement from the most senior decision-maker	Message from CEO: Our call to action (page 3)
102-15	Key impacts, risks, and opportunities	Our vision for the future of health care (pages 12-16) Corporate responsibility strategy and impact themes (pages 17-21) <a href="#">2020 Playbook</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Leading with our values (page 17) Our culture (page 50) <a href="#">Standards of Business Conduct</a>

Indicator	Description	References
102-17	Mechanisms for advice and concerns about ethics	<p><a href="#">Standards of Business Conduct</a> (pages 14-15 and 23)</p> <p><a href="#">EthicsPoint Compliance Line</a></p> <p>We maintain independent reporting hotlines that are available 24/7 to report potential concerns, which can be reported confidentially. We strictly prohibit harassment of or retaliation against any employee or person who, in good faith, reports a known or suspected violation.</p>
<b>Governance</b>		
102-18	Governance structure of the organization	<p><a href="#">Board of Directors</a></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><a href="#">Board of Directors</a></p> <p><a href="#">Committee Charters</a></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><a href="#">David P. Blom</a> 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><a href="#">Nominating Committee Charter</a></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>



Indicator	Description	References
102-28	Evaluating highest governance body's performance	An externally administered survey reviews the board's and board members' annual performance.
102-35	Remuneration policies	<a href="#">Compensation Committee Charter</a>
102-36	Process for determining remuneration	<a href="#">Compensation Committee Charter</a>
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Building powerful partnerships (pages 22-28)
<b>Stakeholder Engagement</b>		
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 (pages 22-28)
102-44	Key topics and concerns raised	Materiality: Mapping what matters (page 18)
<b>Reporting Practice</b>		
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 18) 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 18)
102-48	Restatements of information	Not applicable during the reporting period
102-49	Changes in reporting	Not applicable during the reporting period
102-50	Reporting period	Our reporting period covers the calendar year 2020. This report was published in April 2021.
102-51	Date of most recent report	April 2020
102-52	Reporting cycle	Annual

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

## Specific Standard Disclosures:

### Management Approach Disclosures and Indicators

Material Topics	GRI Indicators	References
<b>Economic Standards</b>		
Economic Performance	103	Management approach disclosure <a href="#">2020 Playbook</a> 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 (pages 57-61) This indicator is partially reported.
	201-2	Financial implications and other risks and opportunities due to climate change Promoting planetary health (pages 42-47)
Indirect Economic Impacts	103	Management approach disclosure Our vision for the future of health care (pages 12-16) Building powerful partnerships (pages 22-28) Advancing equity and inclusion (pages 29-41) Strengthening our communities (pages 57-61) 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 57-61)
<b>Environmental Standards</b>		
Environmental Compliance	103	Management approach disclosure Leading by example: Minimizing our own footprint (page 44) The boundary of stakeholders for this topic includes employees and communities.

Material Topics	GRI Indicators		References
	307-1	Non-compliance with environmental laws and regulations	Not applicable during the reporting period
Supplier Environmental Assessment	103	Management approach disclosure	Suppliers (page 24) <a href="#">Vizient Supplier Standards</a> The boundary of stakeholders for this topic includes members and suppliers
	308-1	New suppliers that were screened using environmental criteria	Promoting planetary health: Sharing best practices among members (page 44) Promoting planetary health: Leveraging our scale to transform member sourcing (page 45) In 2020, Vizient offered approximately 10 agreements covering 11,643,468 products that contain environmentally preferred attributes in its catalog.
<b>Social Standards</b>			
Employment	103	Management approach disclosure	Accelerating our capabilities (pages 49-56) <a href="#">Careers</a> The boundary of stakeholders for this topic includes employees and members.
	401-2	Benefits	<a href="#">Careers</a> Benefits are made available to all full-time employees. We do not typically hire part-time employees.
	401-3	Parental leave	Accelerating our capabilities (pages 49-56) 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.
Training and Education	103	Management approach disclosure	Accelerating our capabilities (pages 49-56) <a href="#">Careers</a> The boundary of stakeholders for this topic includes employees and members.



Material Topics	GRI Indicators	References
	404-1 Average hours of training per year per employee	In 2020, Vizient employees completed 17,257 self-directed online hours and 58,065 instructor-led classroom hours for a total of 75,322 training hours, as reported in our internal learning management system (LMS). Our staff each averaged 5.5 hours of online training and/or learning and 15 hours of classroom training and/or learning.  Please note that reported hours are 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.
	404-2 Programs for upgrading employee skills and transition assistance programs	Accelerating our capabilities (pages 49-56)
	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 29-41)  The boundary of stakeholders for this topic includes employees and members.
	405-1 Diversity of governance bodies and employees	Advancing equity and inclusion (pages 29-41)  Our <b>Board of Directors</b> is currently comprised of four women and sixteen men.
Local Communities	103 Management approach disclosure	Strengthening our communities (pages 57-61)  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 57-61)
Supplier Social Assessment	103 Management approach disclosure	Advancing equity and inclusion (pages 29-41)  <b>Vizient Supplier Standards</b>  The boundary of stakeholders for this topic includes members, suppliers and communities.
	414-1 New suppliers that were screened using labor practices criteria	Measuring Supplier Diversity Program growth (page 35)

Material Topics	GRI Indicators		References
Public Policy	103	Management approach disclosure	<p>Building powerful partnerships (pages 22-28)</p> <p><b>Public Policy and Government Relations</b></p> <p>The boundary of stakeholders for this topic includes members, legislative and regulatory bodies, industry associations and communities.</p>
	415-1	Political contributions	<p>In addition to advocacy and member education, Vizient also contributes to political candidates through the Vizient, Inc., Political Action Committee (PAC). The PAC strategically makes contributions to candidates in key positions to shape policy development—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 2020, annual political contributions were \$32,000. \$15,500 was contributed to Republican candidates and GOP-supporting PACs. \$16,500 was contributed to Democratic candidates and DNC-supporting PACs.</p>
Customer Privacy	103	Management approach disclosure	<p>Corporate responsibility strategy and focus areas (pages 17-21)</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	<p>There have been no breaches of protected health information during the reporting period.</p>

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





# Culture of Health for Business (CoH4B) Map



The Culture of Health for Business (COH4B) Framework contains 16 business practices informed by rigorous research into how private sector leadership can influence key determinants of individual and population health. The references provided in the map below include content in this report in addition to direct answers and links to publicly available sources on our corporate website.

Category	Business Practice	References
Corporate Strategy	Culture of Health Leadership	Our core business centers around promoting a culture of health within our own organization (page 26), as well as among our suppliers, members (pages 22-28), their patients, communities (pages 57-61) and the planet (pages 42-47).
	Responsible Corporate Political Activity	<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 2020, annual political contributions were \$32,000. \$15,500 was contributed to Republican candidates and GOP-supporting PACs. \$16,500 was contributed to Democratic candidates and DNC-supporting PACs.</p>
	Responsible Marketing Practices	<p>Vizient does not sell or directly market products, but as a Group Purchasing Organization, we do source products for our members. Our sourcing teams are dedicated to increasing transparency in the marketplace for health care products. Our database gives members access to a host of attributes including price, quality, cost, ingredients, environmental attributes, origin including local and regional suppliers and supplier diversity metrics.</p> <p>See environmentally preferred sourcing (page 46) and supplier diversity program (page 35).</p>

Category	Business Practice	References
Policies & Benefits	Health and Wellness Promotion	Prioritizing employee health and well-being (page 53)
	Paid Family and Medical Leave	Family life and the journey toward parenthood (page 54) We also provide short-term illness (STI) and long-term disability (LTD) at no cost to full-time employees. STI replaces 80% of weekly base salary, to a maximum of 26 weeks. The first five days are covered by PTO. LTD replaces 60% of monthly base salary. Coverage after use of all 26 weeks of STI.
	Employer-based Health Insurance	Maintaining stability for employees (page 52) Vizient offers several health insurance plans for employees to choose from—all with comprehensive medical coverage, 100% coverage for eligible in-network preventive exams and prescriptions, with no deductible or coinsurance required. We also offer dental and vision plans. Vizient employees have access to both health savings accounts (HSAs) and flexible spending accounts (FSAs).
Workforce & Operations	Equality and Diversity (including disability)	Advancing equity and inclusion (pages 29-41)
	Financial Literacy	Prioritizing employee health and well-being (page 53)
	Fair Work Hours and Schedules	Maintaining stability for employees (page 52) Supporting parents and caregivers through COVID-19 (page 54)
	Job Security	Maintaining stability for employees (page 52)
	Pay Practices	Monitoring pay equity (page 33)
	Occupational Health & Safety	Prioritizing employee health and well-being (page 53)
	Healthy Physical Work Environments	Prioritizing employee health and well-being (page 53)
	Community Engagement	Environmental Impacts on Communities
	Social Capital and Cohesion	Strengthening our communities (pages 57-61)
	Community Investments and Involvement	Strengthening our communities (pages 57-61)

# References

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- 3 Czeisler MÉ, Lane RI, Petrosky E, et al. Mental health, substance use, and suicidal ideation during the COVID-19 pandemic—United States, June 24–30, 2020. *MMWR Morb Mortal Wkly Rep*. 2020;69:1049–1057. doi:10.15585/mmwr.mm6932a1
- 4 Mental Illness Policy Org. Accessed February 19, 2021. <https://mentallillnesspolicy.org/consequences/percentage-mentally-ill-untreated.html>
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- 6 New AAMC report confirms growing physician shortage. Association of American Medical Colleges. Accessed February 22, 2021. <https://www.aamc.org/news-insights/press-releases/new-aamc-report-confirms-growing-physician-shortage>
- 7 Zhang X, Tai D, Pforsich H, et al. United States registered nurse workforce report card and shortage forecast: a revisit. *Am J Med Qual*. 2018;33(3):229–236. doi:10.1177/1062860617738328
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