

vizient®

OUR IMPACT ON  
People,  
Places  
and Planet

Corporate Responsibility FY 2023



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“

Healing is a matter of **time**,  
but it is sometimes also a  
matter of **opportunity**.

— Hippocrates

”

## LETTER FROM BYRON

Healthcare is both challenging and rewarding — that's why for many it is a calling rather than a job. It's for those who aren't intimidated by complexity. Who run toward the challenge. All with a heart for service. Doing this kind of work with engaged people is why I love working at Vizient.

### We're here to solve healthcare's toughest challenges, together.

As a performance improvement company, that means enabling providers to deliver excellent care, drive growth in their markets, and achieve operational and financial sustainability.

As a responsible corporate citizen, that means partnering with stakeholders to advance health equity, improve community prosperity and resilience, promote a sustainable value chain and drive decarbonization.

Vizient knows that these two ideas are connected. Our commitment to corporate responsibility is not only good for business, but makes us a better partner. Providers are increasingly looking to Vizient to find data-driven solutions that bolster the health of their businesses, patients and communities.

We're seeing measurable results in these areas. In 2023, we helped providers save more than 4,600 lives through a single clinical performance improvement program. During drug shortages, our strategic sourcing program made sure that 2.2 million units of essential medications were available to patients in need. We co-developed the new United Nations Global Framework on Chemicals, as well as the first global sustainability standard for medical imaging equipment. We helped to launch the Collective Healthcare Action to Reduce MedTech Emissions.

We celebrated 20 years of our annual company-wide Community Day of service, earned the Equality 100 Award from the Human Rights Campaign for LGBTQ+ inclusion and bridged the experience gap on our teams between women and men.

I invite you to discover all this and more in our 2023 Corporate Responsibility Report.

We continue to follow leading frameworks like the Global Reporting Initiative and SASB Standards. This affirms our commitment to transparency and accountability, while encouraging others to do the same.

The progress detailed in this report represents a collective effort. Without our providers, suppliers and community partners, none of this would be possible. And I'd like to especially thank our employees. I hope that you see yourself, your work and your passion reflected here. It's a privilege to do this work with you.

Here's to solving healthcare's toughest challenges, together.



Byron Jobe  
President and CEO, Vizient



## Understanding Vizient

We work with leading providers to solve the toughest challenges facing healthcare, together. Vizient is a performance improvement company. We help providers deliver excellent care, profitably grow in their markets and achieve operational and financial sustainability.

### Profitable growth

- Enterprise and service line strategy**
  - Service line redesign
  - Enterprise strategy
- Patient acquisition**
  - Physician alignment
  - Consumer loyalty
- Payer strategy and value-based care**
  - Alternative payment methods
  - Payer strategy

### Care delivery excellence

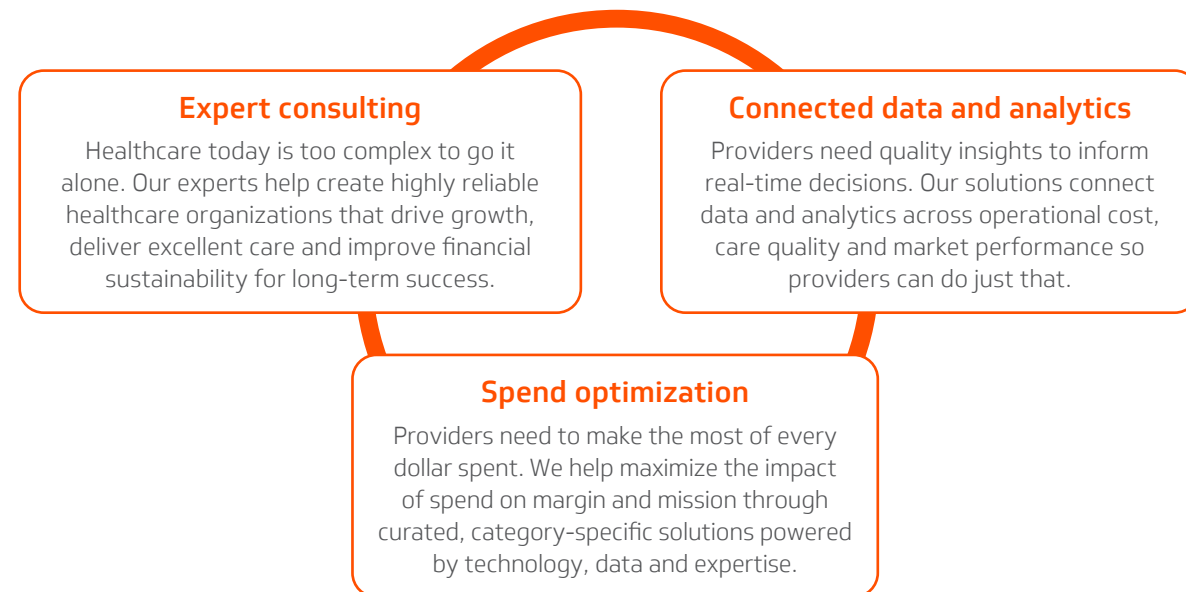
- Clinical quality**
  - Population health
  - Outpatient
  - Inpatient
- Patient access, capacity and throughput**
  - Care coordination
  - Patient access

### Financial sustainability

- Variable expense transformation**
  - Non-labor expenses
  - Workforce
- Fixed expense transformation**
  - Real estate, capital, construction
  - Information technology
  - Financial portfolio
- Revenue cycle performance**
  - Front office
  - Middle office
  - Back office

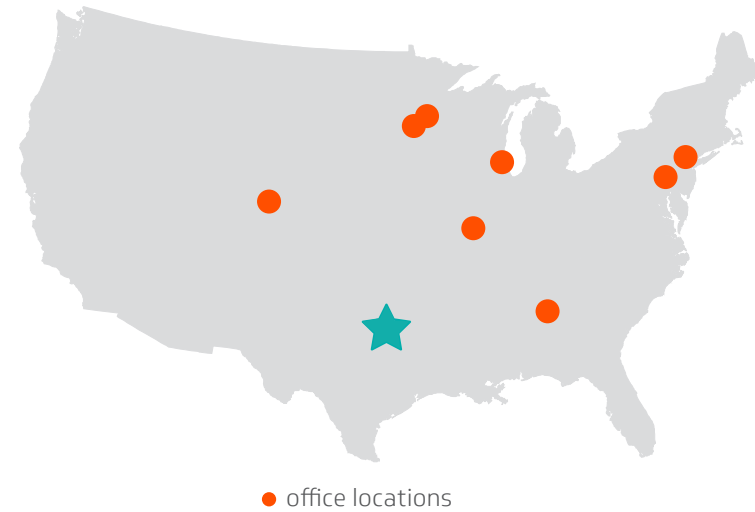
## Our difference

We uniquely combine unparalleled data and analytics with deep consulting expertise and spend optimization.



### Our company

-  Founded in 1977
-  Headquartered in Irving, Texas
-  Ten offices across the U.S.
-  4,471 employees



### 2023 business snapshot

**Serve 67%**  
of U.S. healthcare organizations

**20 of the top 23**  
hospitals are Vizient customers<sup>1</sup>

**18,500+**  
healthcare executives participating in 35+ peer networks

**99%**  
annual customer retention rate

**124M**  
Clinical Data Base patient records

**685,000**  
unique products across nearly 500 categories in the portfolio

**\$140B**  
in annual purchasing volume

**1,750+**  
unique suppliers on contract

**400+**  
consultants including clinicians and doctorates in science and medicine



## Corporate responsibility strategy

Our corporate responsibility centers on people, the places we live and the planet we all share. Vizient has a responsibility to model leading environmental, social and governance practices within our own organization. But we have an even greater opportunity to leverage our unique market position to motivate the entire healthcare sector toward sustainability, equity and transparency.

### Governance

The Board of Directors oversees Vizient’s corporate responsibility, with specific accountability for environmental, social and governance (ESG) strategy, policy and performance residing with the Governance, Nominating and Compliance Committee. At a minimum, the Board engages this work in regular quarterly meetings. Our Chief People Officer is the executive responsible for ESG management. She works closely with our Chief Culture, Diversity & Impact Officer, who provides monthly updates to our Chief Executive Officer, as well as our dedicated Senior Director of ESG and Social Impact. As ESG issues intersect nearly every aspect of our business, day-to-day management of various elements is distributed throughout our business units, operations and functions.

### Reporting

This is the thirteenth Vizient report using Global Reporting Initiative (GRI) guidelines — the leading international framework for voluntary disclosures on environmental, social and governance (ESG) performance. We also report to SASB Standards — the leading accounting framework which helps businesses communicate financially material sustainability information to their financial stakeholders. The boundary of this report covers our entire organization. Performance data covers the 2023 calendar year, unless otherwise noted. The creation of this report was supported by AI technology to help ensure brand compliance.

## Strategy

Vizient conducts regular **materiality** assessments to map the issues that matter most to key internal and external stakeholders. We engaged an independent advisory group to interview a cross-section of our team, providers, suppliers and external thought leaders — to benchmark both peers and leaders from across industries. The results informed our environmental, social and governance (ESG) priorities, which are organized into three interconnected pillars: people, places and planet.

To drive progress on material ESG topics, in 2023 we conducted a robust analysis to measure the maturity of our programs and practices against peers and leading companies.



### People

**Healthcare is about people.**

Everyone — no matter who you are, where you live, or how much you make — deserves the same opportunity to live a whole and healthy life.

Vizient’s responsibility

- Promote health
- Advance equity



### Places

**Where we live matters.**

It determines our ability to thrive — to access food, healthcare, education, job opportunities, safe water and clean air. And it determines our ability to survive — to weather intense change and navigate disruption.

Vizient’s responsibility

- Invest in communities
- Improve resilience



### Planet

**Our health depends on the health of the planet.** From microplastics in our organs to pollution-induced asthma, our decisions have consequences. But as a sector, we can make healthier ones.

Vizient’s responsibility

- Redesign waste
- Empower decarbonization

## Stakeholders

Vizient’s strength has always come from our ability to build relationships, coalitions and the right conditions for transformation. That collaborative spirit is more important than ever. The challenges facing healthcare are bigger than any single organization, and real progress requires proactive collaboration across the value chain.

Stakeholders	Priority topics	Engagement examples
Employees	<ul style="list-style-type: none"> <li>• Business strategy, management updates and industry news</li> <li>• Workplace culture, inclusion, safety and wellness</li> <li>• Employee development and training</li> </ul>	<ul style="list-style-type: none"> <li>• Town halls</li> <li>• Quarterly pulse surveys</li> <li>• Annual employee survey</li> <li>• Leadership listening sessions</li> </ul>
Providers	<ul style="list-style-type: none"> <li>• Best practices related to provider performance</li> <li>• Collaborative solutions to industry-wide challenges</li> <li>• Updates on Vizient offering and strategy development</li> </ul>	<ul style="list-style-type: none"> <li>• Vizient Connections Summit and other annual events</li> <li>• Member Networks</li> <li>• Performance Improvement Collaboratives</li> <li>• Provider councils such as the Environmental and Supplier Diversity Advisory Councils</li> <li>• Provider Advisory Committee to the Vizient Quality Awards</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Best practices related to supplier operations and transparency</li> <li>• Collaborative solutions to industry-wide challenges</li> <li>• Updates on Vizient offering and strategy development</li> </ul>	<ul style="list-style-type: none"> <li>• Vizient Connections Summit and Supplier Forum</li> <li>• Supplier Environmental Sustainability Task Force</li> <li>• Supplier Diversity Expo</li> <li>• Quarterly and annual business reviews</li> <li>• Supplier engagement teams and category managers</li> <li>• Supplier Dashboard platform</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Social determinants of health</li> <li>• Local challenges and community-based solutions</li> <li>• Opportunities for Vizient to support community health, prosperity and resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Community conversations</li> <li>• Educational webinars</li> <li>• Strategic grantmaking</li> <li>• Community partnerships</li> <li>• Employee volunteering and donation</li> </ul>
Government	<ul style="list-style-type: none"> <li>• Healthcare supply chain</li> <li>• Efficiency and value in healthcare</li> <li>• Drug costs, pricing and shortages</li> <li>• Medicare and Medicaid</li> <li>• Nonprofit healthcare tax issues</li> <li>• Healthcare workforce policies</li> </ul>	<ul style="list-style-type: none"> <li>• Congressional briefings and responses to requests for information</li> <li>• Comment letters</li> <li>• Legislative endorsements</li> <li>• Direct advocacy</li> </ul>
Industry	<ul style="list-style-type: none"> <li>• Trends and insights related to our businesses</li> <li>• Collaborative efforts to create industry-wide change in line with our corporate responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Chemical Footprint Project: signatory and membership</li> <li>• Collective Healthcare Action to Reduce MedTech Emissions: co-chairing</li> <li>• End Drug Shortages Alliance: co-founding and membership</li> <li>• Healthcare Group Purchasing Industry Initiative: membership</li> <li>• Healthcare Industry Resilience Collaborative: membership</li> <li>• Healthcare Supply Chain Association: membership</li> </ul>



# People

**Healthcare is about people.** Everyone — no matter who you are, where you live, or how much you make — deserves the same opportunity to live a whole and healthy life. That's why at Vizient, we believe it's our responsibility to promote health and advance equity.

# PROMOTE HEALTH

**Health is vital, but it's not an easy business.**

Vizient partners with more than two thirds of the nation's providers to solve healthcare's toughest challenges and advance quality care. So, promoting health comes naturally within our organization — and it directly aligns with our promise to providers. Those providers share clinical, operational and financial data. In turn, our analysts and consultants decipher this complex information to deliver a clear picture of their organization's performance and make recommendations to improve quality of care and patient outcomes.



## 2023 highlights

**Launched new benefit to support care givers** at no cost and introduced life with long-term care insurance for employees and their families

**Saved 4,600+ lives** through our provider sepsis program

**Avoided 500,000+ patient days** through performance improvement

**Co-authored 86 peer-reviewed studies** published in various peer-reviewed journals

**Made Vizient Vulnerability Index free to the public** with more than 550 unique downloads in the first six months

**Co-developed UN Global Framework on Chemicals,** a global first

## Offer benefits that lead by example

We design employee benefits using various inputs — including our values, employee feedback, competitive benchmarking, and scientific research.

### Take a ‘whole person’ approach to employee health

Inspired by our values and backed by research, Vizient takes an integrated approach to employee health and wellbeing. Our program supports the whole person, covering six areas: physical health, mental resilience, social and community connections, meaningful work, healthy environment and financial wellbeing.



#### Physical health

exercise, nutrition, sleep and energy management



#### Mental resilience

focus, emotional intelligence, growth mindsets and healing



#### Community connections

relationships, inclusive culture and community contribution



#### Meaningful work

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



#### Healthy environment

safe physical and psychological spaces, supportive workplaces and sustainable living



#### Financial wellbeing

financial literacy, stability and retirement planning

## Making an impact on mental health

In 2022, we expanded our mental health benefit to include 12 no-cost visits with an evidence-based therapist or coach through Lyra. We have been heartened by the response. In 2023, 22% of Vizient employees registered with Lyra, which is more than double the average — and 659 people participated in therapy or coaching sessions.

“ I’ve been on waiting lists for years to find a therapist who understands autism. With Lyra, it took two days! Therapy is going great. It’s a lifesaver. ”

— Vizient employee

## Raising the bar with new benefits

In addition to our robust package, here are some of the new benefits introduced in 2023 that we’re proud of:

- **Enhanced our family-building fertility benefit** by offering an additional smart cycle to help people achieve their dream of having a child. When we learned that two of our employees had used their existing benefits and after three cycles were still trying to conceive, we added a fourth cycle.
- **Launched a new care giving benefit** for employees caring for family members due to age, ability or medical conditions. This no-cost benefit through Homethrive includes personalized support to help find the right provider, learn about a diagnosis, navigate insurance including Medicare, identify in-home and care facility options, and get essential emotional support.
- **Introduced new life with long-term care insurance** for those looking to cover costs such as paying for a home health aide, assisted living, or replacing a portion of income if they or a family member can no longer manage their basic care without assistance. This sought-after benefit was introduced in 2024 and included a limited-time option of guaranteed issue regardless of pre-existing conditions.

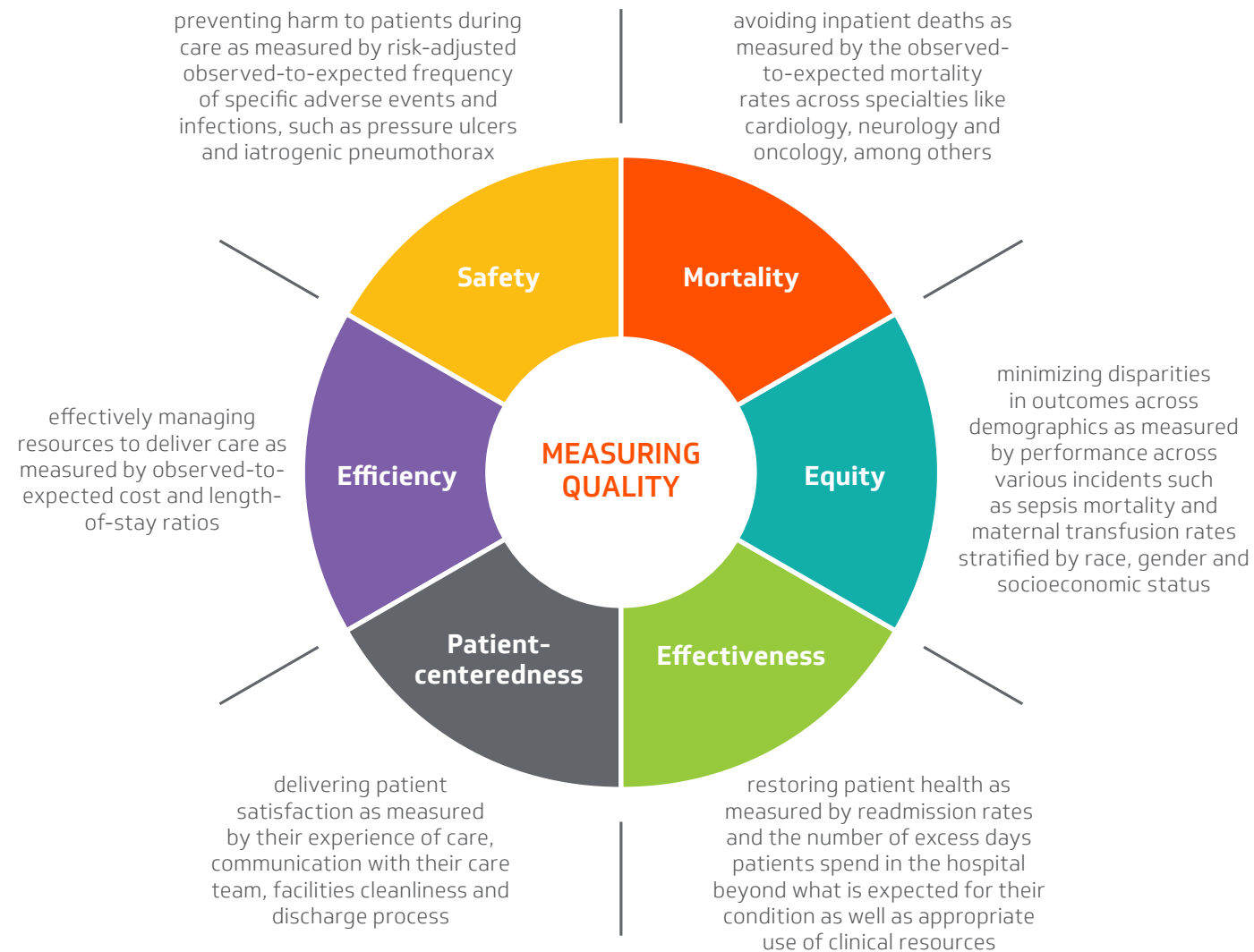
“ Initially, I had delayed reaching out to Homethrive. But when my father went missing for 36 hours because of his dementia, our needs escalated quickly. Our Homethrive care guide was quick to respond. I asked her for everything I could think of — in-home care, transportation assistance, medication assistance, meal delivery, bathroom safety products. She prioritized my requests and responded with multiple recommendations. She researched my parent’s insurance and Medicare options and offered to escalate doctor appointments. Her willingness to help was above and beyond. ”

— KC Conner, senior consultant, Vizient



## Define quality care

What does the highest quality care look like? How do you measure it? Every year, Vizient’s Quality and Accountability Study and Ratings identifies and celebrates healthcare organizations that excel across six domains: safety, mortality, effectiveness, efficiency, patient centeredness and equity. The study factors in measures from the Vizient Clinical Data Base and includes performance data from the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey and the Center for Disease Control and Prevention’s National Healthcare Safety Network. Vizient recognized **2023 top performers** with awards for clinical quality.



Building on **decades of studying top performers**, Vizient unpacks the drivers of success and shares those insights with others, ultimately elevating care and outcomes across the industry.



“ Providers really want to understand, at a granular level, the structures, processes and behaviors that lead to sustained, year-over-year success. ”

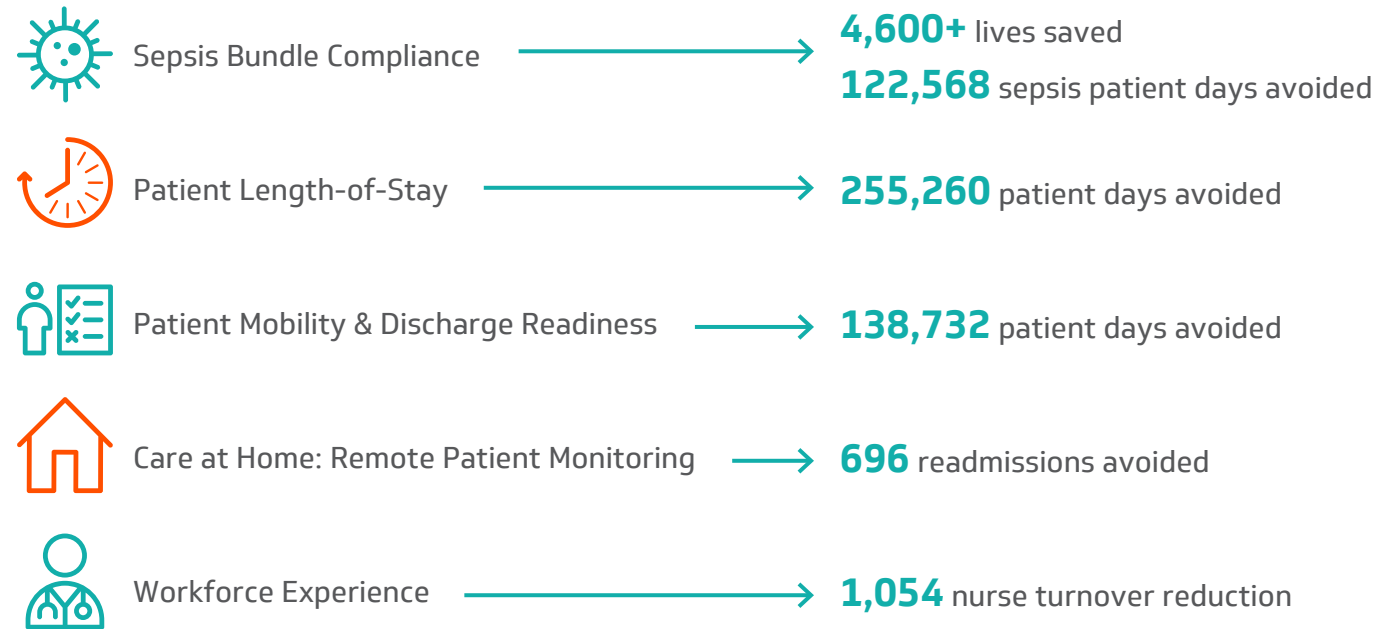
— Julie Cerese, senior vice president, performance management and national networks, Vizient

## Redesign delivery to empower better outcomes

Vizient’s performance improvement programs connect providers with robust clinical data, subject matter experts and an incredible community of peer practitioners. In these incubator-like settings, participants collaborate to tackle complex challenges, design and execute interventions, and measure and share results. Top performing organizations engage in three to four programs per year. In 2023, participants sustainably improved operations, elevated patient care and saved lives.

Performance improvement program: 2023 clinical highlights

### CHALLENGE



Top-performing organizations are **3X-4X more likely to engage in a Performance Improvement Program, compared to their lower performing peers.**<sup>3</sup>

“ I love the ability to connect with others at “like” hospitals. If I’m looking for best practices or encountering an opportunity that I don’t know how to address, hearing how others have tackled these things has proven invaluable. ”

— Chief Nursing Officer, acute care county medical center



### Get patients moving to get them home

At Vizient, we are committed to finding win-win-wins — like finding one simple intervention that improves health outcomes, patient satisfaction, and operational efficiency. In 2023, one of our performance improvement incubators focused on patient mobility as a way to accelerate recovery and get a wide variety of general, surgical and intensive care patients ready for discharge. Vizient led dozens of multidisciplinary provider teams through this effort to embed mobilization into all aspects of patient care.

More than **70%** observed reductions in length of stay for discharges to home or home health, resulting in **138,732 annualized patient days avoided.**

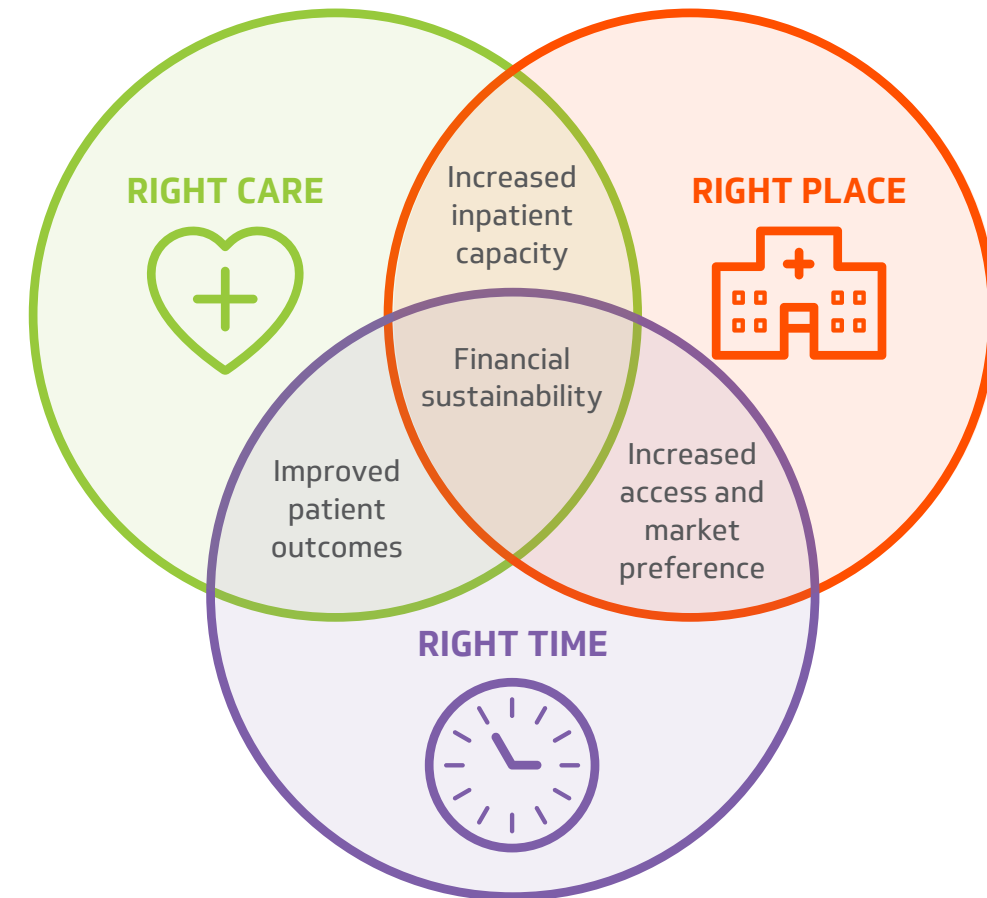
## Leverage data to deliver the right care, at the right place, at the right time

Across the country, providers are faced with inpatient capacity constraints, rising acuity and financial pressures. At the same time, they're asking critical questions, such as:

- How should we distribute care services across our health system — and beyond our four walls?
- Where can we safely shift to ambulatory and at-home care to reduce capacity pressures and meet patient expectations around convenience?
- How will our local market grow?
- How can our programs address social determinants of health, manage cases before they become acute, and improve patient outcomes — while also increasing our capacity for more complex inpatient cases?
- How can we strategically optimize and invest today to meet future demand and grow our market share?

In 2023, Vizient helped 54 providers answer these questions in an intensive strategy accelerator. Through Clinical Data Base benchmarks, market forecasts, scenario-modeling tools and subject matter experts, we evaluated each provider's current inpatient service mix and volume opportunity by diagnosis-related group, portfolio subtype and service lines.

Together, we identified opportunities to shift appropriate cases to other care settings — increasing patient access, convenience, and health outcomes, while also creating capacity for more complex inpatient cases and future growth. We also focused on operational efficiencies that increase capacity by getting patients healthy, discharged and back home faster.



### TRANSFORMATION IN ACTION: BAPTIST MEMORIAL HEALTH CARE

Baptist Memorial Health Care is a 22-hospital system spanning Tennessee, Mississippi and Arkansas. In 12 rural communities, Baptist is the sole provider. In 2023, Baptist's facilities needed to improve their national quality scorecards. Like many others, their workforce had rapidly increased through acquisition, bringing many cultural and operational challenges. In addition, they also faced financial pressures from inflation, nationalized nursing rates and shrinking margins. Baptist believed that our clinical data, consulting expertise and long-term investment in our relationship were what they needed to drive enterprise-wide strategic transformation.

Through a robust multi-year engagement, Vizient helped Baptist develop a reliable, repeatable quality system. Early results are promising. Baptist achieved 50-95% reductions in hospital-acquired infections (i.e., CLABSI and Clostridium

difficile) in just the first three months. Baptist's adoption of the Vizient Clinical Data Base will be a key component for measuring and sustaining performance. In fact, a portion of our consulting fees hinge on Baptist's success.

Baptist and Vizient went on to launch a performance improvement office and system-wide change management plan. We also delivered workforce optimization to enhance patient quality and safety, while improving staff productivity and reducing labor costs by \$4.7 million. And these are just a few of the highlights. Three years into our strategic partnership, Baptist Memorial Health Care has achieved sustained performance improvements and over \$50 million in value.

“Vizient was able to take their advanced analytics and do if-this-then-that analysis to say, ‘What are the most important indicators that we should focus on to achieve the highest level of performance?’”

— Skip Steward, vice president and chief improvement officer, Baptist Memorial Health Care

## Contribute to peer-reviewed research

Vizient is home to hundreds of experts with medical, clinical and scientific degrees. Together with our providers and partners, we’re working to advance our collective knowledge and evidence-based best practices. In 2023, Vizient co-authored collaborative research resulting in 86 publications in peer-reviewed journals.

*Active shooter preparedness in US hospital systems* published in the *American Journal of Disaster Medicine*. To better understand hospital systems’ protocols for active shooter situations and more specifically, how to manage patients that are not able to be evacuated, Vizient collaborated with clinical executives to conduct a web-based survey of healthcare systems. We found that the vast majority (98%) have active shooter protocols, and half (52%) routinely run drills with staff. However, only 42% stock essential lifesaving supplies like tourniquets near public-access areas and train hospital employees (both medical and non-medical) in hemorrhage control techniques. What’s more, only 24% of hospital systems have discussed a dedicated plan to ensure continuity of care for patients who are critically ill or otherwise immobile (in active labor, in the operating room, receiving hemodialysis treatment or ventilator dependent). Management practices in these situations varied substantially ranging on a spectrum between “run-hide-fight” and “secure-preserve-defend.” This study concluded with a call to develop recommendations and rationales for closing inconsistencies and gaps in active shooter response to protect the lives of patients, families, and staff.

*Diagnostic errors in hospitalized adults who died or were transferred to intensive care*, published in *JAMA Internal Medicine*. How often do these diagnostic errors happen, what causes the errors, and what are the associated harms? In this cohort study of 2,428 patient records, a missed or delayed diagnosis took place in 23%, with 17% of these errors causing temporary or permanent harm to patients. We found that diagnostic errors were common, harmful, and had addressable underlying causes, such as faults in testing and clinical assessment, which can be used to design future interventions and save lives.

In addition, the *Vizient Research Institute*, which conducts studies for our providers, also publishes articles and podcasts available at no cost to the public.

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**Vizient co-authored 86 studies published in peer-reviewed journals in 2023**

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### HIGH RELIABILITY IN ACTION: THE QUEEN’S HEALTH SYSTEM

Culture impacts care. Overworked staff, complex systems and inconsistent processes all affect care delivery and patient safety. But teams operating on high-reliability principles like respect, communication and teamwork are more likely to navigate unexpected events and solve problems successfully. The Queen’s Health System in O’ahu discovered this firsthand.

Vizient began working with The Queen’s Health System to implement culture change and new ways of working, supported by Vizient’s Safe and Reliable Healthcare Learning and Engagement System (LENS) digital communication platform. LENS gives frontline teams a central and accessible place to voice concerns and track leader responses as issues are resolved. This allows clinicians to focus more of their time and attention on care — while according to data from Vizient Safe and Reliable culture assessments, also fostering community and combating burnout.

Dianna Motley is director of critical care, emergency services — one of the first departments to take on the new endeavor at the hospital. Her unit is home to roughly 130 staff who work widely varying schedules. And they have seen dramatic improvements. Prior to implementation, the health system was in the 60th percentile for Bar Code Medication Administration (BCMA) scanning rates — an inventory control system using barcodes — but within months of implementing LENS, they rose to the national 95th percentile benchmark and have consistently sustained that ranking. LENS also provided Motley and her team with a method for distributing staff recognition, improving morale and fostering positivity in addition to improving patient and staff safety. Now, Queen’s Health is expanding its use of LENS across the system to improve performance across all its hospitals.

“It’s our responsibility to give our community the highest quality care and compassion. Once we fully implement LENS across the system, its interconnectivity will allow us to respond to the needs of any hospital within our system.”

— Robin Kalohelani, vice president of operations and associate chief nursing officer, The Queen’s Health System

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**Before 60th percentile After 95th percentile**  
**national Bar Code Medication Administration (BCMA) scanning rates**

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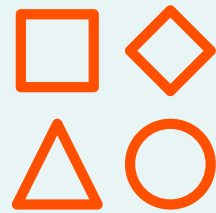
### PARTNERSHIP IN ACTION: ADVENTHEALTH AND EDWARDS LIFESCIENCES

Healthcare needs leaders with the vision to see untapped potential — and the trust, expertise and relationships to catalyze innovative solutions. Vizient brought all this to bear when we joined provider AdventHealth and supplier Edwards Lifesciences in a collaborative partnership. Together, they ran a pilot using new medical monitoring technology to standardize care protocols, medical devices and care plans. Coupling the outcomes of that pilot with critical clinical data and expertise from Vizient, AdventHealth identified opportunities to improve performance and significantly reduce complications, intensive care unit (ICU) days, length-of-stay and direct costs.

## Promote health equity

### HEALTH EQUITY: WHY WE CARE

Social determinants of health (SDOH) are the non-medical factors that influence health outcomes — or the conditions into which people are born, grow, work, live, and age. Systemic biases against demographic groups and the ensuing inequitable distribution of money, power and resources impact how people experience social determinants. Even with personal behavior and genetics being equal, these social factors can have a negative and outsized role in our health outcomes and quality of life.



#### DEMOGRAPHICS

- Race and ethnicity
- Gender identity
- Sexual orientation
- Language



#### SOCIAL DETERMINANTS

- Food
- Housing
- Transportation
- Education
- Employment
- Income
- Community safety
- Clean environment
- Social relationships
- Access to healthcare



#### HEALTH OUTCOMES

- Quality of life
- Morbidity
- Healthcare costs
- Disability-free years after age 50
- Life expectancy





## Advance the Vizient Vulnerability Index

With 43 variables across nine domains updated annually, the patent pending **Vizient Vulnerability Index™** is the only publicly available social needs index to identify specific factors at a hyperlocal census tract level. By incorporating patient outcome data and clinical benchmarking from the Vizient Clinical Data Base with the index, providers can see patterns in resource utilization, health outcomes and cost drivers unique to the specific neighborhoods they serve.

### Vizient Vulnerability Index: Domains

<p><b>ECONOMIC</b> </p> <ul style="list-style-type: none"> <li>• Poverty rate</li> <li>• Unemployment rate</li> <li>• Median income</li> </ul>	<p><b>HOUSING</b> </p> <ul style="list-style-type: none"> <li>• Homeownership rates</li> <li>• Crowded housing rates</li> <li>• Low-income households with housing expenses &gt;50% income</li> <li>• Homes with incomplete plumbing</li> </ul>	<p><b>NEIGHBORHOOD RESOURCES</b> </p> <ul style="list-style-type: none"> <li>• Park access</li> <li>• Proximity to grocery stores</li> <li>• Broadband availability</li> <li>• Household broadband subscription rates</li> <li>• Alcohol sales</li> <li>• Opioid dispensing</li> </ul>
<p><b>EDUCATION</b> </p> <ul style="list-style-type: none"> <li>• College graduate rate</li> <li>• High school enrollment</li> <li>• Preschool enrollment</li> </ul>	<p><b>ENVIRONMENT</b> </p> <ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Water pollution</li> <li>• Hazardous waste spills</li> </ul>	<p><b>COMMUNITY FABRIC</b> </p> <ul style="list-style-type: none"> <li>• Voting participation rates</li> <li>• Single-parent families</li> <li>• Incarceration rates</li> </ul>
<p><b>HEALTHCARE</b> </p> <ul style="list-style-type: none"> <li>• Insurance status</li> <li>• Provider shortages</li> <li>• Distance to nearest hospital</li> </ul>	<p><b>TRANSPORTATION</b> </p> <ul style="list-style-type: none"> <li>• Households with no access to cars or public transit</li> </ul>	<p><b>PUBLIC SAFETY</b> </p> <ul style="list-style-type: none"> <li>• Violent crime rates</li> <li>• Gun violence rates</li> </ul>

- **Made the Vizient Vulnerability Index available to the public at no cost.** In July of 2023, Vizient released a no-cost version of the index to the public. In the first six months, more than 550 unique users including providers, but also those working in government, healthcare suppliers and nonprofit organizations, downloaded the Index
- **Integrated the Vizient Vulnerability Index directly into 1,200 provider systems.** In 2023, the more than 1,200 providers participating in the Vizient Clinical Data Base are now also using an enhanced version of the Vizient Vulnerability Index through their native platform via our API (application programming interface). Together with our Quality and Accountability Scorecard, this allows providers to better:
  - Decrease inpatient mortality and hospital harm while increasing patient-centeredness and operational efficiency
  - Care for individual patients with the ability to use their zip code at check-in to identify potential social challenges, ask relevant screening questions, adapt treatment plans and provide direct access to any needed support services
  - Support their employees who may also be experiencing negative health impacts due to social factors with tailored benefits that improve health, performance, job satisfaction and retention
  - Assess community needs and understand local nuances
  - Target community investments and convert values-aligned partners to their projects
- **Promoted opportunities to advance health equity through the Vizient Vulnerability Index.** In 2023, Vizient presented on various aspects of health equity and data-driven opportunities to close inequities at national conferences including the American Hospital Association, the National Association of Health Data Organizations and the Institute for Healthcare Improvement.
- **Leveraged the Vizient Vulnerability Index to solve strategic challenges for providers.** Our expert consultants have fully integrated the index into their analytics toolkit, leveraging it to deliver tailored opportunities for new interventions, redesigned operations, capacity building and market growth.

“Healthcare is data rich, but information poor. Vizient is on a mission to change that.”

— Beth Godsey, senior vice president, data science and product and platform strategy, Vizient

## Improve health equity data collection

In 2023, Vizient hosted a workshop series for providers on health equity data management. Specifically, we focused on data types, empathic and accurate collection methods, and verification — ultimately bolstering the integrity of the underlying data needed for health equity measurement. Last year, 815 individuals representing 388 provider organizations participated in this series, taking these insights with them into their communities. This work is especially salient given that starting in 2024, the Centers for Medicare & Medicaid Services (CMS) will require providers to collect social determinants of health information on all adults during annual wellness visits. In addition, engaged providers that submitted data experienced a reduction in 30-day readmissions, avoiding an annualized 569 readmissions, translating to \$8.6 million in annual savings.

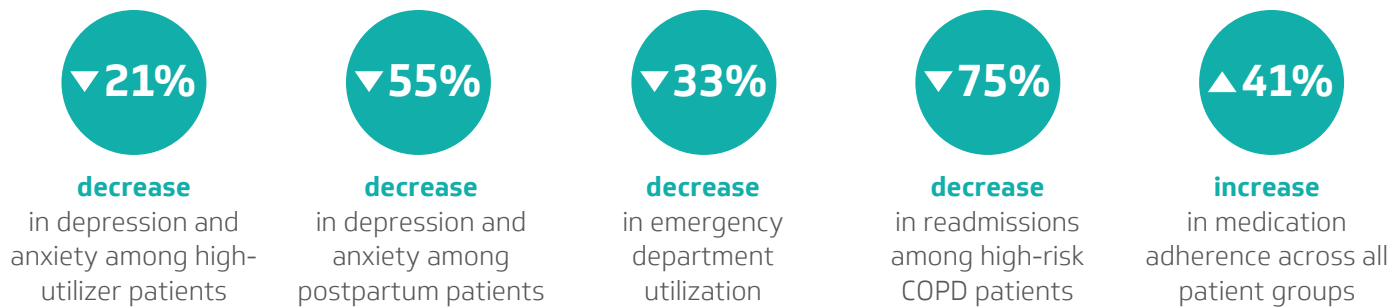
**Providers avoided 569 readmissions, translating to \$8.6 million in savings**

## Elevate quality measurement at the CMS Health Equity Conference

At the inaugural **CMS Health Equity Conference** in Washington, D.C., Vizient experts participated in a panel discussion examining variation in health equity tracking and measurement practices for executive dashboards across 27 healthcare systems in the U.S. Notably, Vizient and Sutter Health Institute for Advancing Health Equity reported variation in how systems measure and track health equity, including the metrics and sociodemographic factors selected and how long they have been collecting and analyzing this information. We look forward to continuing to work alongside providers and CMS to improve health equity tracking and measurement across hospital systems.

## Elevate the power of community health workers

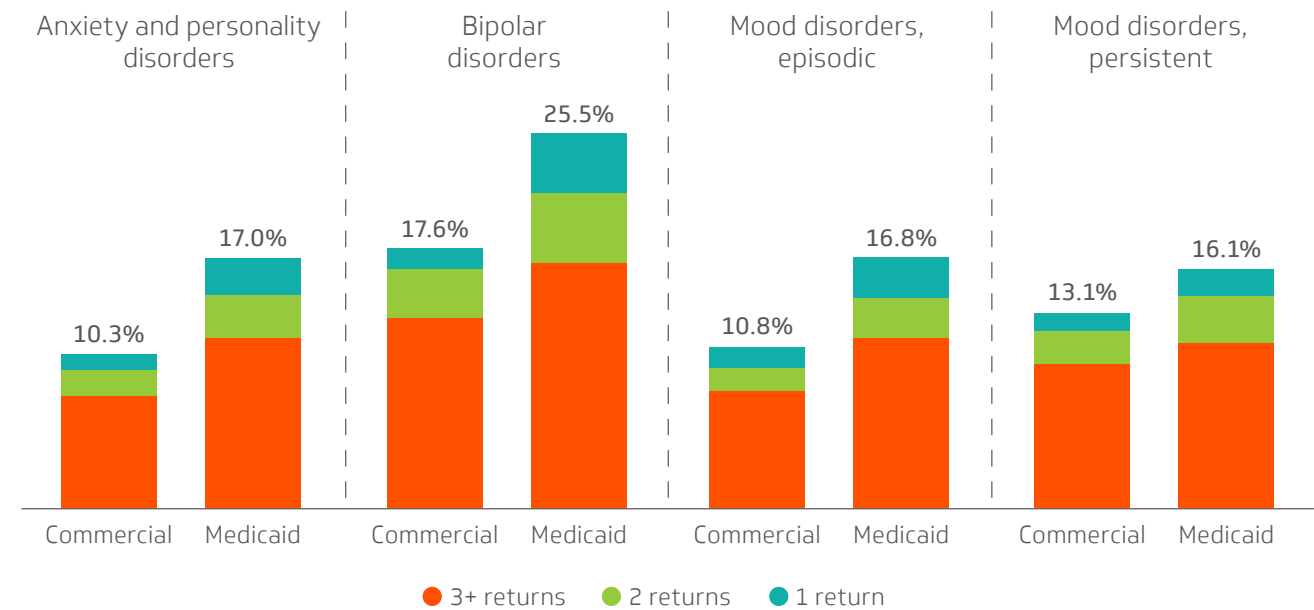
The Community Health Worker (CHW) model is an effective and affordable model to reach underserved communities. Vizient’s Diversity, Health Equity and Inclusion Network explored variations on how and where CHW programs are deployed. Results from Novant Health’s CHW program demonstrate their effectiveness:



## Present equity research at the American Public Health Association

The Vizient Research Institute was honored to present its findings on access disparities in behavioral health at the annual American Public Health Association (APHA) meeting. Incorporating Vizient’s Clinical Data Base, Clinical Practice Solutions Center (CPSC) and Milliman commercial and claims data, Vizient researchers uncovered significant gaps in behavioral health treatment for Medicaid patients compared with commercial patients, including a lower proportion who had any psychotherapy, and a higher proportion who had prescriptions only (without psychotherapy) or no treatment. Most notable was the higher Medicaid inpatient, emergency department and return-to-emergency-department rates for psychiatric reasons.

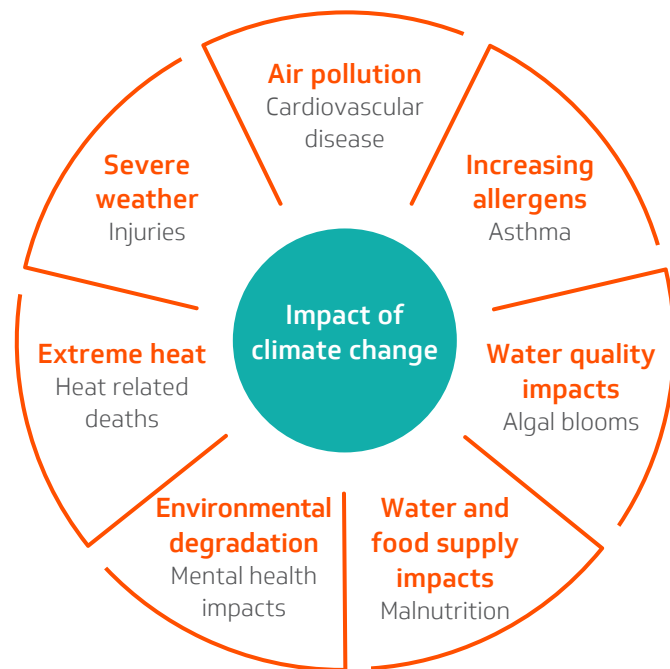
Percentage of new emergency department patients in 2021 with at least one return visit in following year, by initial behavioral health condition<sup>4</sup>, Females, 18-34



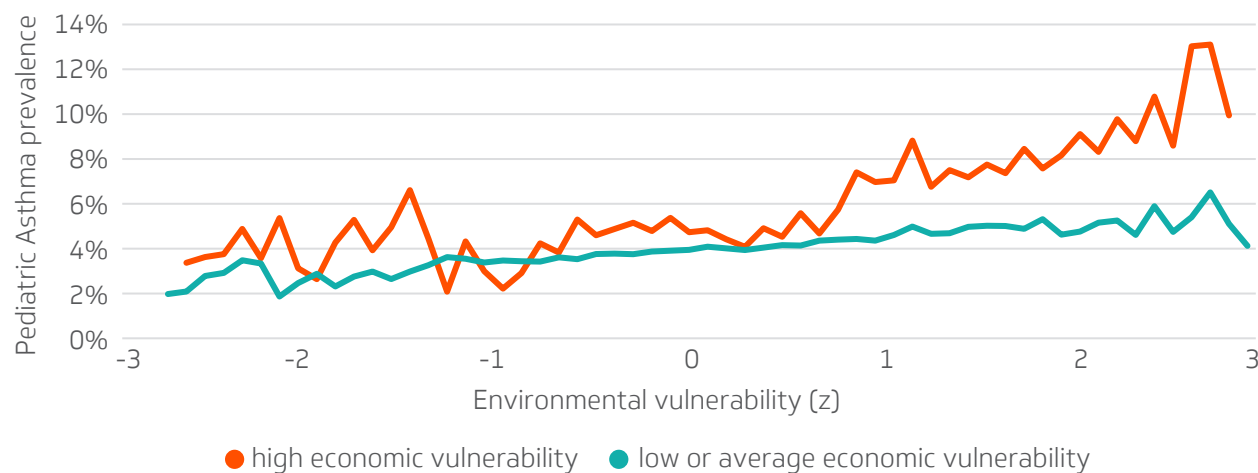
### Illuminate social risks for the youngest patients

Pediatric healthcare comes with unique challenges and calls for innovative solutions developed specifically for young patients. In 2023, Vizient’s November issue of **Tech Watch** was dedicated to illuminating how social determinants and environmental health hazards impact the youngest patients, while giving providers insights to help inform clinical decisions and plan for the future.

#### The impact of climate change on health



Pediatric Asthma Rates



“ As poverty rates increase, so do rates of pediatric asthma — especially in areas with high pollution. ”  
 — Vizient TechWatch

## Make the business case for health equity

At the annual Institute for Healthcare Improvement conference, Vizient presented groundbreaking analysis demonstrating how providers can use the Vizient Vulnerability Index to challenge conventional wisdom regarding at-risk patients and identify new win-win opportunities to increase access for more vulnerable populations and create growth opportunities at the same time. Researchers identified both high-utilization inpatient hospitalizations

unique to higher-need communities and scheduled procedures that are under-utilized for patients aged 65 years and older in communities with higher needs, such as cardiac valve surgeries and joint replacements. Using 2021 all-payer data from five states — Arizona, Florida, New York, Pennsylvania and Texas — we identified significant underutilization of scheduled procedures by Vizient Vulnerability Index score. Interestingly, the payer mix in zip codes with average social needs closely mirrors that in high needs areas — suggesting that the disparity in procedure utilization is not directly related to insurance coverage differences.

This poses two unique growth opportunities for providers looking to expand access to these communities. First, organizations can improve inpatient capacity by addressing unmet patient needs for conditions like diabetes in the community, before they get to the provider, with upstream initiatives. This approach results in better health outcomes for high-needs patients and relieves inpatient capacity constraints.

Second, providers can increase access for patients in high-needs communities while also improving their market share for lucrative scheduled surgeries. For example, a sample provider might expect 96 inpatient bone marrow transplants from a community in the next 3 years, based on our national Impact of Change forecast and current use rates from high-needs communities. However, if that provider increases access to the procedure from communities with needs to match the use rates we see in an average community, while holding projected growth rates steady, that hypothetical provider would see approximately 50 additional procedures. And, assuming the current payer mix for communities with needs holds constant, 28 of those procedures would be commercially insured. By addressing underutilization, providers can greatly increase access to care and improve health outcomes for these communities, while capturing additional surgical revenue at the same time.

“ Now hospital leadership has the evidence to confidently invest in health equity interventions — while remedying underutilization, capturing additional surgical revenue and improving health outcomes. ”

— Madeleine McDowell, senior principal, intelligence and advanced analytics, Vizient

### MYTH

A patient’s payer class determines their level of social need.

Hospitals must address capacity challenges before taking action on health equity.

### REALITY

Patients of all payer classes have social needs. And those in communities with high needs are often covered by some form of insurance.

Directly addressing the social determinants of health alleviates hospital’s capacity constraints.

### EQUITY IN ACTION: SWEDISH CARDINAL HOSPITAL

Located in Chicago and part of the NorthShore University Health System, Swedish Hospital is a full-service safety net hospital. More than 70 languages are spoken in one mile surrounding the hospital, making theirs one of the most diverse neighborhoods in the U.S. After winning a grant from Chicago’s Health Equity Zone program, Swedish partnered with Vizient to develop the Swedish Hospital Community Wellness Clinic and reduce health disparities. Specifically, they leveraged the Vizient Clinical Data Base to look at their patient population and quality initiatives and the Vulnerability Index to go beyond their patients to understand their community needs.

They found that the community is most vulnerable when it comes to access to healthcare and lack of access to transportation, so Swedish strategically located the new clinic at the intersection of major bus routes, nestled between the two zip codes where 29% of their patients, and 37% of readmissions, live. They are also developing a community nurse program to bring care to patients.

“ Leveraging the Vizient Vulnerability Index in combination with the Clinical Data Base is allowing us to intersect health equity with our quality initiatives. And that’s something we’re incredibly excited about. ”

— Dr. Keri Robertson, physician quality advisor, Swedish Hospital

## Reduce chemicals of concern in care settings

The proliferation of harmful chemicals within care settings presents a bioethical imperative and legitimate health concern. At high risk are pregnant women, fetuses, infants and young children — along with healthcare workers, given their high cumulative exposure through a lifetime of clinical work. The challenges to monitoring chemicals are a lack of standardization, transparency and a comprehensive process for identifying alternatives. Vizient is tackling each one of these.

### CHEMICALS: WHY WE CARE

Contrary to popular belief, there is no federal agency responsible for monitoring the impact of new chemicals on human health. Most of the 80,000+ chemicals in active use in the U.S. today have not been tested for human health and safety.<sup>5</sup> Perhaps this lack of testing and consistent regulation contributes to the fact that:

- Microplastics have been found in placentas containing chemicals linked to brain, heart, lung, kidney and liver damage in fetuses<sup>6</sup>
- Babies in the U.S. are born with more than 280 industrial chemicals in their bloodstreams<sup>7</sup>
- Hazardous chemicals can be found in at least 250 different products being used in the average hospital pediatric care room<sup>8</sup>
- A common antimicrobial in toothpaste and hand soap, triclosan, has been found in the bloodstreams of over 75% of American adults<sup>9</sup>
- Polyfluoroalkyl substances (PFAS) linked to cancer, elevated cholesterol, decreased fertility and thyroid problems have been found in the bloodstreams of 99% of American adults<sup>10</sup>



#### Vizient co-develops the UN Global Framework on Chemicals

In January 2023, Vizient was invited to participate in the [Inter-Organization Programme for the Sound Management of Chemicals \(IOMC\)](#) workshop, hosted in Paris and Geneva by the United Nations Development Programme and the Organization for Economic Cooperation and Development, to develop guiding principles and a strategy for global action in chemical intensive sectors and value chains. Later that year in September, that work was presented at the fifth International Conference on Chemicals Management (ICCM5) in Berlin. There, the conference passed a resolution and adopted this work as the [UN Global Framework on Chemicals](#). Now, we are helping to lead exploration of how to implement this framework into existing sustainability disclosures such as the Global Reporting Initiative and the Task Force on Nature-related Disclosures.

## Set the standard

Without clear standards or independent certifications for medical surgical products, suppliers can be confused about which chemical safety standard to follow. In 2017, Vizient aligned with Kaiser Permanente by adopting their list of common chemicals of concern found in medical-surgical products and known to have negative long-term impacts on human health. Since then, we've promoted this approach to increase global industry-wide standardization. Vizient is a signatory of the [Chemical Footprint Project](#), currently the only known, established framework to assess a supplier's chemical footprint and management systems against best practices. In 2023, we presented at [My Green Lab's](#) global summit to promote standards designed specifically for laboratories, and we attended the [Green Science Policy Institute's](#) Toxic Reductions Retreat focused on removing chemicals of concern from manufacturing processes.

#### Chemicals monitored across all medical-surgical products in our catalog

- Antimicrobial and antibacterial agents
- Bisphenols including Bisphenol-A (BPA)
- Bromine and chlorine-based compounds
- European Union Restriction of Hazardous Substances (EU ROHS)
- Flame retardants
- Heavy metals including mercury, cadmium, lead and organotin
- Natural rubber latex
- Perfluorinated chemicals (PFCs)
- Persistent, bioaccumulative toxins (PBTs)
- Phthalates (including DEHP)
- Polyvinyl Chloride (PVC)
- Prop 65 Chemicals

#### Negative health impacts of these chemicals

- Allergens
- Carcinogens
- Developmental toxins
- Endocrine disruptors
- Genetic disruptors
- Immune system disruptors
- Reproductive toxins

## Commit to transparency

Vizient includes chemicals of concern in our supplier RFPs (requests for proposals) as part of the national bid process. When we started in 2017, 8% of suppliers reported this data. In 2023, 91% of suppliers in the national bid process reported on chemicals — making Vizient's portfolio the largest repository of chemically transparent products in the industry. We are committed to maintaining this level of transparency moving forward, and always striving for 100%. Our digital platform empowers providers to easily search, filter and compare products across a range of attributes including chemicals.

Our portfolio is the largest repository of chemically transparent products in healthcare

## Accelerate alternatives

Vizient's contract language asks all suppliers to conduct chemical assessments to confirm that none of their products contain harmful substances. If a product does, the supplier must agree to make reasonable efforts to develop new products that eliminate the chemicals and any regrettable substitutes while meeting the same clinical efficacy within 18 months from the start of our agreement. In addition, Vizient introduced suppliers and providers to a total value analysis framework for comprehensively evaluating potential financial, clinical, operational and sustainability impacts of supply, capital equipment or purchased service changes. In 2023, there were 55 active contracts containing this supplier commitment.

## Advocate for healthier policies

Policy and regulation dramatically shape our industry, creating both challenges and opportunities for providers. Vizient works to maintain constructive relationships within government and across parties in Washington, D.C. — and to advocate on issues that have the potential to impact healthcare organizations and the patients and communities they serve. Every day, our Public Policy and Government Relations team in Washington **analyzes policy**, writes letters, submits comments and engages in direct **advocacy** on behalf of our suppliers and providers. Here are just a few examples of how we bring our expertise to advocate for patient safety and quality access to healthcare.

- Patient Safety.** In 2023, we provided **comments** to the Agency for Healthcare Research and Quality (AHRQ) regarding the formation of a Patient Safety Action Alliance. As an AHRQ-listed **Patient Safety Organization (PSO)**, Vizient shared robust recommendations, including which stakeholder the Alliance should engage and how the Alliance can best support health equity within their patient and workforce safety efforts.
- Protecting Coverage for Mental Health & Addiction Treatment.** Last year, we also commented on proposed rules and legislation to improve access to healthcare. Our comments on the proposed rule, “**Requirements Related to the Mental Health Parity and Addiction Equity Act**” sought to strengthen protections for mental health and substance use disorder patients by ensuring that mental and behavioral health benefits are not subject to greater restrictions than medical/surgical benefits under a health plan. Vizient also encouraged the departments to consider how to expand these policies to include other payers, such as Medicare, Medicaid, and the Children’s Health Insurance Program (CHIP).
- Prioritizing Pediatrics.** In 2023, Vizient endorsed a coalition letter calling for \$738 million in funding for **Children’s Hospital Graduate Medical Education (CHGME)** — the most important federal investment supporting the pediatric physician workforce and access to care for the nation’s children. Its work supports 1% of all hospitals in the U.S., while training 50% of the nation’s pediatricians and 60% of pediatric specialists.
- Ensuring Permanent Access to Telehealth.** While hospitals have taken substantial steps to expand telehealth services, regulatory uncertainty remains, placing those programs in jeopardy. Last year, we endorsed the **Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT)** for Health Act of 2023, which would permanently extend pandemic-era flexibilities set to expire after 2024. This bill would remove geographic requirements for telehealth services and expand originating sites to include the patient’s home. It would also permanently allow Federally Qualified Health Centers and Rural Health Clinics to provide telehealth services as distant site providers. We also urged the Drug Enforcement Administration (DEA) to make permanent the **removal of the in-person visit requirement for telehealth for mental and behavioral health services** and pushed to ensure coverage and adequate reimbursement for audio-only telehealth services, as one-third of adults with household incomes below \$30,000 do not have access to a smartphone.



# ADVANCE EQUITY

## Our strength comes from our differences.

Vizient believes that diversity, equity and inclusion are critical to our ability to serve our customers, understand the patients who enter providers' doors and create solutions to address health inequities. In an increasingly charged climate, we must be clear. This work is not reactive; it is intentional. It is not motivated by favoritism; it is motivated by fairness. It is not a distraction; it is strategic and central to our success as a business.



## 2023 highlights

### Assembled diverse candidate slates

for 77% of executive positions

### Diversified our leadership

increasing women to 45.8% and people of color in leadership to 15.6%

### Earned the Equality 100 Award

from the Human Rights Campaign

### Launched new diversity networking groups

for Hispanic/Latinx and Asian, Pacific Islander, Desi American communities

### Bridged the gender gap

between how women and men experience our culture

### Hired a full-time resource

to manage our corporate supplier diversity program

## Assemble outstanding, diverse slates

In 2022, Vizient launched a diverse slate approach for enhanced executive recruiting at the associate vice president level and above. In 2023, we invested the time and resources to build highly qualified and diverse interview slates with at least one woman or person of color advancing to final rounds — and from there, hire the best. This approach includes:

- Diverse outreach strategy that expands our reach to new networks
- Increased awareness around unconscious bias
- Exceptional candidates across the board
- Diverse interviewers using structured questions for fair comparison
- Merit-based decisions to hire the best candidate for the position
- Quarterly reporting to leadership and in the Quarterly Business Review

In 2024, we will continue to advance these efforts and introduce unconscious bias training tailored for hiring managers.

“ Our goal is to create an exceptional workplace experience for every employee and to cultivate an outstanding diverse workforce across all organizational levels. ”

— Patty Olsen, chief people officer, Vizient

In 2023, 77% of executive candidates interview slates were diverse.

## Continue pay equity reviews

Pay equity means paying people the same for work of equal value. Vizient engages a third party to conduct annual pay equity reviews of all our employees. We provide each team member’s job code, performance review rating, location, demographic data, and base pay. Using multivariate regression analysis, they identify any potential outliers. Vizient then reviews each instance of discrepancy, looking more deeply at their work history and performance. We make pay and promotion adjustments when these differences cannot be explained by expertise or performance. On average, approximately 1% of our workforce receives adjustments through this system each year. Moving forward, we are working to further develop the regression analysis to compare different types of work history (across comparable roles, developing roles and unrelated roles) and to formalize our data management and reporting around pay equity and adjustments.





## Build a culture of inclusion

Working at the grassroots level, our employee-led Diversity Networking Associations (DNAs) aim to create meaningful connections and belonging among people with shared identities — as well as space for broader, cross-cultural connections. Open to all employees, each DNA participates in organization-wide outreach, provides feedback on programs, and shares innovative ideas for increasing inclusion internally and across the value chain. This year, 2023 marked the first that Vizient compensated qualifying DNA leaders with an additional \$10,000 annually for the tremendous value, visibility and impact to our organization — above and beyond their job roles. In addition, each DNA is sponsored by one of our chief executives.

In 2023, we introduced the APIDA@Vizient (Asian, Pacific Islander, Desi and Allies) and Hispanic/Latinx@Vizient DNAs to provide a safe and celebratory space for employees who identify with these communities, bringing the total number of our DNAs to eight.

- Ability@Vizient
- APIDA@Vizient (Asian, Pacific Islander, Desi and Allies)
- Black@Vizient
- Dimensions@Vizient
- Hispanic/Latinx@Vizient
- Pride@Vizient
- Veterans@Vizient
- Women@Vizient

In 2023, 27% of our team were members of one or more DNA groups

## Dive into tough and joyful conversations

Starting in 2021, Vizient launched monthly Dive-Ins — internal, employee-led webinars that provide a safe space for open conversations about complex issues related to our identities and experiences. We continued to see a groundswell of support and participation, especially as we returned to hosting more in-person events. In 2023, for example, we explored the diverse facets of Asian, Pacific Islander, and Desi American communities; celebrated the differences and similarities of the various holidays observed across cultures; investigated the risk of judging people by appearances including perceived body type, age and presentation; and learned how our colleagues honor and support our veterans.

## Cultivate sponsorship

A coach provides support to develop soft and hard skills. A mentor provides guidance to navigate career pathways and opportunities. A sponsor leverages their influence to increase visibility and access to high-value projects and promotions. Real sponsorship cannot be required, but it can be cultivated by creating a supportive environment for both people to come together freely and both do their part. So, we spent 2023 educating our people managers on the practice, impact and science behind sponsorship. Monthly emails introduced research around proximity and affinity bias — or the impact of how, when and with whom leaders spend their time. We looked at how to develop these relationships in a hybrid environment, and with those whose journey differs widely from our own. We shared data on the positive impact of having a sponsor — and illuminated the disparities among demographic groups, those who are more likely to have, and not have, an advocate who will use their power on another’s behalf.

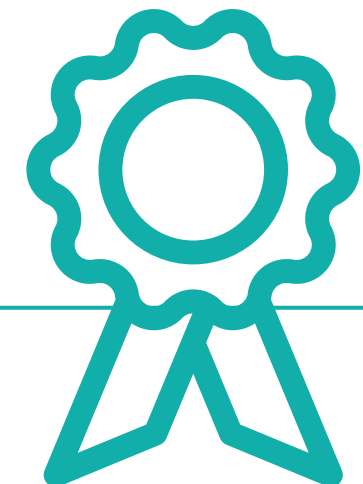
## Earn the Equality 100 Award for Leaders in LGBTQ+ Inclusion



After raising the bar and redesigning the standard in 2022, the Human Rights Campaign Foundation’s Corporate Equality Index is back. And this year, Vizient achieved our goal of scoring 100 on the nation’s leading benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees. Companies are evaluated based on their nondiscrimination policies across business entities, equitable benefits for LGBTQ+ workers and their families, inclusive culture and corporate social responsibility. While we are proud, we know the work is not over and will continue to engage and champion our LGBTQ+ team members.

### Awards & Recognition 2023

- Equality 100 Award from the Human Rights Campaign
- Great Place to Work certified
- Fortune 100 Best Companies (#45, up from #56 in 2022)
- Fortune Best Workplaces in Texas (#4, up from #5 in 2022)
- Fortune Best Workplaces for Consulting and Professional Services (#13, up from #16 in 2022)
- Fortune Best Workplace for Parents (#40)
- Fortune Best Workplace for Women (#60)
- Fortune Best Workplace for Millennials (#79)
- People Companies that Care (#92)
- Modern Healthcare Best Places to work (2017- 2019, 2021 – 2023)



## Close experience gaps

Vizient aims to create a culture where all employees feel safe, seen, welcomed, valued and treated fairly. In 2020, we began tracking employee experience across three indices that measure 1) overall engagement, 2) experiences around diversity and inclusion, and 3) perceptions of leadership within our organization. That same year, we identified a gap between our aspirations and our reality — specifically for women and people of color.\* Three years later, in 2023, we’ve made some progress. Our vision is to eliminate experience gaps\*\* entirely, creating parity across employee groups.

### Measuring employee experience

INDEX	DESCRIPTION	SAMPLE QUESTION
 <b>Employee Engagement Index</b>	Measures employee commitment, enthusiasm and connection to Vizient and its goals	I would recommend Vizient as a great place to work.
 <b>Diversity &amp; Inclusion Index</b>	Measures experiences around diversity and inclusion	Perspectives like mine are included in the decision making at Vizient.
 <b>Leadership Index</b>	Measures perceptions of managers and senior leaders	I have confidence in the senior leaders at Vizient.

### Measuring our progress

We define “a gap” as any value more than two percentage points below the baseline, and “closing the gap” as within two percentage points of the baseline or higher. While the gender experience gap has closed, the leadership gap across the three race and ethnicity groups that we track has increased. We take this turn seriously and are working to better understand and address this development. For more detail on this data, please see the [appendix](#).

\*People of color are defined by EEO1 categories including American Indian or Alaskan Native, Asian, Black or African American, Hispanic/Latino, Native Hawaiian or other Pacific Islander, or those identifying as two or more races.

\*\*We define “a gap” as any value greater than two percentage points, and “closing the gap” as any value within two percentage points.

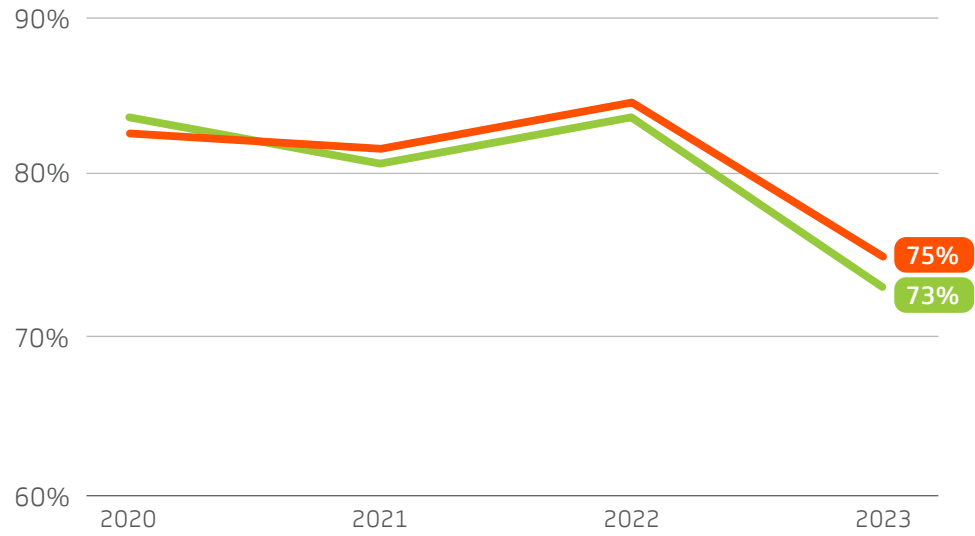
## DIVERSITY, EQUITY & INCLUSION: WHAT WE’VE LEARNED

We envision a team that is outstanding in its performance and diverse in its composition. A culture that embraces our differences and makes every employee feel they belong. We are steadfastly committed to this aspiration, while taking a flexible approach to get there. Like everyone in this field, we are discovering what works, following the data and adapting our approach as we go. Here are just a few of the lessons we’ve learned.

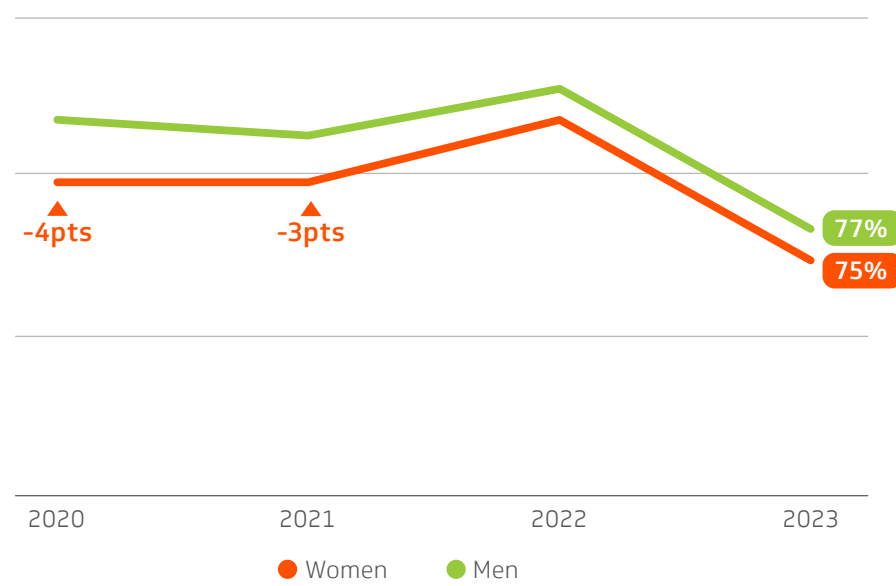
- **We have to cultivate a growth mindset.** To practice self-awareness and reflection. To see challenges as opportunities to grow. To let go of the need to always be right. To embrace feedback. To stay open to new ideas and emerging data. To find inspiration in others’ successes. The more each of us cultivates a growth mindset, the swifter and more successful we will be.
- **We all have to practice cultural humility and competency.** Because we all have gaps in our knowledge, we have to first acknowledge that we have these gaps and then work intentionally to develop the essential professional skill of cultural competency. Even when our personal experience and values give us profound insight into DEI, it can also blind us from our own bias and limit our ability to adapt to different cultures.
- **We have to treat DEI as an essential organizational discipline.** And apply the same objectivity, strategic thinking and evidence-based rigor that we bring to the rest of our business. Promoting this approach to DEI across the organization is key to our next phase of growth.
- **We have to focus on the impact of our work.** Seemingly innocuous — and even well-intentioned — workplace programs can result in unfair outcomes for certain groups. That’s why we have to continuously measure the impact of our programs and adapt based on new evidence.
- **We have to keep the entire team informed.** Proactive communication and transparency are critical to increasing employee awareness and understanding. As an organization, it’s on us to package our approach to DEI and the results of our efforts in a way that’s accessible, strategic and empowering. This is how we build trust, encourage a growth mindset and grow, together.

### Experience by gender

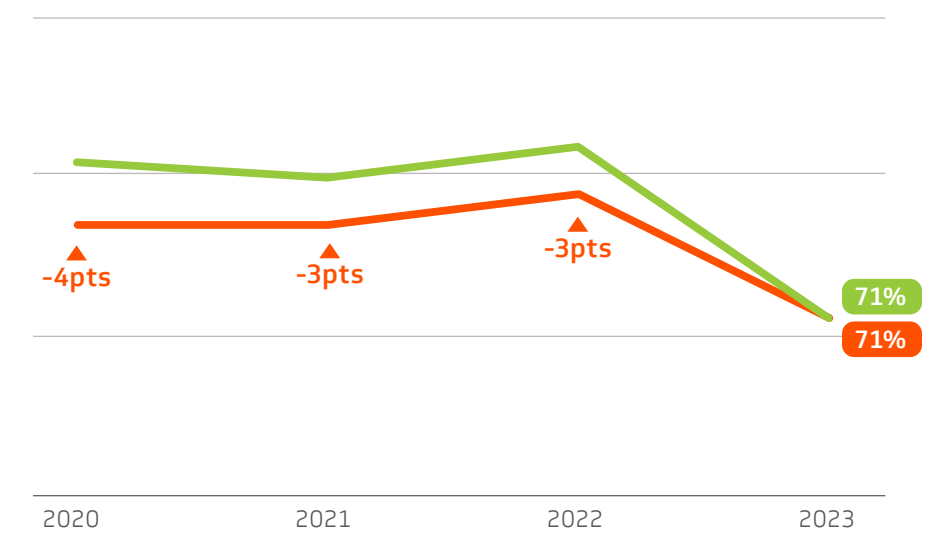
#### ENGAGEMENT



#### DIVERSITY

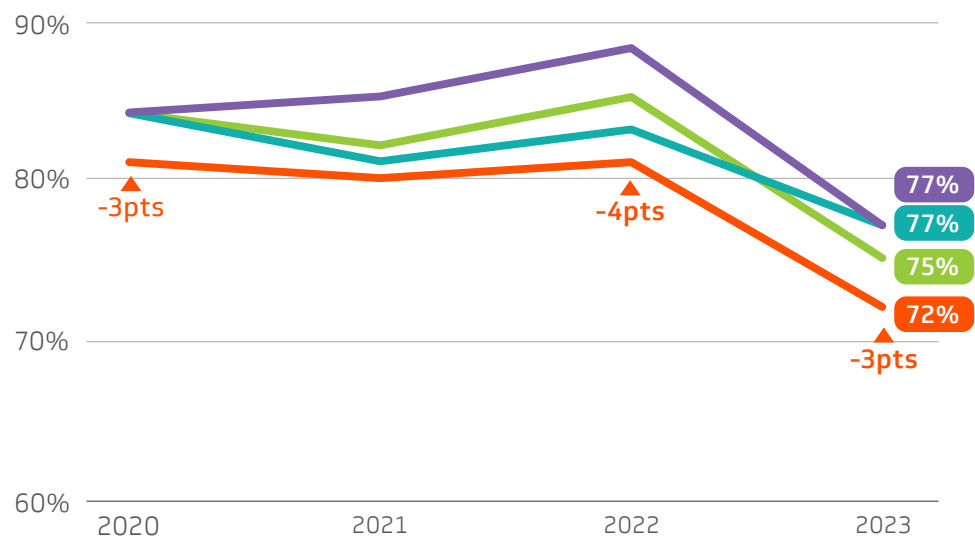


#### LEADERSHIP

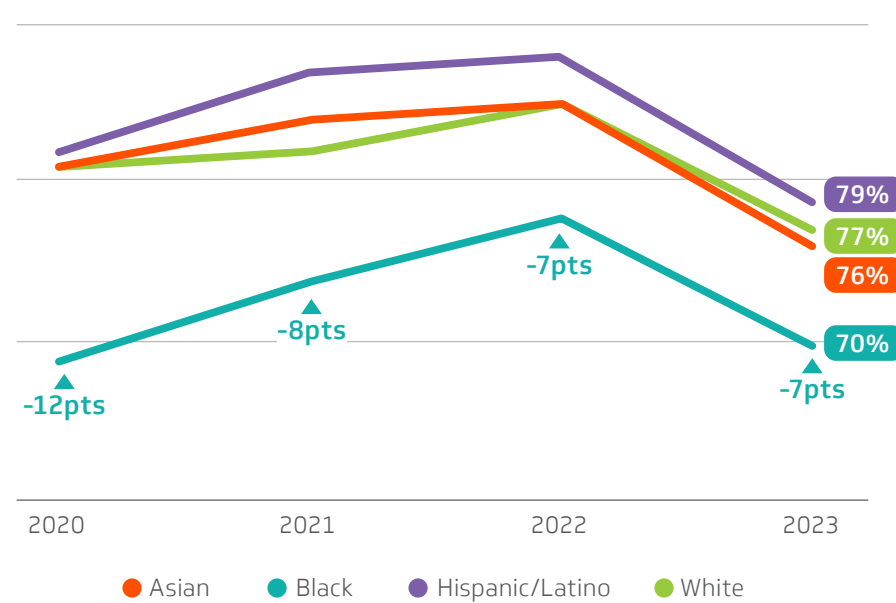


### Experience by race and ethnicity

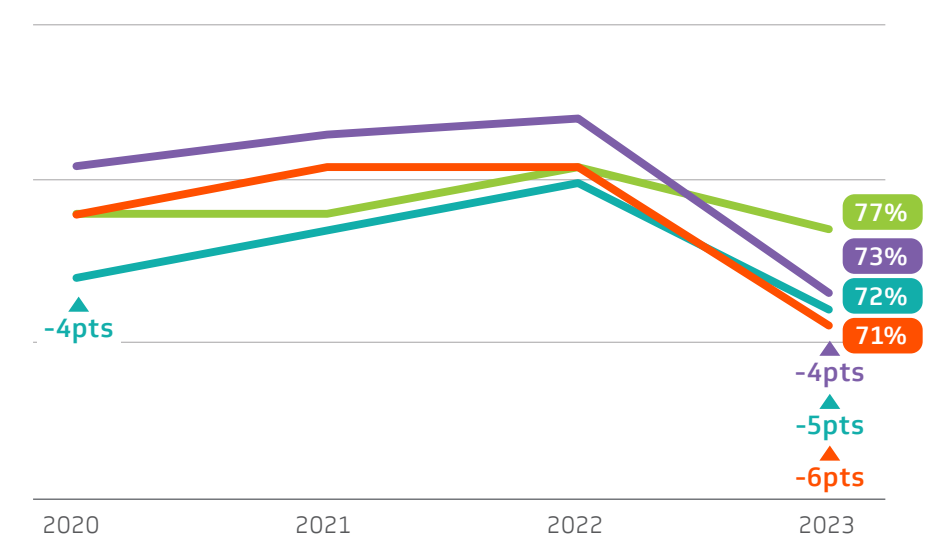
#### ENGAGEMENT



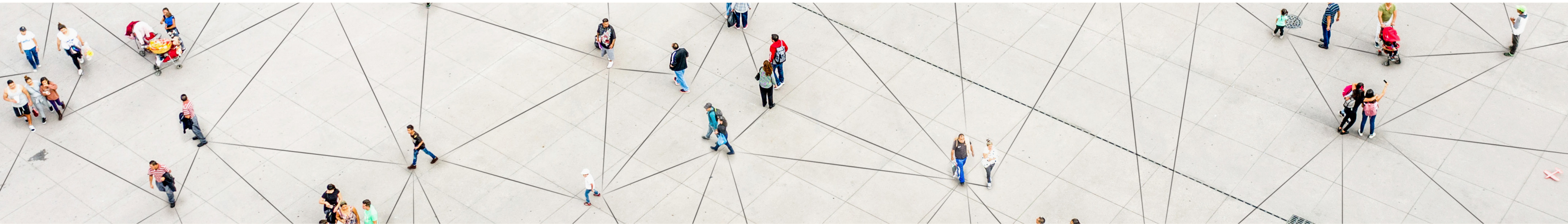
#### DIVERSITY



#### LEADERSHIP



## Increase parity in leadership



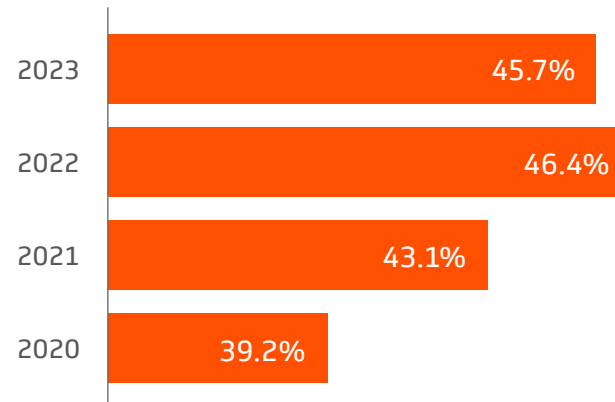
### Women in leadership

Vizient is working to develop an exceptional and diverse workforce across all levels of the organization — with a specific focus on increasing parity for women at the executive level. We are on track to cut the parity gap in half by 2025, working from our 2020 baseline.

Progress towards reducing the parity gap



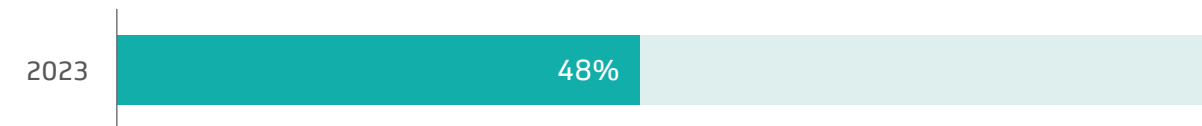
Annual representation



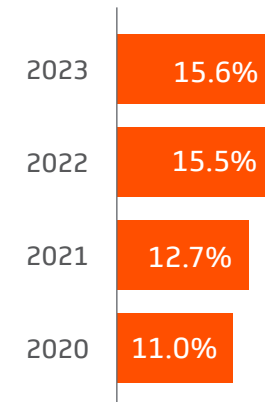
### People of color in leadership

Vizient is working to increase executive parity for people of color at the executive level. While we are making progress, we have more work to do to realize our five-year vision and cut the parity gap in half by 2025. We are confident that our expanded candidate outreach, unconscious bias training for interviewers, and more structured interviews will continue to result in more exceptional and diverse leadership.

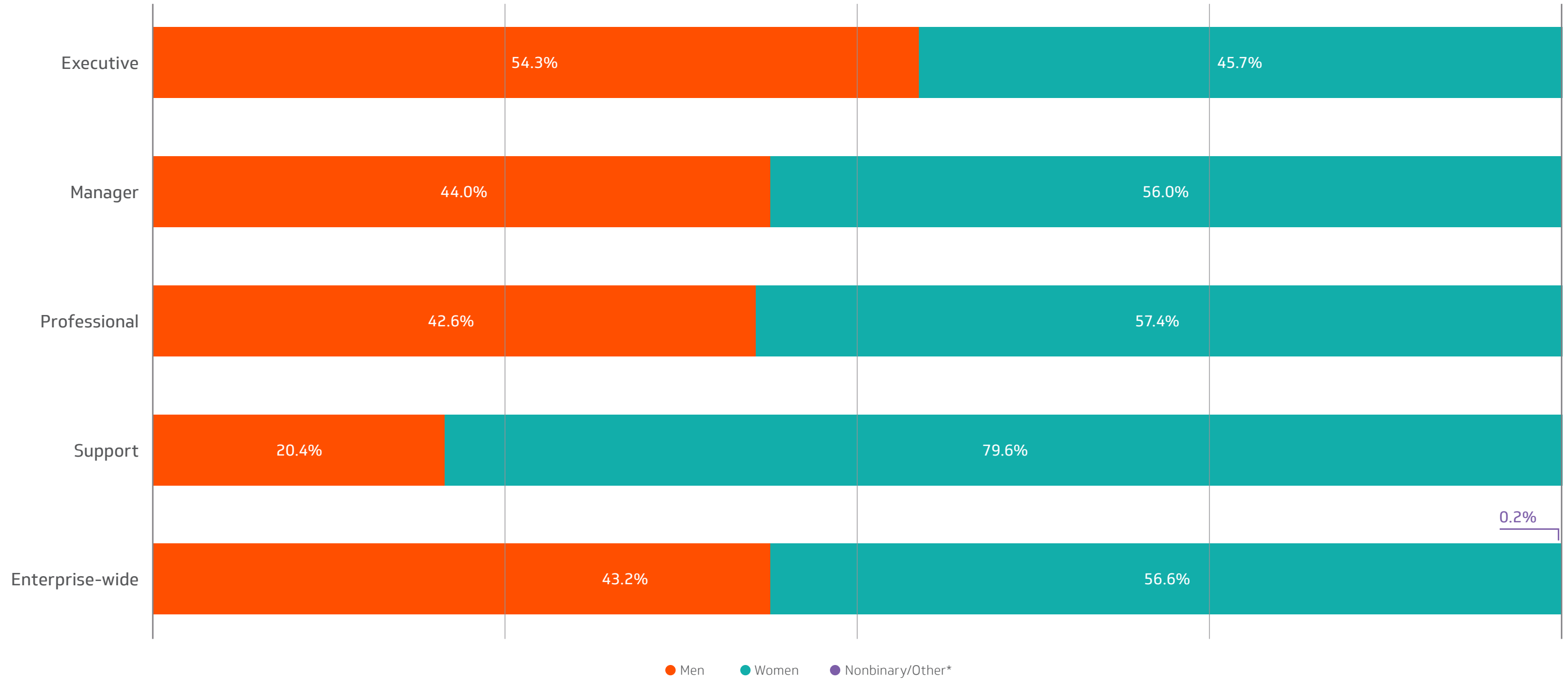
Progress towards reducing the parity gap



Annual representation

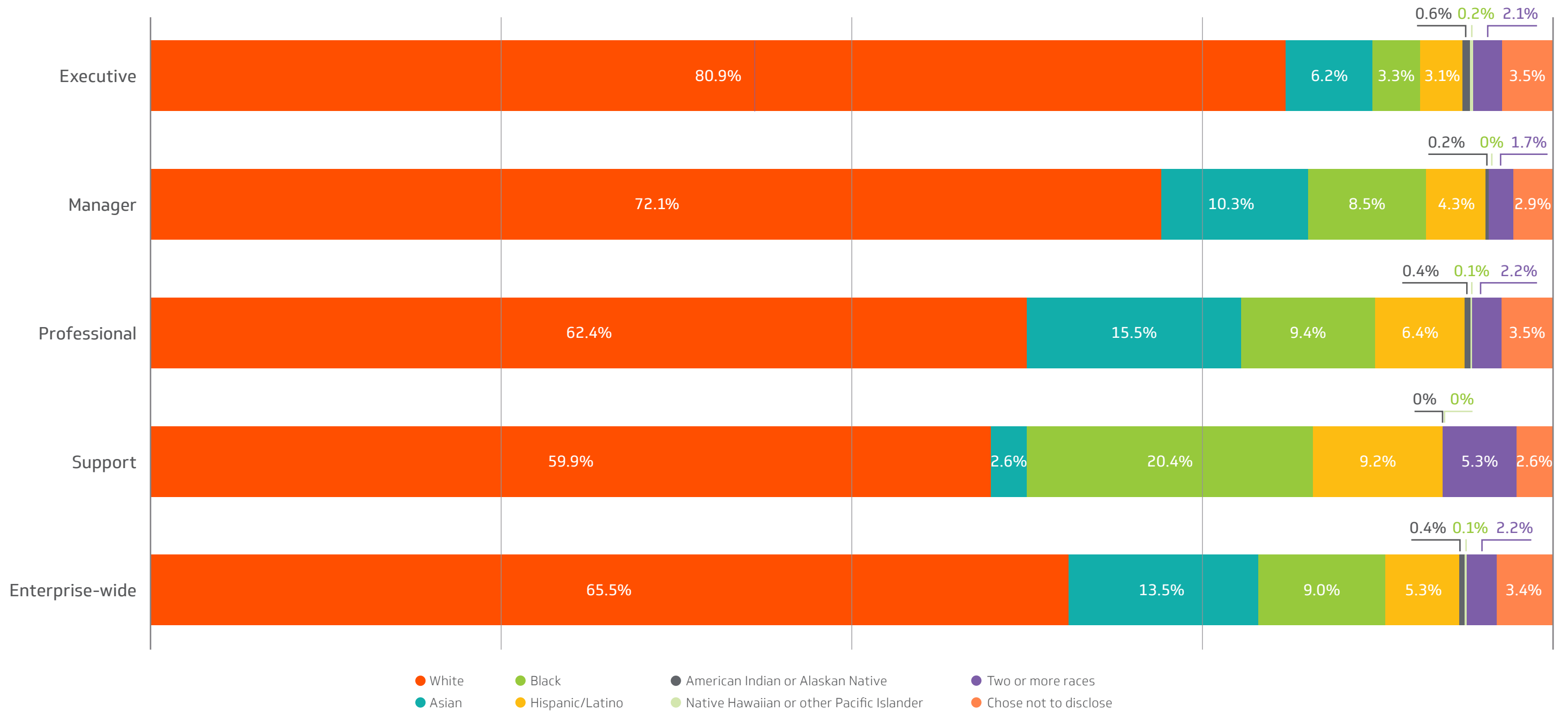


## Employee demographics 2023: gender



\*Includes employees identifying as nonbinary, other or chose not to disclose their gender. In order to respect privacy, Vizient only reports on this category at the enterprise-wide level at this time.

## Employee demographics 2023: race and ethnicity



## Advance supplier diversity

### Build our own program

By directing dollars toward third-party certified minority, women, veteran, LGBTQ+ or disability-owned business enterprises — as well as registered small business enterprises — Vizient is leveraging our corporate procurement to improve the social determinants of health and make a positive upstream impact on communities. In 2023, we created a new dedicated role responsible for Vizient’s corporate supplier diversity. With this resource championing the program internally and in bid opportunities, Vizient corporate spend with diverse suppliers and small businesses is expected to increase year-over-year.

#### Supplier diversity

Year	Diverse suppliers contracted	Vizient Tier I spend
2023	11	\$11.6M
2022	12*	\$7.5M*

#### Small business enterprises

Year	Small businesses contracted	Vizient Tier I spend
2023	3	\$167,999
2022	3**	\$124,811**

\*Restatement: In 2023, Vizient moved from a self-reporting system to one that requires diverse supplier certification. Data reported in 2022 has been restated using this updated methodology.

\*\*Restatement: In 2023, Vizient updated our small business program to require registration through the federal System for Awards Management database and encourage suppliers to register for additional transparency. Data reported in 2022 has been restated using this updated methodology.

## SUPPLIER DIVERSITY: WHY WE CARE

Diverse suppliers create healthier, more resilient and more prosperous communities. They are more likely to do business with other diverse companies and small businesses, hire diverse local talent, improve access to healthcare for their workers and invest in their hometowns. This has a direct, positive impact on key social determinants of health. Diverse suppliers also increase supply chain resilience, creating greater competition and more robust supply ecosystems.

#### Impact of diverse suppliers

##### Hire local diverse workers

- ▶ Living wage
- ▶ Food security
- ▶ Housing security
- ▶ Health insurance

##### Pay local taxes

- ▶ Fund public education
- ▶ Fund public transportation

##### Invest in local community organizations

- ▶ Bolster the social safety net
- ▶ Improve local environment
- ▶ Improve neighborhood conditions

## Advance supplier diversity for providers

For more than 20 years, Vizient has worked to recruit, mentor, fund, contract and promote diverse suppliers nationwide and in hundreds of local markets across the country. In 2023, Kurin, Inc. was named Vizient’s 2023 Diverse Supplier of the Year, and Fisher & Paykel Healthcare was honored as our Tier 2 Business Diversity Champion of the Year as both demonstrate exceptional engagement and commitment to diversity and inclusion.

We also help healthcare organizations develop and implement their own supplier diversity policies, strategies and programs to meet internal goals and comply with government mandates. Providers who Vizient recognized for supplier diversity excellence in 2023 include Rush University System for Health, North Broward Hospital District, University Health Truman Medical Centers and Stillwater Medical Center Authority.

In 2023, we enhanced our supplier diversity reporting tool to showcase peer comparisons and identify specific opportunities for providers to increase their spend with diverse, contracted suppliers. We continue to expand our portfolio of available contracts with diverse suppliers, with 215 diverse national agreements in 2023.

Year	Total diverse suppliers contracted*	Group Purchasing Tier I spend	Group Purchasing Tier II Distributed spend**	Group Purchasing Tier II spend
2023	167*	\$334.7M	\$121.4M**	\$1.2B
2022	115	\$386.2M		\$1.4B
2021	108	\$334.6M		\$911.8M

\*Beginning in 2023, we have expanded our methodology for qualifying contracted suppliers from national group purchasing contracts only to also include custom, group, Aptitude and Community Contracting agreements.

\*\*Based on guidance from our Supplier Diversity Advisory Council, Vizient began tracking Group Purchasing Tier II Distributed spend starting in 2023. This represents spend with on-contract, certified diverse suppliers who use third-party distributors to provide their product to providers. Prior to 2023, this spend was included as part of Tier I diverse spend calculations.

## Vizient providers spent \$1.5B with diverse suppliers in 2023

# Places

**Where we live matters.** It determines our ability to thrive — to access food, healthcare, education, job opportunities, safe water and clean air. And it determines our ability to survive — to weather intense change and navigate disruption. That's why at Vizient, we believe it's our responsibility to invest in communities and improve local resilience.



# INVEST IN COMMUNITIES

**Communities are the foundation of our lives.**

And the more we invest, the more they give us in return. Vizient channels our time and resources through volunteering, donations and strategic grants. And we encourage providers to act as community anchors and direct their purchasing power toward local suppliers. This not only improves the resilience of their supply chain, but also increases local jobs, community prosperity and access to healthcare — ultimately improving community health outcomes.



## 2023 highlights

**62% of Vizient employees volunteered** in 2023, an 11% increase from the previous year

**Celebrated 20 years of Community Day** where the entire organization takes a day to serve our local communities, together

**Invested \$1.2 million across 79 communities** through our strategic grantmaking

**Enabled \$1.6 million in local spend** through our provider Community Contracting program

**Created 16 new full-time local jobs** through Community Contracting

## Encourage volunteering and donation

Led by our employees, Vizient has a rich culture of giving back to our communities. Here are several ways in which we encourage and support our team:

- **Paid-time-off to volunteer:** Vizient gives full-time workers five paid volunteer-time-off days per year to give back to organizations of their choice
- **Volunteer match program:** Vizient contributes \$15 per volunteer hour, up to \$600 per year to organizations where they choose to volunteer and/or that align with employees' philanthropic priorities
- **Company-wide day of service:** a cultural cornerstone where Vizient closes our offices for the day so all employees can roll up their sleeves and volunteer with the organization of their choice on our annual Community Day

**62% of Vizient employees volunteered in 2023, an 11% increase from the previous year<sup>11</sup>**

### 2023 Volunteering

Employees volunteering	2,751 team members	<b>+8%</b> YOY increase
Total hours	36,030 hours	<b>+24%</b> YOY increase
Number of nonprofit organizations supported by employee volunteering	1,002	<b>+22%</b> YOY increase
Matched contributions	\$325,650	<b>+21%</b> YOY increase
Average volunteer hours per employee	13 hours	<b>+106%</b> YOY increase
Volunteering participation rate	62%	<b>+11%</b> YOY increase

## Collaboration with our DNAs

In 2023, our Community Impact team partnered with our Diversity Networking Associations (DNAs) and our community nonprofit partners to host a myriad of volunteer events throughout the year. Our Latinx and APIDA DNAs hosted volunteering events with culturally sensitive, multi-lingual organizations providing food services and resources to local communities. Our Pride and Black DNAs hosted volunteering events to support nonprofits connecting people to safe and stable housing, while our Ability and Veteran groups focused on supporting community mental health. Dimensions and Women DNAs hosted volunteering events centering on children and families.

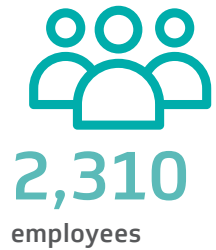
“ This collaboration celebrates the many dimensions of diversity and the intersecting identities of both our employees and our communities. It’s all about creating greater equity for all individuals. ”

— Araba Knoblock, senior product advisor and Dimensions@Vizient DNA chair

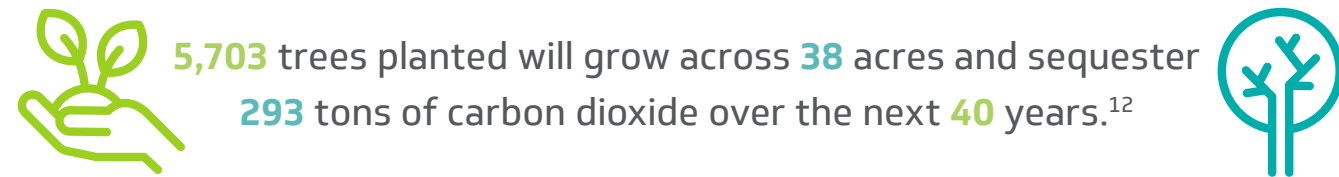


### Community Day: a cultural cornerstone for 20 years

In 2023, the Vizient team came out in full force to celebrate the 20th anniversary of Community Day. We had 2,310 employees volunteer for 12,334 hours with 105 nonprofits across 193 communities around the country.



In addition, Vizient celebrated this anniversary by gifting employees an extra, sixth paid day off to volunteer — and by providing support for forest restoration to the [Arbor Day Foundation](#) in partnership with the [Bonneville Environmental Foundation](#) in Oregon and Washington. We used the Vizient Vulnerability Index to identify this highly impactful location. These trees will work to improve local air quality, support regional biodiversity and restore local salmon habitat.



### Annual Norman Borlaug Humanitarian Award

Each year Vizient presents the [Norman Borlaug Humanitarian Award](#) and \$50,000 grant to a nonprofit organization doing extraordinary work. Nominations for the award are submitted by Vizient provider healthcare organizations, suppliers and employees. An employee-led committee selects three semi-finalists that then go to all employees for a final vote. The winning non-profit organization receives the award at the Vizient Connections Summit, which is attended by thousands of healthcare professionals, manufacturers and suppliers. There, they can easily develop relationships and collaborations with providers in their region. In 2023, Vizient honored Lydia’s House for providing free transitional housing and resources to survivors of domestic violence — a critical step in helping survivors safely reclaim their financial independence and permanent housing.



“ Not only do we make sure that providers have the resources to give the best possible care, but we also make sure that their communities have the resources to stay healthy. Community Day brings that ecosystem of inclusive care to life. ”

— Monica Davy  
Chief culture, diversity and impact officer, Vizient

## Leverage the Vizient Vulnerability Index to target our impact

In 2023, we continued to use data to identify the specific needs of our local communities, down to the zip code and census tract. This additional layer of information allows our team to target volunteer, donation and grantmaking efforts where they are needed most. For example, identifying food insecurity as the primary challenge facing a community directs us to prioritize food drives over other activities.

### Vizient builds robust partnership with Cigarroa Elementary

Located in Northwest Dallas, Cigarroa Elementary is home to hard-working and resilient families facing systemic challenges. According to the Vizient Vulnerability Index, these include high rates of poverty (47%), lack of health insurance (56% of adults), and lack of internet access (20% of households do not have broadband). Vizient, in partnership with United to Learn, has invested in this tight-knit school community since 2018 to strategically bolster its access to the essentials of a healthy life.

In 2023, United to Learn asked Vizient to participate in a literacy program at Cigarroa that would help the children to see themselves and the value of their unique communities through books, build their own home library and encourage a love of reading and learning. Vizient engaged our Diversity Network Associations (DNAs) to create a book list that employees could then purchase and Vizient matched. This effort culminated in Vizient hosting an exciting Book Bash event where students could browse books, read with volunteers, and select a book of their own to take home.

To cap off the festivities, we hired the nationally acclaimed Filipino acapella group, The Filharmonic, to perform a private concert for the students of Cigarroa and share life and career perspectives with the students. Under the supervision of professional producers, sixth grade leaders gained exposure to new career tracks as they worked as stagehands, emceed the event and moderated questions for the band.

### Book Bash at Cigarroa Elementary



**750**  
books donated in Spanish and English



**576**  
students took home new books



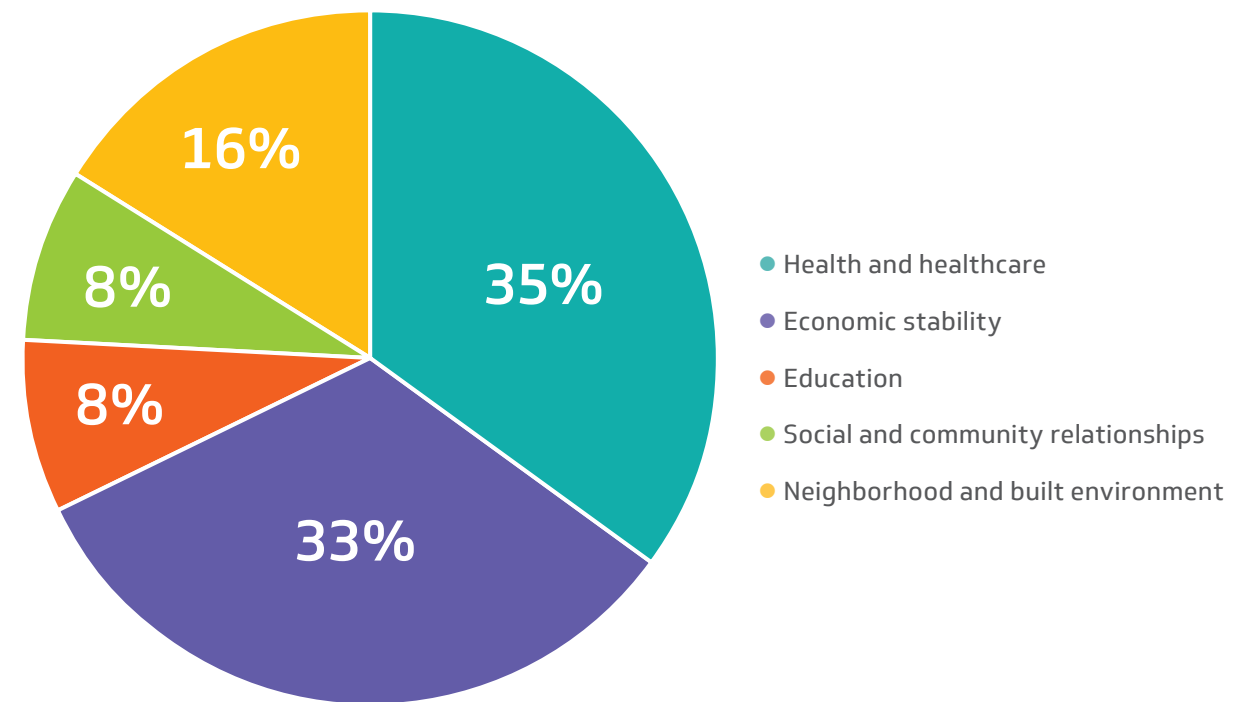
**40+**  
Vizient volunteers

In 2023, **111 employees volunteered** a total of **536 hours** at Cigarroa Elementary.

## Make strategic grants to local organizations

In alignment with social determinants of health, Vizient partners with innovative frontline organizations across the country with a strategic focus on access to healthcare and economic opportunity, as these two most directly align with our core business while also delivering high social impact.

In 2023, we invested nearly **\$1.2 million** across **79 unique communities** across the U.S. through our grantmaking.



## Grew local Community Contracting

Providers can improve the health of their communities by making the most of every dollar — reimagining how they source everything from accounting and laundry services to surgical products and capital construction. Embedded within our spend management framework, Vizient’s Community Contracting Program is an innovative economic development strategy that helps healthcare organizations shift spend to certified local diverse suppliers, as well as registered small businesses. Applying lessons learned from our 2021 pilot, Vizient officially launched the program in 2022 in four regions: upstate New York, Louisiana and southern Mississippi, Michigan and Minnesota.

In 2023, the Community Contracting Program completed 26 events across these geographies and engaged more than 200 small and diverse businesses. The program continues to build relationships with anchor institutions, community-based organizations and advocacy groups across our customer footprint.

Community Contracting spend grew by 13% in 2023

Year	Provider Community Contracting spend	New jobs created*	Economic impact: earnings**
2023	\$1.6M	16	\$4.0M
2022	\$1.4M	13	\$3.0M

\*New full-time jobs are estimated with the U.S. Department of Commerce, Regional Input-Output Modeling System (RIMS II) using spend amounts, geographic location and North American Industry Classification System (NAICS) codes for each supplier as inputs.

\*\*Additional earnings received by households from the production of regional goods and services attributed to this Community Contracting program in 2022, calculated per the U.S. Department of Commerce, Regional Input-Output Modeling System (RIMS II) using spend amounts, geographic location and North American Industry Classification System (NAICS) codes for each supplier as inputs.



# IMPROVE RESILIENCE

## Hospitals anchor their communities.

In addition to providing care, they are often the largest regional employer and customer for various local businesses. They serve on the front lines of every disaster and are the last line of defense in emergencies. But climate change has exacerbated natural disasters. And the global complexity of the supply chain has increased exposure to disruptions, shortages and financial pressures. Vizient works with providers, suppliers and other industry stakeholders to build our collective resilience and ensure the ability to deliver uninterrupted care.



## 2023 highlights

**Issued 599 rapid reports** on potential market disruptions

**Ensured 2.2M units of essential medications during shortages** to patients in need via our manufacturer inventory program

**Promoted drug shortage stewardship** across the industry to help mitigate access issues across the supply chain

**Published a white paper on the oncology drug shortage** including recommendations for mitigation

**Helped providers respond to an EF-3 tornado** that struck a Pfizer facility in North Carolina impacting 8% of all sterile injectables in the U.S.

## Integrate resilience across our organization

Healthcare is a complex system — and every decision has consequences and trade-offs across myriad dimensions. Vizient empowers providers to make informed decisions that simultaneously consider their multiple priorities.

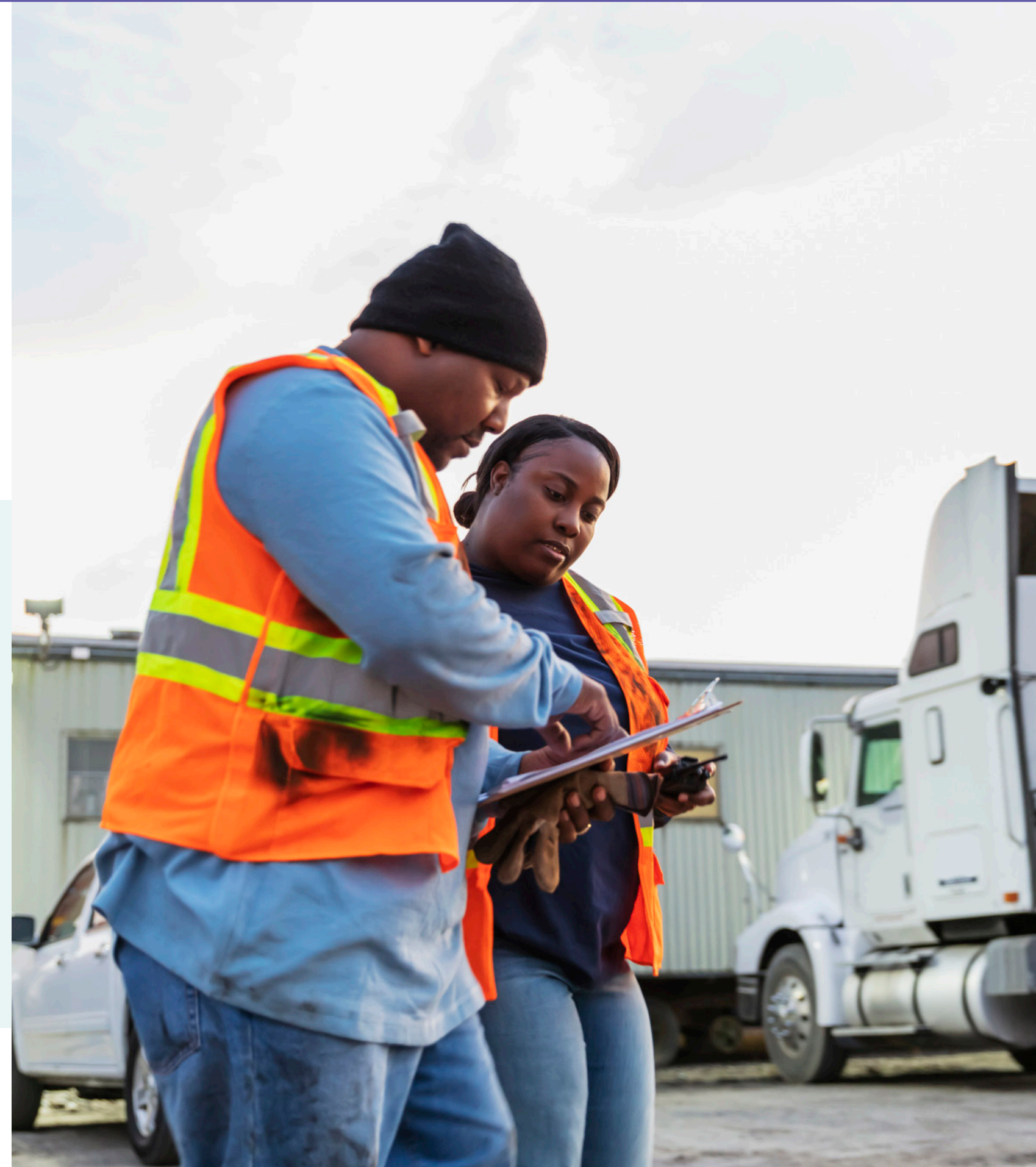
- **Dedicated resilience team:** Our cross-functional, dedicated assurance team constantly monitors market news around the globe. We created a new role, VP of Assurance and Continuity, and dramatically elevated our capabilities through process efficiencies and automation. In 2023, our team issued 293 robust briefs designed to give important, detailed information providers on supply issues, along with 306 substantive updates.
- **Total value analysis:** Our approach integrates supply assurance with price assurance, sustainability, supplier diversity, and insights and intelligence. Vizient shares this integrated analysis with providers so they can consider resilience across their decision-making.
- **Assurance innovation:** Vizient invests capital and resources into strategic partnerships, alternative manufacturing ventures and other solutions alongside our providers.

## RESILIENCE: WHAT WE'VE LEARNED

In 2023, we experienced hurricanes Nicole and Idalia, devastating wildfires in Hawaii and tornadoes ripping across the central U.S. We also saw rail strikes, the bankruptcy of Yellow Corporation, semiconductor and helium shortages, and domestic manufacturing closures — not to mention devastating ongoing wars, shipping diversions from the Red Sea, and rising tensions between China and Taiwan. The world is rapidly changing, and the way we think about emergency preparedness and disaster response needs to evolve along with it. Our goal is to accelerate healthcare into the new paradigm.

### FROM TO

Moments in time	All the time — the new normal
Silver bullet solutions	Complex trade-offs and implications
Isolated department	Integrated practice
Supply chain	Supply ecosystem
Enhanced supply	Enhanced supply and operational agility
Anticipatory over-purchasing	Calculated resource stewardship





## Build provider capacity

Vizient knows how to build a resilient anchor organization. And we help providers to develop these core capabilities across their systems.



### Mitigation

minimize risk by assessing business continuity, anticipating disruptions, diversifying their supply ecosystem and adapting infrastructure



### Preparation

preparing for the worst by developing robust contingency plans — and building the necessary cultural agility and high-reliability practices to respond to changing circumstances



### Response

monitor dynamic situations, filter critical information, communicate with clarity and timeliness, and execute emergency plans successfully

Our team issued **599 supply assurance-related communications** in 2023.

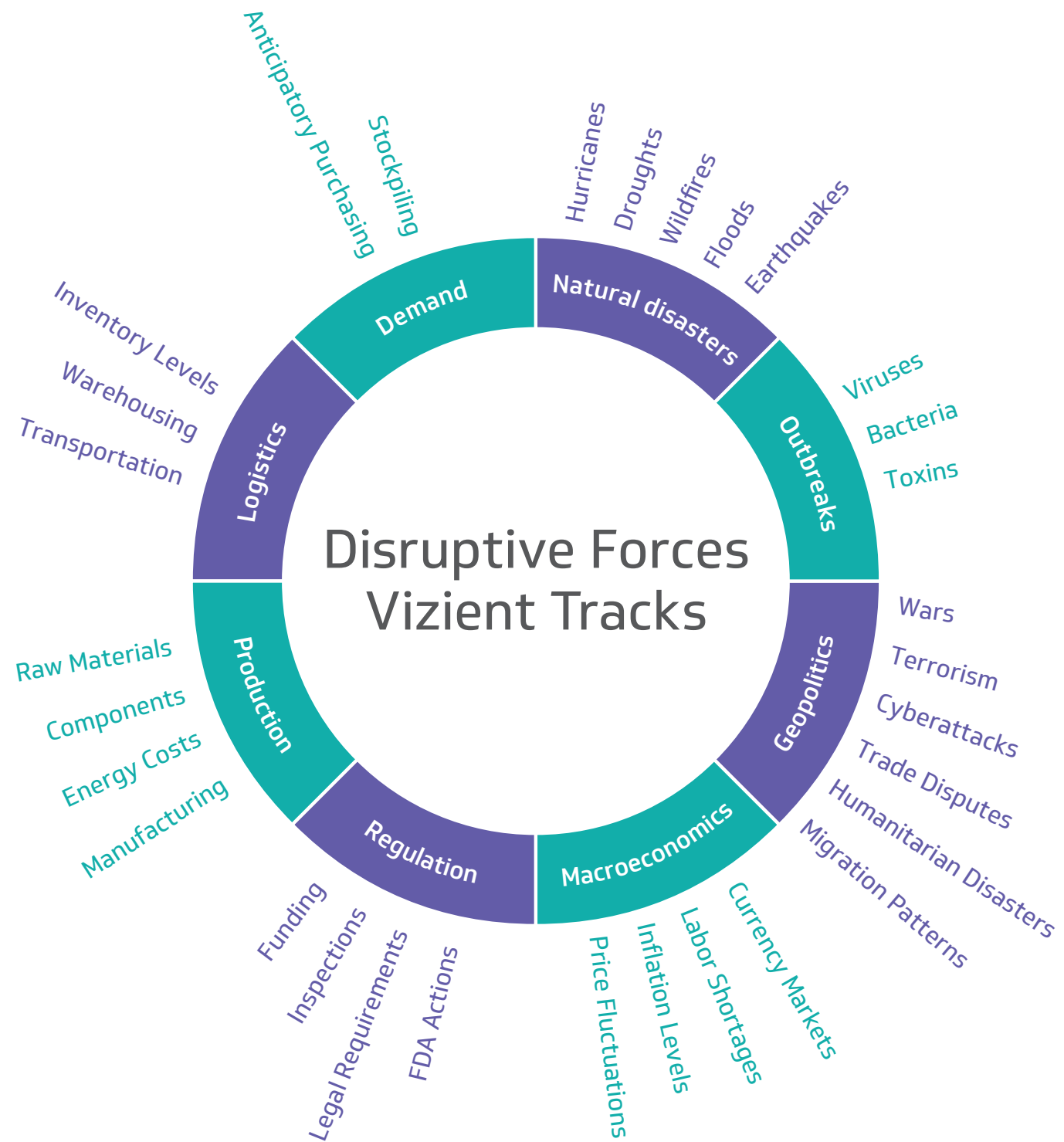
### PREPARATION IN ACTION: HIGH-STAKES LABOR TALKS

In July of 2023, providers across the country were facing a potential logistical nightmare. If UPS and the Teamsters Union failed to reach an agreement, more than 340,000 workers would likely strike — landing a devastating blow to the supply chain, as more than half of the U.S. transport and logistics market is controlled by the company.

So when Vizient gathered FedEx, Owens & Minor and Cardinal Health™ OptiFreight® Logistics together for a live webinar, more than 800 providers joined. This allowed providers to learn where they were most at risk and discuss the potential of converting to alternative carriers with transportation leaders in real time. Vizient also set up a Command Center to deal with provider concerns related to the labor talks, which was bolstered by the expertise of internal category managers.

While that crisis was averted, the relationships created to mitigate it carry long-term benefits. “The trust and goodwill that has been built means that when there’s an emergency,” said Caleb Jameson, vice president of enterprise contracting at Cardinal Health, “we’re all able to quickly come together to help.”





## Issue rapid disruption reports

To keep providers ahead of potential or emerging disruptions and informed with the latest, most accurate information, our resilience team operates like a newsroom. Given the vast range of products and services that delivering care requires, it's our job to cover everything from the medical equipment market to water levels in the Panama Canal to droughts impacting the supply of orange juice. We work around the clock to report on the gamut of intersectional issues that impact the delivery of healthcare, and issue concise and informative briefs covering emerging, ongoing and recovering market disruptions. These include:

- **Disruption Briefs** on specific market, product, raw material and logistic disruptions, as well as natural disasters
- **Weekly Digest** sharing the latest news and events with 12,531 healthcare workers
- **Budget Impacts Projections** sharing aggregate estimates for non-labor operating expense growth
- **Targeted Resources** focused on specific markets like facilities construction and food

“ When it comes to disruptions, providers look to us for actionable information delivered as quickly as possible. The extra days, hours or minutes can make a difference in mitigation planning. We provide accurate information that they can trust and act on, down to specific product alternatives and mitigation strategies.

— Kevin Johns, senior director of assurance, Vizient ”

## RESILIENCE IN ACTION: WHEN TORNADOES HIT A PFIZER PLANT

When an EF-3 tornado struck the Pfizer facility in Rocky Mount, North Carolina, questions whirled: What exactly was impacted? Where can we learn more? And perhaps most importantly — when will manufacturing resume? The plant is one of the largest sterile injectable facilities in the world, with more than 1.4 million square feet of space on 250 acres. Additionally, nearly 25% of Pfizer's sterile injectables — which accounts for approximately 8% of all medication injected directly into U.S. hospital patients' bloodstreams — are manufactured at this plant.

Within hours of the tornado damage, our rapid response team issued a Market Disruption Brief detailing the current conditions, Vizient's response, distributor actions and recommendations for providers. Within 48 hours, we hosted a webinar connected more than 1,200 providers directly to two Pfizer representatives. Providers learned that the primary impact of the tornado was to the warehouse facility and that production was expected to resume by Q4 2023. We quickly turned around a Supply Chain Disruption Report, including a market analysis of the subset of products provided by Pfizer with less than three months of inventory, as well as available mitigation strategies for several affected products.

"The webinar was very useful as Pfizer shared that the warehouse was the primary impact and that the production lines were okay. So that was extremely helpful in decreasing the tension," said Matthew Wolf, senior pharmacy coordinator at Allina Health. "The Market Disruption Brief was a valuable resource to share with our leadership, and the Supply Chain Disruption Report helped us look ahead and strategize how to mitigate these challenges."



## Increase industry transparency and collaboration

Increasing supply chain resilience is bigger than any one organization. It requires broadening connectivity and collaboration across the industry and advocating for resources to prepare for the next pandemic, disruption or disaster.

- **Healthcare Industry Resilience Collaborative (HIRC).** Vizient continued our active participation as a member of HIRC, a nonprofit organization connecting providers, suppliers and industry stakeholders around supply chain transparency and care continuity.
- **Preparedness Advocacy.** Vizient advocates for policy that supports resilience — specifically increasing supply chain transparency, encouraging competition, promoting diversification, and encouraging strategic reserves. For example, in 2023 we offered feedback on the reauthorization of the [Pandemic and All-Hazards Preparedness Act \(PAHPA\)](#). This included recommendations for increasing jurisdictional preparedness, emergency coordination, inventory transparency, updating the FDA Essential Medicines List and collaborating with the private sector, among others.

## Bolster climate adaptation and resiliency planning

Extreme weather and chronic pollution cost healthcare \$820 billion — and at least 114 hospital evacuations — each year.<sup>13,14</sup> The healthcare industry must respond with proactive climate adaptation strategies. Our Task Force on Climate-Related Financial Disclosures (TCFD) Issues Brief, developed in partnership with our insights and analytics team, maps the specific physical and transitional risks and opportunities around climate and assesses the impact on healthcare. The report models two scenarios — a global temperature rise of 2 and 4 degrees Celsius. We have shared these insights with the National Academy of Medicine (NAM)'s Action Collaborative on Decarbonizing the U.S. Health Sector and are now beginning to explore how these findings can bolster climate adaptation and resiliency planning and complement Vizient's health equity competencies.

## Care in times of disaster

The Vizient Disaster Response Program uses proactive forecasting to anticipate needs and proactively reach out to suppliers and providers who are in the path of a hurricane, tornado, earthquake, wildfire or flood. With collaborative relationships spanning the value chain, Vizient is uniquely positioned to drive action after disaster. For more than 30 years, the Vizient Foundation has provided financial support to Vizient employees and employees of our providers and suppliers affected by FEMA-declared disasters. Since 1992, Vizient has engaged in 186 disaster relief efforts, donating \$13.79 million to support more than 170,939 people after emergencies. Fortunately, 2023 saw fewer FEMA-declared natural disasters in our communities than in previous years — with Vizient supporting five disaster relief efforts and reaching 67 people with \$13,000 in donations.

## Collaborate to end drug shortages

Drug shortages can cause patients to delay or forgo even life-saving care. They are also directly related to 38% of medical errors and cost the healthcare industry \$359 million every year in increased labor<sup>15</sup>. According to the [American Society of Health-System Pharmacists](#), the U.S. hit a new ten-year record of 301 active drug shortages during the first quarter of 2023 — and another of 309 in the second quarter. So last year, Vizient doubled down on our efforts to ensure access to essential medications.

- **Expanded Novaplus Enhanced Supply.** This program creates an additional manufacturer inventory of essential medications for immediate access during an unanticipated drug shortage. Today, more than 147 million additional units across more than 523 distinct formulations are warehoused in the U.S. by manufacturers — representing a 13% increase from 2022 inventory levels. These include everyday essential medications, antidotes and oncology drugs. The program also expanded to include 24 new molecules of essential medications not previously covered, including vasopressin, iodixanol, and bupivacaine HCl. In 2023, the [Novaplus Enhanced Supply](#) program provided 1,300 healthcare organizations with access to more than 2.2 million units of manufacturer inventory of essential medications when the drug was not available through normal supply channels — of which 585 units went to providers who were not Vizient customers. This included two essential oncology agents and an essential anti-infective drug to treat severely ill patients.
- **Published a report on the oncology drug shortage.** In August 2023, Vizient published a [white paper](#) identifying seven oncology medications — capecitabine, carboplatin, cisplatin, docetaxel, fludarabine, fluorouracil and methotrexate — that have scarce availability and require mitigation protocols to sustain patient care. We found that the total number of units sold to Vizient Pharmacy Program participants increased 12% January through May 2023, compared to the previous year. At the same time, the Vizient Clinical Data Base showed relatively flat growth (1.5%) of patient volumes that would receive antineoplastics as part of their oncology medications for that period. Our findings showed that the lack of transparency into the magnitude and duration of shortages, in addition to manufacturers and distributors responses,

resulted in significant uncertainty for providers. This likely translated to ordering higher quantities than normal and ordering from alternate sources, further stressing the supply for workhorse oncology agents. The report recommended increasing transparency in the supply chain to prevent over-ordering and build the trust needed for providers to practice drug shortage stewardship.

- **Advocated for policy to improve medication access and market competition.** In 2023, Vizient endorsed multiple legislative proposals including the [Pioneering Antimicrobial Subscriptions to End Upsurging Resistance \(PASTEUR\) Act](#) to help fund the development of new antibiotics to meet challenges of resistance, and the [Biologics Competition Act](#) to ensure that biosimilar medications remain accessible and to bring clarity to clinicians and payers as to the substitution of interchangeable biosimilars with originator biologics. Our advocacy seeks to support a market that supports the development of novel agents and healthy competition once medications reach the end of their exclusivity periods.
- **End Drug Shortages Alliance (EDSA).** In 2021, Vizient launched the industry-wide [End Drug Shortages Alliance](#) with 12 founding members to better predict and avert potential supply disruptions and to align supply chain partners on medication redundancy. By the end of 2022, the independent alliance had grown to more than 160 members representing all segments of the pharmaceutical supply chain — with all committees being chaired by leaders from outside of Vizient. In 2023, the alliance continued to provide rapid market analysis of affected products and mitigation strategies for manufacturers, wholesalers, group purchasing organizations, providers and clinicians.



### DRUG SHORTAGE STEWARDSHIP: WHY IT MATTERS

After the dramatic shortages experienced during the pandemic, many providers have been left with little trust in the healthcare supply chain. So, when supply disruptions happen, many engage in protective purchasing to ensure that they have enough medicines to treat their patients. But when protective purchasing turns to stockpiling, spikes in demand can lead to more severe and extended shortages and distort the market for months.

Drug shortage stewardship is a data-driven, coordinated approach that honors the needs of local patients while limiting the severity of a shortage at the national level. In addition to traditional drug shortage management, stewardship also includes:

- Implementation of mitigation strategies even when shortages are not actively impacting the organization
- Continuous review of essential medication prescribing patterns, including low-cost generics, to ensure optimal use regardless of the presence or absence of a supply situation
- Communication mechanisms outside of the organization to convey stewardship actions
- Avoidance of anticipatory purchasing beyond routine or regulatory needs

While most organizations operate under some or all of these tenets, there is an opportunity to further apply these principles across the broader healthcare system to minimize the severity and duration of disruptions. To learn more, listen to our [VerifiedRx podcast episode on drug shortage stewardship](#).

# Planet

**Our health depends on the health of the planet.** From microplastics in our organs to pollution-induced asthma, our decisions have consequences. But as a sector, we can make healthier ones. That's why at Vizient, we believe it's our responsibility to redesign waste and empower decarbonization.

# REDESIGN WASTE

## How we use resources matters.

Healthcare has an opportunity to move beyond the prevailing ‘take-make-waste’ linear model. To prioritize not just the end-user of a product, but the entire ecosystem of stakeholders impacted during its lifecycle. To reduce waste and pollution, keep useful materials in circulation and regenerate our natural resources. At Vizient, we’re committed to creating win-win-win opportunities for the health of our planet, our communities and our industry.



## 2023 highlights

**Recycled 3,476 computers** and related electronic components with certified partners and donated 65 refurbished laptops to college-bound seniors

**Co-developed world’s first standard** for sustainable medical imaging equipment

**Exponentially increased the transparency of our portfolio,** integrating 81 sustainable attributes across nine product categories

**Partnered with Stanford Health Care** to make the business case for sustainability to healthcare executives

## Reduce our waste footprint

Vizient considers the responsible waste attributes of the products and services we purchase for our organization — as well as how to most responsibly close the loop or dispose of waste at the end of its lifecycle. Based on our footprint as a professional services company, we are focused on sustainable buildings, electronics and furniture waste, and sustainable events including:

**Maintaining LEED® standards for offices:** Our headquarters in Irving, Texas, has LEED® Silver Certification for Commercial Interiors. Its construction used 24% recycled materials and diverted 75% of on-site waste from landfills. Our second-largest office in Chicago, Illinois, is LEED® Gold Certified. Located in the historic Old Post Office, it has been hailed as a model for adaptive reuse. Moving forward, we are committed to maintaining a minimum standard of LEED® Silver Certification for new offices.



**Donating surplus office furniture:** When Vizient moves or updates offices, we refurbish and donate all office furniture and supplies to local nonprofit organizations. From 2022 through the first half of 2023, Vizient worked with partners ANEW and CheckSammy to divert 142.8 US tons from landfills through recycling and donating to nonprofits across Los Angeles, Chicago, Nashville and Centennial, Colorado. For example, in Chicago, all Vizient furniture was donated to local fire departments.

**Recycling electronic waste:** According to the [International Labor Organization](#), electronic waste is the fastest growing solid waste stream in the world. Electronics contain harmful chemicals such as dioxins, lead and mercury. We must keep them out of landfills and out of unsafe global recycling systems, which pose serious health risks to those workers, who are all too often children. In 2023, Vizient recycled 1,726 computers with Ingram Micro — along with another 1,750 various electronic components such as docking stations, hard drives and cables.



**Donating laptops to college-bound seniors:** Through our partnership with Big Brothers Big Sisters, Vizient donated 65 refurbished laptops in 2023 to college-bound graduates participating in mentorship programs — bringing the total number of machines donated to 450 since 2018.

**Reducing the impact of our events:** Vizient hosts more than 300 events every year. In 2023, our event sustainability champion engaged the Events Industry Council (EIC) Sustainable Events Standards to undergo certification and to develop a roadmap for improving the footprint of our events. This involves everything from minimizing attendee travel to meeting diverse needs to selecting sustainable catering partners to local community engagement. In 2024, we plan to formalize a committee to oversee this work and implement other policy and governance recommendations from the roadmap.



## Set the waste standard

In 2023, Vizient collected responsible waste attributes for 91% of contracted suppliers. Additionally, all suppliers on contract report on key waste and circularity questions in our standard supplier questionnaires.

### Responsible waste attributes



#### Product Materials

Product is not regulated as hazardous waste when used as intended

Product contains more than 10% post-consumer recycled content

Product received Forest Stewardship Council Certification

Product is certified compostable



#### Product End-of-life

Product is recyclable in least 60% of communities where the item is sold

Packaging is recyclable in least 60% of communities where the item is sold

Packaging is labeled with consumer-friendly recycling information

Product is designed for multiple re-use



#### Packaging Materials

Primary packaging contains more than 10% post-consumer recycled content

Secondary packaging contains more than 30% post-consumer recycled content

Packaging received Forest Stewardship Council Certification



#### Supplier Attributes

Supplier waste reduction strategies also consider associated carbon emissions and wastewater

Supplier utilizes life cycle assessments (LCAs)

Supplier has end-of-life product take-back programs



### CIRCULARITY: WHY WE CARE

The global economy runs on a “take-make-waste” model — extracting raw materials from the earth, producing, packaging and transporting goods using carbon-based energy, and leaving end users to dispose of products in landfills or incinerators. But natural resources are finite. Atmospheric composition is degrading. And the impacts of pollution are everywhere — from the heights of the stratosphere to the depths of the ocean to inside our own bloodstream.

Circularity reimagines that linear system — how we source and manage resources, how we make and use products, and what we do with products at the end of their lifecycle.

Circular design prioritizes not just the end-user of a product, but the entire ecosystem of stakeholders impacted during its lifecycle. It seeks to eliminate waste and pollution, keep useful materials in circulation and regenerate natural resources. By applying circular principles, we can unlock new value and new opportunities for the health of our communities, planet and business.

## Commit to transparency

Vizient includes these responsible waste attributes in our supplier RFPs (requests for proposals) and surveys as part of the national bid process. When we started collecting waste attributes in 2017, 8% of suppliers reported. In 2023, 91% of suppliers in the national bid process reported on waste attributes. We are committed to maintaining this level of transparency moving forward, and always striving for 100%. Our digital platform for our contract catalog empowers providers to easily search, filter and compare products across a range of attributes including waste and circularity.

## Accelerate alternatives

We help suppliers and providers conduct total value analyses to comprehensively evaluate potential financial, clinical and operational impacts of more sustainable alternatives. We also highlight more sustainable alternatives through our Environmental Sustainability program and through our rigorous EPS designated portfolio containing third-party certified products.

## SUSTAINABLE SOURCING: WHAT WE'VE LEARNED

With more than \$140B in annual purchasing volume, Vizient supports sourcing for more than 60% of the American healthcare supply chain. Given our position, we have a tremendous opportunity to drive market transparency. But defining sustainability and deciding which attributes to collect, compare and elevate across the supply chain is a huge undertaking. Vizient evaluates nearly 500 product and service categories — from IV bags to cheesecake to landscaping services to new capital construction — along with the operations, manufacturing, and distribution impacts of more than 1,750 suppliers. This requires:

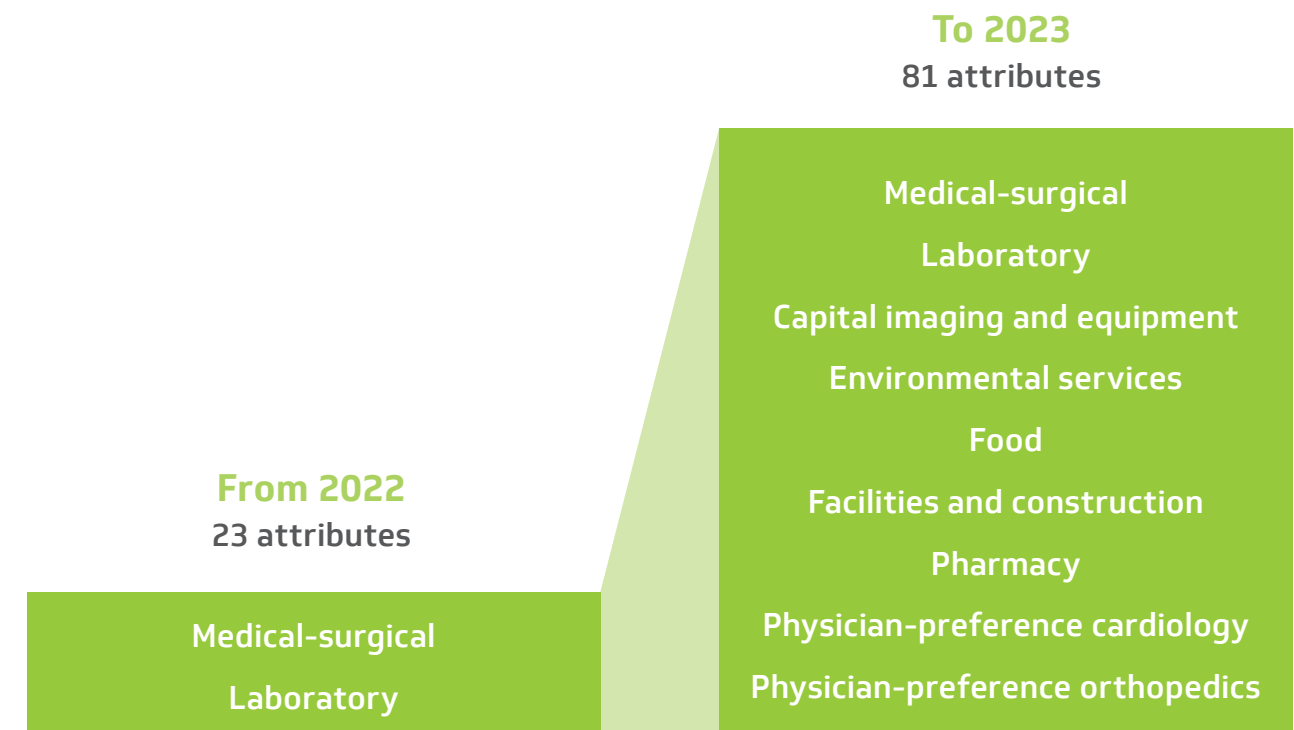
- **Constant collaboration** to align providers goals with supplier performance
- **Consistent information** both requests in and reports out to establish trust and transparency
- **Total integration** of sustainability impacts alongside other decision-making factors



## Drive transparency across more sourcing categories

Vizient is committed to creating the most transparent product portfolio in healthcare. In 2023, we took a huge leap forward by integrating 58 new sustainable attributes into our product database, in addition to the 23 attributes already tracked in the medical-surgical and laboratory categories. Now, Vizient's product database includes 81 category-specific sustainable attributes for capital imaging and equipment, environmental services, food, facilities and construction, pharmacy, and physician preference cardiology and orthopedics — representing roughly 60% of the Vizient portfolio.

**81 sustainable attributes now tracked in the product database**





## Commit to growing our most rigorous portfolio

Our Environmentally Preferred Sourcing (EPS) Designated Portfolio is the largest in the industry and is fully compliant with the Federal Trade Commission's Green Marketing Guides. All contracted suppliers and products meet our most rigorous general and category-specific environmental criteria, provide approved third-party certification, and report their own conventional and environmentally preferred spend. In 2023, the portfolio offered products from 15 suppliers across furniture, floor coverings, door, door handles and controls, mattresses, baby care products and hand hygiene. This represented a contraction from the previous year, due to our legal team pausing portfolio growth to confirm full FTC compliance. With several suppliers in process, we look forward to growing our EPS designated portfolio in 2024.

## Leverage our role as a market connector

One of our core offerings is spend optimization and procurement. Representing \$140B in annual purchasing volume, Vizient is uniquely positioned to motivate the market toward greater transparency and sustainability. Specifically, our role is to connect and collaborate with suppliers and providers to set the standard, commit to market transparency and accelerate more sustainable alternatives.

“ Supporting the health of our planet isn't just the right thing to do — it's critical to our mission of improving health in our communities and around the globe. We are committed to prioritizing sustainability in our operations and collaborating across the industry to reduce our environmental footprint. ”

— David Entwistle, president and CEO, Stanford Health Care

## Engage suppliers through our Environmental Sustainability Task Force

Today, suppliers are inundated with wide-ranging data requests from all directions. In an effort to support suppliers, Vizient launched our Environmental Sustainability Task Force to bolster alignment among our suppliers on data gathering and reporting standards, and to drive sustainable performance and innovation throughout the healthcare value chain. Comprised of 20 leading suppliers representing a cross-section of product categories — including Vizient Sustainability Supplier of the Year GOJO Industries — the task force meets monthly to work on priority projects.

## Co-develop world's first sustainable purchasing standard for medical imaging equipment

Setting global standards is complex, time-consuming work. Since 2021, Vizient has collaborated with global coalition partners including Clean Production Action, Europe's COCIR and the Global Electronics Council to help launch the Medical Equipment Proactive Alliance for Sustainable Healthcare. Following two years of hard work, the group released a draft of the world's first sustainability **criteria for medical imaging equipment**, including computed tomography (CT), magnetic resonance imaging (MRI), positron emission tomography (PET), single photon emission computed tomography (SPECT), ultrasound, and x-ray. After a **public comment period**, standards are on target to be rolled out in 2024.



## Empower providers to drive sustainable performance

Using our data analytics and deep subject matter expertise, Vizient partners with providers across the country to develop and implement strategies for optimizing energy, water, waste, transportation, construction for maximum positive impact to human, planetary and business health. For example, in 2023 we partnered with Stanford Health Care to make the business case for sustainability to industry executives. We also provided data and analytics to Cleveland Clinic, which enabled them to reprocess approximately 256 tons of single-use devices over five years.

### Leverage our Environmental Advisory Council

The aim of our Vizient-hosted, provider-led Environmental Advisory Council is to guide Vizient’s sustainability strategy and offering, and to champion our collaborative work across the industry. Chaired by two different providers, the group meets monthly in sessions facilitated by our subject matter experts. The council leads by example through its commitment to sustainable purchasing and promotes sustainability amongst providers by facilitating expert presentations on topics such as environmentally preferred purchasing, chemicals of concern, and greenhouse gas emissions.

In 2023, the council facilitated the development of several new initiatives and solutions, such as:

- **Supplier education:** increasing supplier understanding and action around topics such as emissions measurement, reporting and reduction
- **Supplier emissions data:** requesting supplier climate commitments and data for Scopes 1 and 2, while encouraging Scope 3 disclosure
- **Emissions measurement:** developing a shared methodology and tool for Scope 3 measurement

### 2023 VIZIENT ENVIRONMENTAL ADVISORY COMMITTEE

Children’s Health System of Texas	Novant Health
Children’s Hospital of Philadelphia	Ochsner Health System
Cleveland Clinic	OhioHealth
Intermountain Healthcare	Regents of the University of California
Jackson Health System	Rush University System for Health
Kaiser Permanente	SSM Health
Legacy Health	Stanford Health Care
Mass General Brigham	The Ohio State University Health System
Mayo Clinic	University of Maryland Medical System
Memorial Sloan Kettering Cancer Center	University of Michigan Health



# EMPOWER DECARBONIZATION

## It's time for collective action.

Climate change is the biggest threat to global health, so we must work together to innovate and scale solutions in the next decade.<sup>16</sup> The healthcare industry itself plays a role, producing 8.5% of all U.S. emissions — the majority of which stems from the supply chain.<sup>17</sup> As Vizient represents \$140B in annual purchasing volume and advises two-thirds of the providers in the U.S., we have a unique responsibility to motivate and support the market to address this issue and move toward greater transparency and sustainability.



## 2023 highlights

**Conducted our baseline inventory** to calculate our greenhouse gas emissions

**Co-developed methodology for Scope 3** greenhouse gas emissions with leading providers and suppliers

**350+ providers leveraged our solutions** to measure their environmental footprint

**Co-launched CHARME** — the Collective Healthcare Action to Reduce MedTech Emissions



## Pledge to go net zero by 2050

In 2022, Vizient signed the White House and U.S. Department of Health and Human Services (HHS) [Climate Pledge](#). This commits Vizient to reducing Scope 1 (direct) and 2 (indirect) greenhouse gas (GHG) emissions by 50% by 2030 and achieving net zero Scope 1 and 2 emissions by 2050.

### SCOPES: WHAT TO KNOW

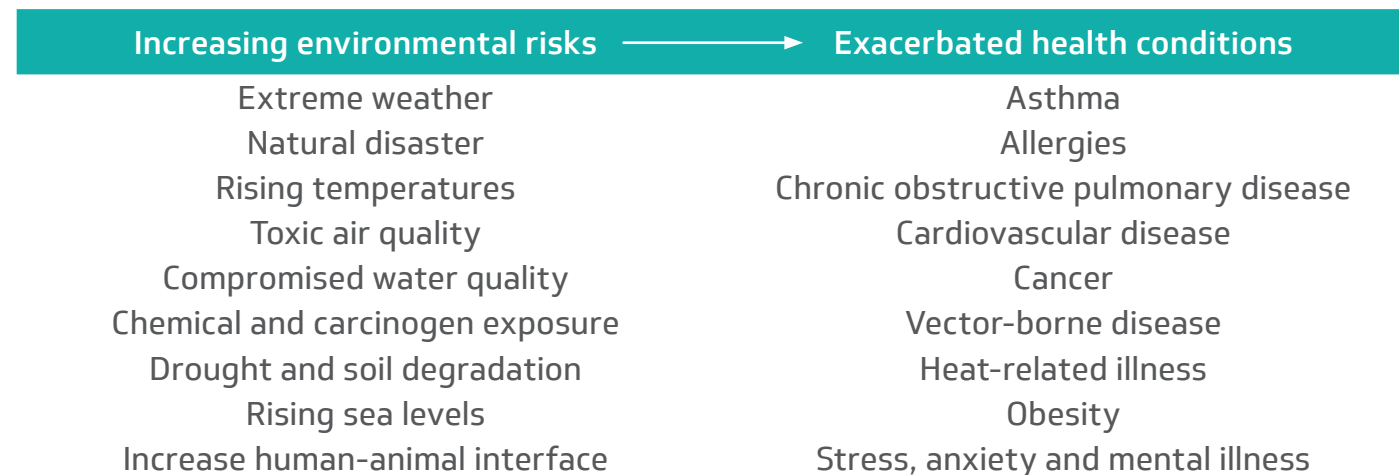
To reduce the impacts of climate change, we have to be able to measure our progress. Conducting an inventory of greenhouse gas (GHG) emissions using the [GHG Protocol](#) is the leading standard. Here, emissions are broken down into three categories or scopes. More than 80% of the U.S. healthcare’s GHG emissions come from Scope 3 – the value chain. Given Vizient’s role connecting more than half of the country’s suppliers and providers, we have a unique opportunity to motivate the market toward greater transparency and sustainability.

Scope	Provider example	Percentage of healthcare emissions <sup>18</sup>
<b>SCOPE 1: Direct emissions</b> that occur on-site or from sources that are controlled by the organization	hospital boilers, anesthetic gases and ambulances	7%
<b>SCOPE 2: Indirect emissions</b> that occur during the production of energy for the organization’s use	purchased electricity	11%
<b>SCOPE 3: Indirect value-chain emissions</b> that occur upstream and downstream of the organization (and not included in 1 or 2)	the production, transportation and end-of-life treatment (e.g., landfill, incineration, recycling) of purchased goods and services	82%

## Conduct greenhouse gas emissions inventory

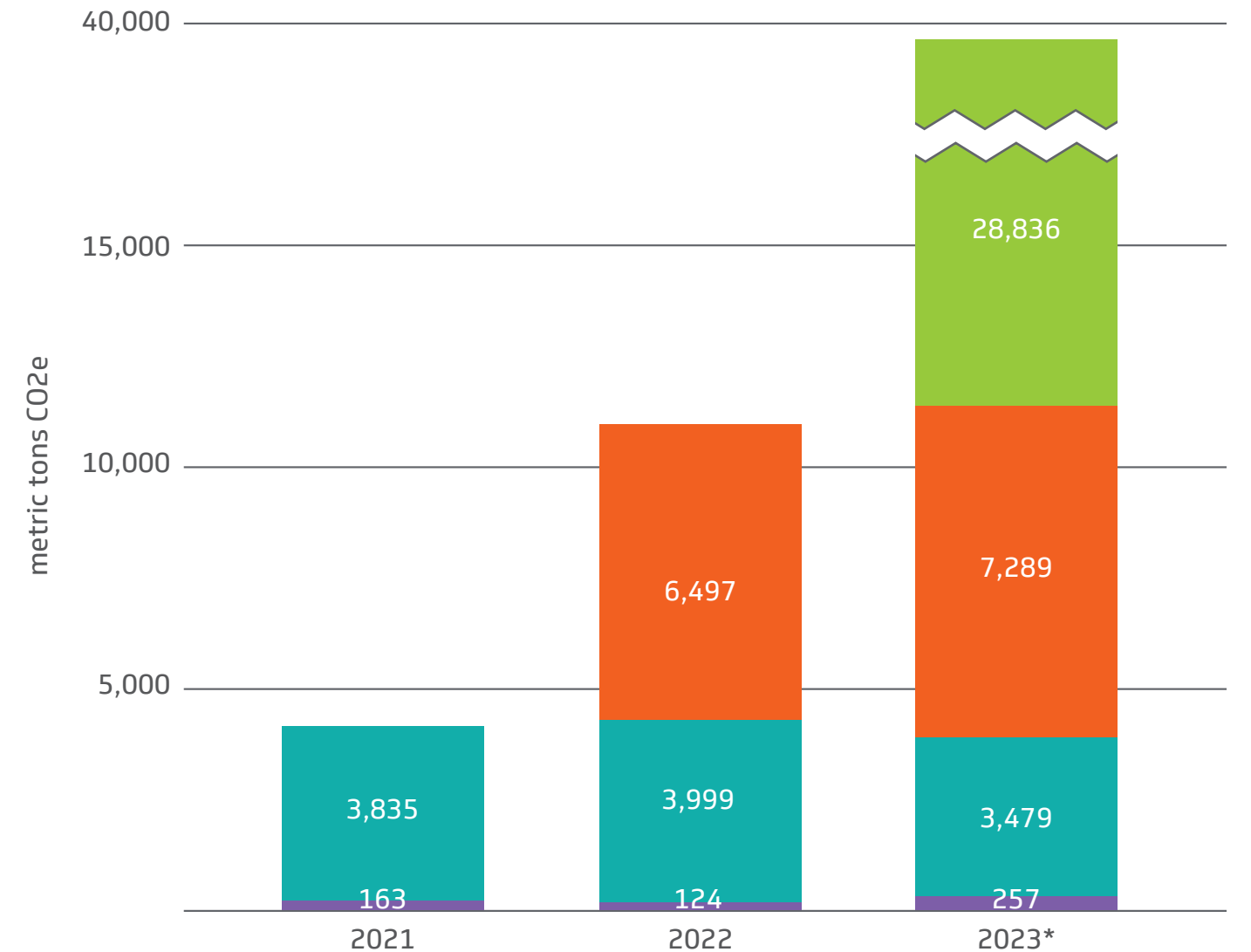
In 2023, Vizient completed a baseline assessment to measure the company’s carbon footprint in alignment with the Greenhouse Gas Reporting Protocol. To determine our Scope 1 and 2 greenhouse gas (GHG) emissions, data from our office locations was collected based on operational control. Vizient’s Scope 1 emissions include use of natural gas and fuel at our office locations and one company-owned vehicle. Vizient’s Scope 2 emissions are based on purchased electricity at our office locations. Currently, the majority of Vizient’s Scope 2 emissions are generated by our corporate headquarters in Irving, Texas.

Vizient also evaluated our value chain and began to calculate emissions for the Scope 3 categories most relevant to our business. This included emissions related to business travel and purchased goods and services. To determine GHG emissions related to business travel, we gathered data for flight, rail, rental car, hotel, and business-related travel using personal cars. To determine purchased goods- and services-related GHG emissions, we analyzed Vizient’s annual procurement spend.



The disease burden from U.S. healthcare pollution is equal to that of deaths due to medical errors.<sup>19</sup>

## Vizient emissions



● Scope 1\*\* ● Scope 2 location-based ● Scope 3 business travel\*\*\* ● Scope 3 purchased goods and services\*\*\*\*

\*Increase in emissions in 2023 is due to the expanded scope of measurement in alignment with the Greenhouse Gas Reporting Protocol.

\*\*The increase in Scope 1 emissions is due to the addition of our Chicago office location.

\*\*\*Business travel emissions include air, rail and car rental travel, as well as hotel room nights. Emissions from employees using their own vehicles for business travel are also included.

\*\*\*\*Purchased goods and services are estimated based on available GHG emissions data from limited suppliers (primary data) and complemented by broad estimations using spend data by purchasing category (secondary data). Given the prevalence of secondary data currently used here, uncertainty around these emissions is high.

## Develop Scope 3 methodology for healthcare

Nearly 80% of healthcare’s emissions stem from the supply chain.<sup>19</sup> And Vizient has a unique opportunity to lead market coordination and drive transparency to address that lion’s share. But with nearly 500 product categories across the supply chain, providers and suppliers alike need support to align on common data and reporting methods.

We started in 2023 by adding emissions disclosures language to our national contract template. All suppliers are now asked to report on their Scopes 1 and 2 greenhouse gas emissions, with the option to also disclose Scope 3 emissions, reduction targets and climate action plans to support their progress toward decarbonization. To encourage disclosure, Vizient provides suppliers with support for reporting and incentives such as increased access to analytics and visibility within our portfolio.

That same year, Vizient brought together suppliers and providers to collaboratively build a shared methodology for greenhouse gas data gathering, emissions calculation, and reporting. On the supplier side, we engaged our 20-member Environmental Sustainability Task Force. And on the provider side, we leveraged our 20-member Environmental Advisory Committee, our Supply Chain Strategy Council, and our Large Integrated Delivery Network (IDN) Supply Network. We are proud of our collective work to date and look forward to rollout out the methodology in 2024.

### Further develop climate action technologies

Over the past several years, Vizient has been developing analytics tools to give providers transparent emissions calculations, the ability to easily benchmark their performance against peers, and actionable opportunities for improvement. Working with providers in our 20-member Environmental Advisory Committee, in 2023 we developed a shared methodology for calculating Scope 3 emissions. We also iterated on a sustainability dashboard and roadmap to provide a roll-up of circularity, waste and chemicals metrics, emissions reporting, peer benchmarking, and tailored recommendations for integrated performance improvement. We look forward to finalizing and releasing these in 2024.

## GREENHOUSE GAS EMISSIONS: WHAT TO KNOW

Greenhouse gases trap heat in the atmosphere and contribute to climate change. There are four main types: carbon dioxide (“carbon”), methane, nitrous oxide and fluorinated gases. However, carbon dioxide is the most prevalent — representing 79% of total U.S. emissions.

In addition to the amount of emissions, scientists also track Global Warming Potential (GWP) — or the potency of a gas. GWP compares the global warming impacts of a gas relative to one ton of carbon dioxide. The larger the GWP, the more it warms the atmosphere compared to CO2 over the same period. This is particularly relevant to healthcare, where fluorinated gases are used in anesthesia.

Greenhouse gas	Percentage of total U.S. emissions	Global Warming Potential <sup>20</sup>
Carbon dioxide (CO2)	79%	1
Methane (CH4)	12%	28
Nitrous oxide (NO2)	6%	273
Fluorinated gases (HFC, PFC, SF6, NF3)	3%	6,500–23,900

**350+ Vizient providers reduced their impact through environmentally preferred spend in 2023**

## Co-launched the Collective Healthcare Action to Reduce MedTech Emissions (CHARME)

After two years of development, in 2023 Vizient helped to launch the [Collective Healthcare Action to Reduce MedTech Emissions](#) to reduce greenhouse gas emissions from the U.S. medical device and equipment supply chain. The Sustainable Purchasing Leadership Council, Kaiser Permanente and Vizient are leading the 24-month collaborative, along with a growing number of other leading healthcare organizations that have joined the collective — which as of this publication represents \$1 trillion in annual revenue. Critically, the group also includes seven suppliers from Vizient’s Environmental Sustainability Supplier Task Force: Becton Dickinson, Cardinal Health, Johnson & Johnson, McKesson, Medline Industries, Siemens Healthineers, and Stryker Corporation. The mission of this collective is to accelerate collaborative solutions to curb extreme climate events, increase resiliency, reduce cost, and improve public health and safety. After establishing our founding membership and structure in 2023, our goals for the next two years, which are detailed in a recent white paper, include confirming our governance structure, recruiting a robust multidisciplinary membership, determining workstream leads, and launching and reporting against key activities.

“Vizient is committed to accelerating collective action. We look forward to uniting the healthcare sector to maximize our impact, reduce emissions and improve human health.”

— Cristina Indiveri, associate vice president, core tenet programs, environmental sustainability, Vizient

“Reducing the climate impact of the products we procure has a positive impact on both environmental and human health, which ultimately improves chronic conditions and creates more healthy years for our members and the communities we serve.”

— Steve Chyung, senior vice president and chief supply chain and procurement executive, Kaiser Permanente



# Appendix

Materiality

Culture experience gaps

GRI content index

SASB disclosures

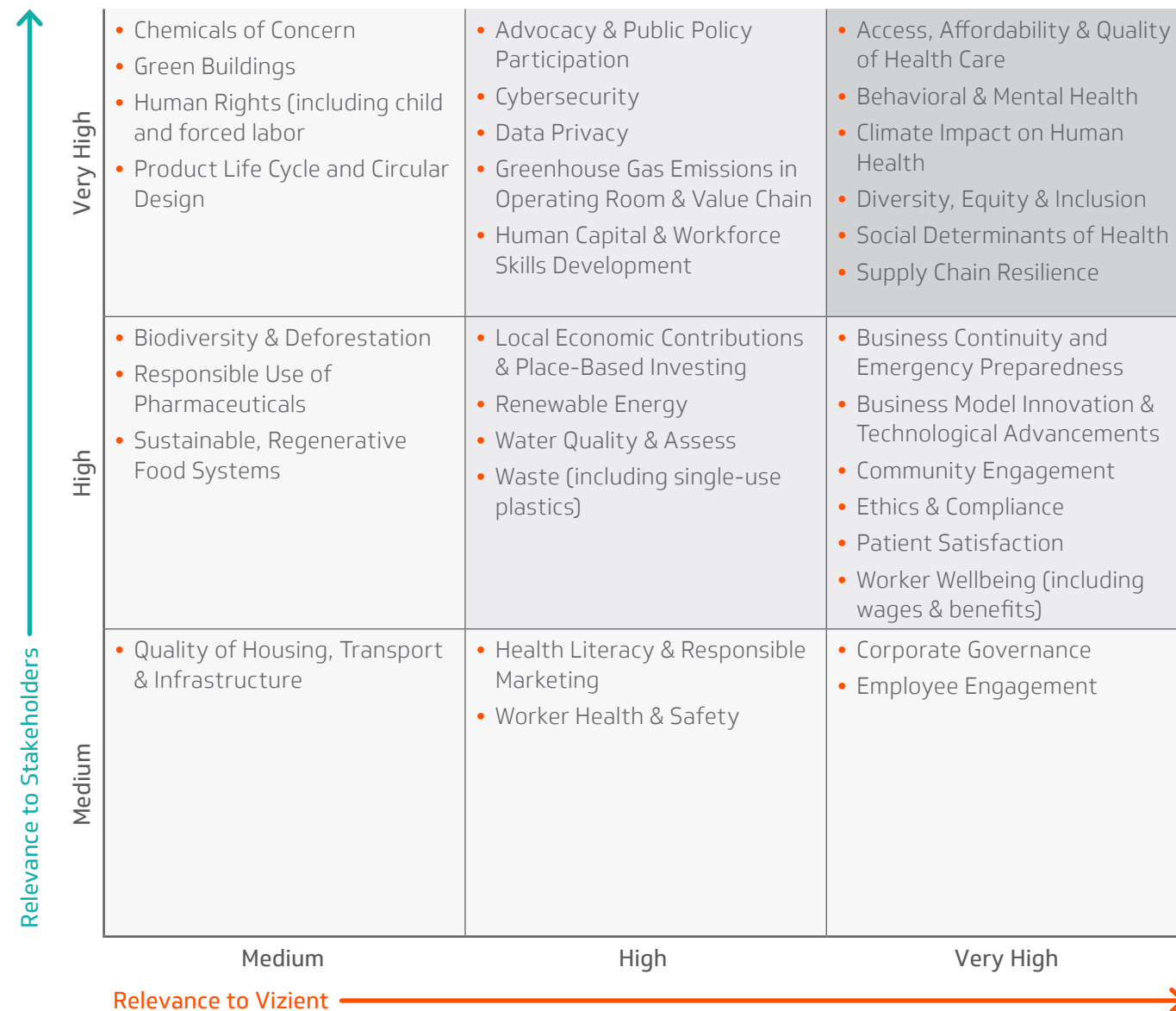
Vizient ESG policies

Resources



## Appendix: Materiality

Vizient conducts regular materiality assessments to map the issues that matter most to key internal and external stakeholders — including how our business impacts society and the environment, as well as how society and the environment impact us. We engaged an independent advisory group to conduct dozens of interviews across our executive team, business units, providers, suppliers, industry associations and external thought leaders — and to benchmark both peers and leaders from across industries. The results of this most recent assessment are summarized below.



## Appendix: Culture experience gaps

Vizient aims to create a culture where all employees feel safe, seen, welcomed, valued and treated fairly. In 2021, we began tracking employee experience across three indices that measure 1) overall engagement, 2) experiences around diversity and inclusion, and 3) perceptions of leadership within our organization. That same year, we identified a gap between our aspirations and our reality — specifically for women and people of color. Three years later, in 2023, we’ve made some progress. Our vision is to eliminate experience gaps entirely, creating parity across employee groups. We define “a gap” as any value more than two percentage points below the baseline, and “closing the gap” as any value within two percentage points of the baseline or higher. This chart details experience gaps over time, specifically since the implementation of our five-year plan.

■ Gap closed  
■ Gap remains

Women employees	2020	2021	2022	2023
Engagement	-1pts	+1pts	+1pts	+2pts
Diversity	-4pts	-3pts	-2pts	-2pts
Leadership	-4pts	-3pts	-3pts	0pts

Asian employees	2020	2021	2022	2023
Engagement	-3pts	-2pts	-4pts	-3pts
Diversity	0pts	+2pts	0pts	-1pts
Leadership	0pts	+3pts	0pts	-6pts

Black employees	2020	2021	2022	2023
Engagement	0pts	-1pt	-2pts	+2pts
Diversity	-12pts	-8pts	-7pts	-7pts
Leadership	-4pts	-1pt	-1pt	-5pts

Hispanic/Latino employees	2020	2021	2022	2023
Engagement	0 pts	+3pts	+3pts	+2pts
Diversity	+1pts	+5pts	+3pts	+2pts
Leadership	+3pts	+5pts	+3pts	-4pts

## Appendix: GRI content index

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

The information provided includes content from our corporate responsibility reporting, in addition to direct answers and links to other publicly available sources on our corporate website.

**Statement of use** | Vizient, Inc. (“Vizient”) has reported the information cited in this GRI content index in reference to the GRI Standards for the period of January 1 to December 31, 2023. **GRI 1 used** | GRI 1: Foundation 2021

Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Vizient is a privately held, provider-owned healthcare improvement company. We empower healthcare providers to improve operations and care through integrating data and analytics, strategic consulting and spend management services, which in 2023 represented \$140 billion in annual purchasing volume. <a href="#">Understanding Vizient</a> More information can be found at <a href="https://www.vizientinc.com">https://www.vizientinc.com</a> .
	2-2 Entities included in the organization’s sustainability reporting	No relevant exclusions during the reporting period
	2-3 Reporting period, frequency and contact point	The reporting period covers the 2023 calendar year. Vizient has produced reports on corporate responsibility, environmental, social and governance performance annually for the past thirteen years. <a href="#">Contact Us</a>
	2-4 Restatements of information	Not applicable during the reporting period
	2-5 External assurance	Not applicable during the reporting period
	2-6 Activities, value chain and other business relationships	<a href="#">Understanding Vizient</a> <a href="#">Corporate responsibility strategy</a>
	2-7 Employees	As of December 31, 2023, we had 4,471 employees. We do not typically employ part-time workers.
	2-8 Workers who are not employees	Contractors do not comprise a significant amount of our workforce.
	2-9 Governance structure and composition	<a href="#">Governance</a> Vizient is governed by a 13-member Board of Directors that includes executives and clinicians from academic medical centers, community hospitals and independent organizations across the nation. This depth of experience enables the board to provide counsel on the strategic direction of the business and decisions that affect our financial performance and return to providers. All board members are appointed by the chairperson to serve on one of three committees: Compensation; Audit and Finance; and Governance, Nominating and Compliance. Each committee’s charter defines its role and responsibilities within the Vizient corporate governance framework.

Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	The Governance, Nominating and Compliance Committee develops and utilizes the criteria for selecting Board candidates, which includes executive and board leadership experience, type of health care industry knowledge and experience, business acumen, geography, diversity, and other factors as determined by the Committee.
	2-11 Chair of the highest governance body	<a href="#">Catherine Jacobson</a> is the board chair of Vizient. Ms. Jacobson is a non-executive director. The roles of Chair and Chief Executive Officer are separate at Vizient.
	2-14 Role of the highest governance body in sustainability reporting	The Board of Directors oversees Vizient’s corporate responsibility, with specific accountability for environmental, social and governance (ESG) strategy, policy and performance residing with the Governance, Nominating and Compliance Committee. At a minimum, the Board engages this work in regular quarterly meetings. Our Chief People Officer is the executive responsible for ESG management.
	2-15 Conflicts of interest	Vizient’s three Board committees work in parallel to avoid conflicts of interest and evaluate annual performance to ensure focus on business and market needs to promote economic growth and organizational stability. The Vizient board listens to and incorporates provider and employee input through our executive management team at board meetings.
	2-18 Evaluation of the performance of the highest governance body	An externally administered survey reviews the board’s and board members’ annual performance.
	2-22 Statement on sustainable development strategy	<a href="#">Letter from Byron</a> <a href="#">Corporate responsibility strategy</a>
	2-23 Policy commitments	<a href="#">Public Policy and Government Relations</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Standards of Business Conduct</a>   pages 14-15 and 23 <a href="#">EthicsPoint Compliance Line</a> 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.
	2-28 Membership associations	<a href="#">Corporate responsibility strategy: Stakeholders</a>
	2-29 Approach to stakeholder engagement	Vizient engages wide-ranging stakeholders including employees, suppliers, providers, communities, policymakers and government officials and industry groups and associations. <a href="#">Corporate responsibility strategy: Stakeholders</a>
2-30 Collective bargaining agreements	None of Vizient’s employees are covered by collective bargaining agreements.	

Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	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. <a href="#">Appendix: Materiality</a>
	3-2 List of material topics	The material GRI topics featured in this GRI content index include: Economic Topics: Economic Performance and Indirect Economic Impacts Environmental Topics: Supplier Environmental Assessment Social Topics: Employment, Training and Education, Diversity and Equal Opportunity, Local Communities, Supplier Social Assessment, Public Policy and Customer Privacy
GRI 201: Economic Performance 2016	3-3 Management of material topics	<a href="#">Meet Vizient</a>
	201-2 Financial implications and other risks and opportunities due to climate change	<a href="#">Climate adaptation and resiliency planning</a>
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	<a href="#">Supplier diversity</a> <a href="#">Community contracting</a>
	203-1 Infrastructure investments and services supported	<a href="#">Strategic grantmaking</a>
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	<a href="#">Redesign waste</a> <a href="#">Empower decarbonization</a>
	308-1 New suppliers that were screened using environmental criteria	In 2023, 91% of suppliers on contract reported on environmental attributes during the national bid process.
GRI 401: Employment 2016	3-3 Management of material topics	<a href="#">Careers</a>
	401-1 New employee hires and employee turnover	In 2023, we hired 552 new employees. Employee voluntary and involuntary turnover rates were 5.9% and 9.5% respectively.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits are made available to all full-time employees. We do not typically hire part-time employees. <a href="#">Employee benefits</a> <a href="#">Careers</a>
	401-3 Parental leave	Vizient provides 16 weeks of parental leave to all employees starting on day one of employment, to be used within the first 12 months of the new family member's arrival. 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.

Standard	Disclosure	Location
GRI 404: Training and Education 2016	3-3 Management of material topics	At Vizient we encourage and empower employees to own their career path and lead their own development, with resources that help them align their unique aspirations with the company's strategic business objectives.  Every year, employees are encouraged to create their individualized career development plan and performance goals with their manager, and revisit at least twice a year. At year's end, every team member is formally evaluated by their manager on both performance (what is accomplished) and values (how it is accomplished). It is a two-step process that includes both a "look back" performance evaluation and a "look forward" talent review that enables all of us to think more holistically about performance and individual development. The outcomes of this process include performance feedback and rating, merit/incentive rewards, and identified individual development opportunities to support employee growth.  Building on the continuous learning opportunities offered using a 70-20-10 approach (learning through doing, from others, from formal learning), we develop content to optimize individual, team-based and organizational learning. Through our Learning Experience Platform (LXP), employees can engage in peer-to-peer sharing and learning, as well as access instructor-led content spanning topics including our values and culture, diversity and inclusion, the business of health care, Vizient business operations, soft skills training and role-based leadership development.
	404-1 Average hours of training per year per employee	In 2023, Vizient employees completed 209,741 self-directed hours including online courses and learning content and 24,046 instructor-led training hours — together totaling 233,787 hours. Our employees each averaged 52.3 hours of training and/or learning. This represents a considerable increase over last year, which we attribute to investments in learning curriculum. Reported hours are based on sessions logged into the LMS and exclude additional learning hours provided outside of the LMS tracking.
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees received performance reviews during the reporting period.
	3-3 Management of material topics	<a href="#">Culture, Diversity, Equity and Inclusion</a>
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	The chair of our Board of Directors is Catherine Jacobson, a woman. As of this publication, our Board is currently composed of three women and ten men. <a href="#">Vizient Board of Directors</a> <a href="#">Culture, Diversity, Equity and Inclusion</a>
	3-3 Management of material topics	<a href="#">Invest in communities</a> <a href="#">Improve resilience</a>
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Invest in communities</a>
	3-3 Management of material topics	All suppliers must meet our <a href="#">Supplier Expectations</a> and agree to our <a href="#">Supplier Standards</a> . See also the following relevant content in this report: <a href="#">Promote health: chemicals of concern</a> <a href="#">Advance equity: supplier diversity</a>
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	In 2023, 91% of suppliers on contract reported on chemical attributes during the national bid process.

Standard	Disclosure	Location
GRI 415: Public Policy 2016	3-3 Management of material topics	<p><b>Public Policy and Government Relations</b></p> <p>In 2023, priority issues for active engagement included:</p> <ul style="list-style-type: none"> <li>• Healthcare group purchasing and the health care supply chain, including disaster preparedness and supply chain transparency</li> <li>• Increasing efficiency and enhancing value in healthcare delivery</li> <li>• Prescription drug costs, pricing and shortages, support for competition through adoption of biosimilar and generic medications and support for the 340B program</li> <li>• Medicare and Medicaid payment issues</li> <li>• Nonprofit health care tax issues and community benefit</li> <li>• Workforce policies that address the shortage of healthcare professionals</li> </ul>
	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 prioritizes contributions to Members of Congress who sit on key congressional committees that have the power to shape healthcare policy, as well as Members who represent districts or states in which we have significant employee presence. 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 2023, the Vizient, Inc. PAC’s annual political contributions totaled \$61,000. \$30,500 was contributed to Republican candidates and GOP-supporting PACs. \$30,500 was contributed to Democratic candidates and DNC supporting PACs. Vizient aims to maintain a close balance in its PAC contributions between parties.</p>
GRI 418: Customer Privacy 2016	3-3 Management of material topics	<p><b>Vizient Privacy Policy</b></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 concerning breaches of customer privacy and losses of customer data	<p>There have been no breaches of protected health information during the reporting period.</p>

## Appendices: SASB disclosures

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

### Accounting Metrics

Topic	Metric	Code	References
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	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”).  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 customers 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.
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	<a href="#">Privacy Policy</a>
	Number of data breaches, including percentage involving customers’ confidential business information (CBI) or personally identifiable information (PII) and number of customers affected	SV-PS-230a.3	No material breaches during the reporting period.
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for executive management and all other employees	SV-PS-330a.1	<a href="#">2023 employee demographics</a>
	Voluntary and involuntary turnover rate for employees	SV-PS-330a.2	In 2023, voluntary and involuntary turnover rates for employees were 5.9% and 9.5% respectively.
	Employee engagement as a percentage	SV-PS-330a.3	In 2023, our employee engagement score was 74%.
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	<a href="#">Vizient Standards of Business Conduct</a>  <a href="#">GRI content index, Mechanisms for seeking advice and raising concerns 2-26</a>
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	No material instances during the reporting period.

### Activity Metrics

Metric	Code	References
Number of employees by full-time and part-time, temporary and contract	SV-PS-000.A	As of December 31, 2023, Vizient had 4,471 full-time employees.

## Appendix: Policies

The following policies represent our standards and expectations.

[Vizient Business Conduct, Compliance and Ethics Program](#)

[Vizient Standards of Business Conduct](#)

[HIPAA and HITECH Act compliance](#)

## Appendix: Resources

<sup>1</sup><https://health.usnews.com/health-care/best-hospitals/articles/best-hospitals-honor-roll-and-overview>

<sup>2</sup>Based on an analysis comparing the top ten healthcare organizations with the bottom ten healthcare organizations from the Vizient Quality & Accountability Study.

<sup>3</sup>Value was calculated by measuring readmissions in a baseline time period (January 2022 – September 2022) compared to readmissions in a re-measure time period (January 2023 – September 2023). The difference in readmissions between the two time periods was calculated and annualized to 12 months. A dollar value per readmission, \$15,200 (AHRQ source link below), was applied to the annualized avoided readmissions to calculate the annualized cost-avoidance value. For more information, please visit: <https://hcup-us.ahrq.gov/reports/statbriefs/sb278-Conditions-Frequent-Readmissions-By-Payer-2018.pdf>.

<sup>4</sup><https://dtsc.ca.gov/emerging-chemicals-of-concern/>

<sup>5</sup>Ragusa A, Svelato A, Santacroce C, et al. Plasticenta: first evidence of microplastics in human placenta. *Environ Int.* 2021;146(January):1-8. doi: 10.1016/j.envint.2020.106274 AND Fournier SB, D'Errico JN, Adler DS, et al. Nano Polystyrene translocation and fetal deposition after acute lung exposure during late-stage pregnancy. *Part Fibre Toxicol.* 2020;17(55):111. doi: 10.1186/s12989-020-00385-9

<sup>6</sup>Information about chemical hazards in child care settings for parents. U.S. Environmental Protection Agency. Updated October 11, 2018. Accessed March 11, 2023. <https://www.epa.gov/childcare/information-about-chemical-hazards-childcare-settings-parents>

<sup>7</sup>Rossi MS, Ratliff W. Chemical footprint of products commonly used in pediatrics departments. *Clean Production Action.* December 5, 2017. Accessed March 11, 2023. <https://www.cleanproduction.org/resources/entry/report-chemical-footprintproducts-in-pediatrics>

<sup>8</sup>Bever CS, Rand AA, Nording M, Taft, et al. Effects of triclosan in breast milk on the infant fecal microbiome. *Chemosphere.* 2018;203(July):467-473. doi: 10.1016/j.chemosphere.2018.03.186

<sup>9</sup>The six classes approach to reducing chemical harm: healthier products, healthier people. Green Science Policy Institute. June 2017. Accessed March 11, 2023. <https://www.sixclasses.org/>

<sup>10</sup>Future impact metrics are estimated by the Arbor Day Foundation using the USDA Forest Service i-Tree Tool.

<sup>11</sup><https://medsocietiesforclimatehealth.org/reports/costs-inaction-economic-burden-fossil-fuels-climate-change-healthunited-states/> 17

<sup>12</sup><https://pubmed.ncbi.nlm.nih.gov/32804382/>

<sup>13</sup><https://newsroom.vizientinc.com/Drug-Shortages-Labor-Cost-Report-Vizient-pdf>

<sup>14</sup>[https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)01915-2/fulltext#%20](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01915-2/fulltext#%20)

<sup>15</sup><https://www.nejm.org/doi/full/10.1056/NEJMp2115675>

<sup>16</sup>Shanoor Seervai, Lovisa Gustafsson, and Melinda K. Abrams, “How the U.S. Health Care System Contributes to Climate Change,” explainer, Commonwealth Fund, Apr. 2022. <https://doi.org/10.26099/m2nn-gh13>

<sup>17</sup><https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.01247>

<sup>18</sup>Zhao, Q.et al.Global, regional, and national burden of mortality associated with non-optimal ambient temperatures from 2000 to 2019: a three-stage modeling study. *Lancet Planet. Heal.* (2021). doi:10.1016/S2542-5196(21)00081-4

<sup>19</sup><https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>

<sup>20</sup>[https://www.ipcc-nggip.iges.or.jp/public/gp/bgp/3\\_6\\_PFC\\_HFC\\_NF3\\_SF6\\_Semiconductor\\_Manufacturing.pdf](https://www.ipcc-nggip.iges.or.jp/public/gp/bgp/3_6_PFC_HFC_NF3_SF6_Semiconductor_Manufacturing.pdf)



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