



FOURKITES

CardinalHealth™

CASE STUDY: CARDINAL HEALTH

How Cardinal Health Uses FourKites To Drive Big Sustainability Goals

Cardinal Health is a leading distributor of pharmaceuticals, medical and laboratory products with operations in more than 30 countries. The company works with upwards of 4,500 sourcing and manufacturing partners, and ships to more than 140,000 locations globally, making theirs one of the largest medical supply chains in the world.

To maintain its status as a global leader in healthcare — while also combatting pandemic-induced disruption and shifting market demands — Cardinal Health launched a digital transformation strategy that focused on building a “cognitive supply chain.”

This digital supply chain network would facilitate the unencumbered flow of inventory throughout the supply chain, helping to manage demand, track and protect goods in transit, and streamline communication with retailers, practitioners and patients.

Cardinal Health partnered with FourKites to leverage a combination of real-time supply chain visibility, machine learning and analytics, which are key enablers of the cognitive supply chain initiative.

CARDINAL HEALTH AT A GLANCE



Cardinal Health supplies 90% of hospitals in the United States.



Worldwide, they ship goods to over 89,000 pharmacies and 10,000 specialty offices and clinics.

EXPANDING VISIBILITY FOR A GREENER SUPPLY CHAIN

With real-time visibility from FourKites, Cardinal Health also unlocked new opportunities to make progress toward its long-term sustainability goals. In 2021, Cardinal Health committed to set an ambitious Science-Based Target covering its Scope 1 and 2 greenhouse gas emissions, along with its Scope 3 supply chain emissions. The company has already published a goal to reduce Scope 1 and 2 emissions by 50% by 2030, as compared to FY19 emissions.

In its [FY21 Corporate Citizenship Report](#), Cardinal Health describes its Scope 1, 2 and 3 emissions as:

- ➔ **Scope 1**
Direct GHG emissions from fuel burned in our own facilities or vehicles that we directly own or operate
- ➔ **Scope 2**
Indirect GHG emissions that come from the consumption of the electricity, heating and cooling we buy
- ➔ **Scope 3**
Other indirect GHG emissions, including those from our supply chain and transport-related activities not owned by Cardinal Health. These may include but are not limited to GHG emissions from companies that deliver us raw materials, external manufacturing facilities and last-mile partners who drive products to healthcare providers.

“We want to lead in this space. We are Cardinal Health and we’re *Essential to care™*, and as part of that, we’re essential to caring for the planet as well. So sustainability is a very important concept.”



KAREN BETANCOURT
VICE PRESIDENT LOGISTICS
CARDINAL HEALTH



FROM BIG DATA TO BIG BUY-IN

Cardinal Health understood early on that sustainability has to be a strategic imperative, backed by strong interdepartmental support and reliable digitization tools. Likewise, having accurate emissions, transportation and sustainability data readily available through FourKites made it easier for Cardinal Health to attain buy-in not only at the operational level, but at the executive level as well.

For the employees tasked with managing Cardinal Health's supply chain day-to-day, having the right tools meant that tasks that once would have taken a week or more to complete could now be automated down to minutes. Before FourKites, information requests from Cardinal Health's sustainability team hoping to learn about transportation emissions or miles traveled required extensive manual work from transportation operations, leading to reduced productivity. Now the team is able to quickly access this data in just a few clicks.



“To track emissions, to evaluate how we’re performing – it all relies on data. And that’s a place where we’ve been thrilled with our partnership with FourKites, because without it, we would not have the critical data we need to operate well.”



KAREN BETANCOURT
VICE PRESIDENT LOGISTICS
CARDINAL HEALTH





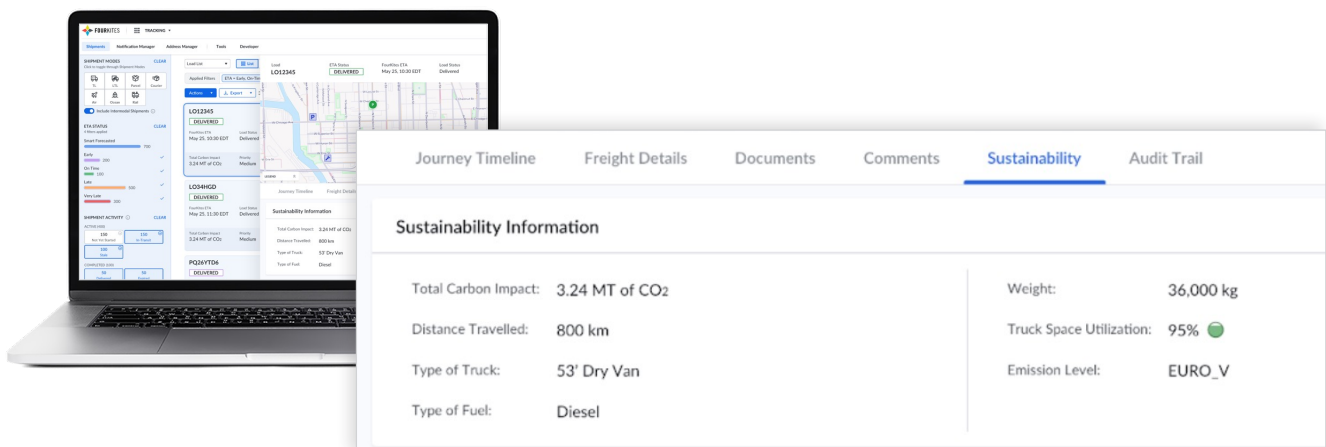
WORKING SMARTER FOR SUSTAINABILITY

Cardinal Health takes its commitment to being “healthcare’s most trusted partner” seriously, and because of that, the company is selective about its choice of transportation partners. Understanding that small differences in the environmental practices of various carriers can add up to a major impact over time, Cardinal Health aims to work only with transportation partners who take steps to minimize their transportation emissions.

Switching to Smartway® Carrier Partners is one way many forward-thinking shippers are quickly reducing their environmental impact. The US Environmental Protection Agency’s SmartWay program helps logistics and transportation companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiencies. **As of Spring 2022, 98% of Cardinal Health’s shipments were already being moved via SmartWay carriers.**

Since April 2021, FourKites has made it easy for shippers to partner with SmartWay carriers via its quarterly Premier Carrier List, which showcases the carriers, brokers and third-party logistics providers that have achieved the highest standards of operational excellence in both adoption of real-time visibility and environmental sustainability best practices.

Streamlining the collection of data about which equipment carriers are using is a major factor in calculating accurate supply chain emissions. As shown below, FourKites enables shippers or carriers to add this data for each load tracked in the platform, significantly increasing the accuracy of emissions estimates.



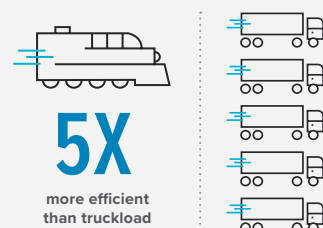
SHARING THE LOAD

Shifting more loads to intermodal is another strategy Cardinal Health is deploying throughout the organization. Intermodal is the most sustainable, low-emissions option for domestic moves, but reliability and service are often a concern for shippers. With improved visibility on all its shipments through FourKites, Cardinal Health's transportation teams are able to more easily accommodate the unpredictability that comes with intermodal shipments.

By using FourKites to automate emissions tracking and calculations, Cardinal Health employees can now plan and execute their sustainability strategy proactively. Having sustainability data easily and readily available has even prompted certain Cardinal Health procurement teams to make a game out of mode switching, competing to see who can convert the most shipments into intermodal.

In addition to partnering with electric and SmartWay-approved fleets and moving shipments onto intermodal, Cardinal Health is also experimenting with other initiatives, such as launching a drone delivery program with Zipline, the world's largest automated on-demand delivery service. The service offers **a 98% reduction in delivery emissions** compared to standard delivery options, and can get critical medical supplies to customers in as little as 15 minutes.

A GLANCE AT CLEAN FREIGHT STRATEGIES



“An intermodal train can haul the equivalent of approximately 280 truckloads of freight, with each ton traveling an average of 473 miles on one gallon of fuel. The relative energy efficiency of rail is estimated at 1.5 to 5 times that of trucking, and the ratio for greenhouse gas (GHG) emissions is similar.”

US EPA
INTERMODAL FOR SHIPPERS





About Cardinal Health



Cardinal Health is a distributor of pharmaceuticals, a global manufacturer and distributor of medical and laboratory products, and a provider of performance and data solutions for health care facilities. With 50 years in business, operations in more than 30 countries and approximately 44,000 employees globally, Cardinal Health is essential to care. Information about Cardinal Health is available at **[cardinalhealth.com](https://www.cardinalhealth.com)**.

About FourKites



FourKites is the largest predictive supply chain visibility platform, delivering real-time visibility and predictive analytics for the broadest network of Global 1000 companies and third-party logistics firms. Using a proprietary algorithm to calculate shipment arrival times, FourKites enables customers to lower operating costs, improve on-time performance, and strengthen end-customer relationships. With the largest proprietary network of GPS/ELD device partnerships, FourKites covers all modes, including truckload, LTL, ocean, rail, intermodal, last mile, and parcel. The platform is optimized for mobile and equipped with market-leading end-to-end security.

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