

Emergency response, disaster recovery

The Cardinal Health Business Continuity process is a strategic effort to confront the potential for disaster and prepares Cardinal Health to take thorough and immediate action in the event of a crisis. This process provides current detailed and flexible information to help protect our customers, employees, assets and shareholders. Our business continuity plans enable us to be prepared for different types of situations including:

- Crisis management
- Inventory management
- Customer procedures
- Emergency call procedure
- Pandemic preparedness

The Business Continuity process encompasses six aspects of disaster preparation, action and recovery:

1. Risk identification

2. Risk quantification

3. Risk mitigation

4. Emergency response

5. Crisis management

6. Business recovery

Because a “disaster” can take many forms and affect our facilities at any time, it’s impossible to cover every step needed to restore service in every situation. This document gives an overview of the Cardinal Health approach, capabilities and lines of communication that ensure the correct people are informed, so we can make the necessary decisions required to normalize service in the shortest possible time.

Cardinal Health recognizes the importance of providing pharmaceuticals and medical supplies to our customers. With that in mind, it is our express interest to service the customer with the appropriate and necessary response, as required by the event. The following plans/processes are currently in place:

Crisis management

Upon learning of a crisis, Cardinal Health will identify the agencies and relevant contacts responsible for coordinating an emergency response. Depending on the location and population density, such an entity may have been designated by the Centers for Disease Control (CDC) as the local coordinator for activating the delivery of “push packages” from the National Pharmaceutical Stockpile (NPS). NPS is a national repository of antibiotics, chemical antidotes, antitoxins, life-support medications, IV administration and airway maintenance supplies, and medical/surgical items. The NPS Program is designed to supplement and resupply state and local public health agencies in the event of a biological or chemical terrorism incident anywhere, at anytime within the U.S. or its territories.

For more information about the NPS Program, visit <http://www.cdc.gov/nceh/nps> and <http://www.bt.cdc.gov>

Cardinal Health also works closely with trade and professional organizations to provide a total supply chain response in case of a national emergency and to ensure awareness and coordination with industry-wide initiatives and planning.

Unfortunately, it is not possible for Cardinal Health to commit to provide products to any particular customer in the event of an emergency or disaster. However, please be assured that Cardinal Health will use all reasonable efforts to service our customers in the event of an emergency or disaster, subject, of course, to direction from federal, state and local government authorities. We devote significant resources to developing and implementing defined procedures for responding to, and stabilizing the situation immediately following an incident.

Distribution center Business Continuity process

A specific Business Continuity Plan (BCP) is in place in every Cardinal Health distribution center. The plan includes the information necessary to recover from an event, as well as contact information for Crisis Management and Emergency Response teams at the facility level and all appropriate support functions. Cardinal Health also maintains Crisis Management Teams at the business unit and corporate levels.

In an effort to improve communication, coordination and response time in a disaster, Cardinal Health will focus on a master Crisis Management Plan (CMP). This elevated initiative allows us to be better prepared to efficiently coordinate a crisis response between Cardinal Health Corporate, our business units and every Cardinal Health facility. This plan is designed to enhance the existing local Disaster Response Plan in coordination with Homeland Security, federal, state and local emergency response agencies.

In the event of a large scale disaster, Cardinal Health will coordinate with other emergency agencies to include Federal Emergency Management Agency (FEMA), Metropolitan Medical Response System

and the hospitals in the geographic area. Priority would be given to hospitals classified as “base” facilities by the local government. These hospitals have a Level One Trauma Center, Burn Units and other disaster preparedness capabilities. Coordination of supply delivery will then focus on hospitals in the same geographic area classified as Level Two Trauma facilities. Further responses will be coordinated in concert with the emergency agencies and with established priorities with hospitals in the geographic area.

Cardinal Health will act in concert with state and local disaster organizations to meet the priority supply needs of the region. This includes maintaining contact with emergency communication centers for transportation carriers. Cardinal Health customers are strongly encouraged to coordinate their emergency communications planning with the Rapid Emergency Digital Data Information Network (ReddiNet) and their local county sheriff department radio network, such as the Radio Amateur Civil Emergency Service (RACES).

Backup distribution center continuity process

Should a disaster cause a failure of operations at a customer's primary distribution center, critical products will be shipped from alternate locations in accordance with the primary distribution center's Business Continuity Plan (BCP). These shipments will be coordinated with the appropriate emergency response agencies, the business unit Crisis Management Team and the Cardinal Health corporate Crisis Management Team.

Customer service

During an emergency that affects customers, our Customer Service Center (CSC) hours of operation may be expanded to meet the needs of our business and customers. As part of this process, team members identified to support the affected customers will receive notification of the issue as well as next steps. Cardinal Health has established a disaster recovery system to ensure the availability of a Customer Service representative in the event of a telephone outage or situation that would close one of the Cardinal Health Customer Service Centers. In coordination with our telephone service providers, Cardinal Health has implemented an automated telephone call switching process that will reroute calls to a designated Cardinal Health customer service location.

Our Customer Service Centers have a recall process in place to activate the members of its Disaster Recovery team. In addition to the recall process, supervisors and management staff have cell phones. Should the need arise — the Customer Service Center will activate these team members via phone and text message communication. Most teams can be activated and on-site within 45 minutes.

Emergency order process

In the event of an emergency, whether it is a natural or man-made situation, Cardinal Health is prepared to take immediate and varied actions to support the supply needs of our customers.

Due to our national supply network, we are capable of satisfying emergency demands for merchandise by accessing inventories across the country. In the event that a local distribution center is unable to service your emergency needs, merchandise will be pulled from a facility within the region. Each distribution center is supported by centralized computer systems and strategically linked to other Cardinal Health facilities.

Relief supplies will be distributed from the service center closest to the impacted area. Other regional facilities will provide support and supplies as needed. If needed, the entire network, working together with manufacturers and suppliers, may be mobilized to satisfy whatever needs arise in a mass casualty situation.

Rest assured that we're well prepared to assist you if and when you're faced with an emergency situation. Please keep us informed when your needs or business environment changes. Alerting us early and accurately about your needs is a critical component of product availability. Your Cardinal Health representative will advise how to set up an effective inventory management program using a variety of tools.

We advise our customers to develop an emergency order and update it at least annually, so you have the information ready to give Cardinal Health. This will enable us to quickly expedite the products you need in an emergency. Please advise your Cardinal Health representative if you need assistance creating an emergency order.

Emergency call procedure

When you have a life-critical event that requires you to receive a product before your next scheduled delivery, please follow the emergency call procedure outlined below:

1. During normal business hours (Monday – Friday, 7:30 a.m. to 6 p.m. local time), please call **Customer Service at 800.873.9936**.
2. Outside of normal business hours, please call the **emergency number: 877.772.0346**.
3. When calling the emergency number, a service representative will take the message and a Cardinal Health employee will promptly return your call. Please have your servicing DC name, account name and number, a contact name and a call back phone number available.

Pandemic preparedness

When a pandemic threat increases, the World Health Organization (WHO) will alert the healthcare community. In preparation for this, the Cardinal Health Business Continuity Management Team has evaluated pandemic flu planning guidelines from various government and industry sources to ensure that our “all-hazards” approach is applicable to a pandemic flu, or any other infectious disease or biohazard.

We have developed a specific Pandemic Preparedness Plan that describes the policies and actions Cardinal Health will take at each stage of the pandemic, as defined by the experts at the World Health Organization (WHO).

Cardinal Health believes that the best supply chain solution is one that helps get necessary medical supplies and infection-prevention products closest to hospital, laboratory or ambulatory care patients. We work with these customers to help them prepare for a pandemic, and have created offerings for the stockpiling of medical-surgical products. Also, while stockpiling antivirals is not possible or appropriate, Cardinal Health will coordinate the distribution of antivirals, or other pharmaceuticals, to any of our healthcare provider customers in compliance with directives from state or national authorities.

Although no one is able to predict what might happen, Cardinal Health is prepared to respond appropriately to help maintain the continuity of the supply chain so our customers can provide appropriate uninterrupted service and patient care.

Cardinal Health realizes that an event which causes a serious disruption requires immediate response. Through careful planning, communication and collaboration with all our supply chain partners, we coordinate a rapid response to meet the needs of healthcare organizations.



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