



**ESG Report**

Improving lives  
every day



**CardinalHealth™**

# Contents

A message from our CEO **p. 03**

01

About  
Cardinal Health  
**p. 05**

- 06 Company overview
- 08 Awards and recognition
- 09 Fiscal 2022 Environmental, Social and Governance (ESG) highlights
- 10 Our ESG priorities
- 12 Our ESG goals

02

Empowering  
our people  
**p. 13**

- 15 Diversity, equity and inclusion (DE&I)
- 19 Talent management
- 24 Wages and benefits
- 26 Employee well-being
- 28 Workplace health and safety

03

Creating value  
for our customers  
and communities  
**p. 29**

- 31 Product quality and patient safety
- 32 Responsible use of prescription medications
- 33 Supply chain resiliency
- 36 Community engagement

04

Operating sustainably  
and responsibly  
**p. 43**

- 45 Climate action
- 46 Efficient transportation and logistics
- 47 Product and packaging innovation
- 49 Waste
- 50 Responsible procurement and sourcing

05

Governance, ethics  
and compliance  
**p. 53**

- 55 Corporate governance
- 58 Data privacy and security
- 60 Business ethics and compliance

06

Reporting  
indices  
**p. 64**

- 65 Global Reporting Initiative (GRI) Index
- 88 Sustainability Accounting Standards Board (SASB) Index
- 95 Task Force on Climate-Related Financial Disclosures (TCFD) Index





# A message from our CEO

## Dear Stakeholders

I'm pleased to introduce our first Environmental, Social and Governance (ESG) Report, an evolution of our previous Corporate Citizenship Reports. This expanded report represents a pivotal year for our ESG efforts and highlights the steps we have taken to help enable a more sustainable and equitable world — and a healthier future for our employees, our customers and our communities.

Throughout fiscal 2022, we sharpened our focus on the ESG priorities that are most important to us as a company, to the healthcare industry as a whole, and to you, our stakeholders. We created a new role at Cardinal Health, a vice president of ESG, and brought on a leader with deep ESG expertise. She has built a dedicated and talented team that is supporting and driving ESG initiatives across the enterprise. We restructured our internal ESG Governance Committee, which now includes myself, my direct reports and other leaders from across the company to help oversee and implement our ESG strategy.

Our Board of Directors is highly engaged, with ESG efforts overseen by the Board's Governance and Sustainability Committee, and our VP reports to this Committee each quarter. I'm proud to share some of our fiscal 2022 highlights here.

## Building a diverse, equitable and inclusive culture

Diversity, equity and inclusion (DE&I) is fundamental to who we are and what we do at Cardinal Health. Our senior executives and leaders across the company share a vision of a workplace where every employee and every stakeholder, regardless of race, ethnicity, gender, sexual orientation, age, ability or religion, feels welcome, safe, seen and heard.

In fiscal 2022, we took a significant step forward when we announced goals to increase representation of diverse employees by 2030. You'll find our progress toward these goals on page 18. We know that a diverse, equitable and inclusive workforce provides a competitive advantage in attracting talent — and that we must continually

recruit, develop and retain the world's best talent in order to become healthcare's most trusted partner.

When we bring together people with different experiences and perspectives, we make better and more creative decisions — decisions that better serve our customers and partners. Building a culture where every single person can bring 100% of themselves to work every day is simply the right thing to do. That is the culture we are determined to build and maintain, and we are committed to transparently communicating our progress on this journey.

## Ensuring an ethical and responsible supply chain

At Cardinal Health, we strive toward the highest standards of business ethics and integrity. This applies both to our global operations and our supply chain. Sourcing responsibly requires us to have visibility into our suppliers *and* our suppliers' suppliers; we must continually work to ensure that our entire supply chain reflects our core values as well as our prioritization of both product quality and social and environmental responsibility.

We are proud to have a robust supplier diversity program. Through investments and mentorships, we help increase the capacity of our diverse suppliers and help generate economic vitality in underrepresented communities across the U.S. In fiscal 2022, we spent \$7.5 billion with small and diverse suppliers in the U.S.; in turn, these diverse suppliers help us by identifying new business opportunities, finding new ways to overcome challenges and enabling us to better meet and exceed the needs of our customers.

## Improving resource efficiency in operations

We are committed to lowering our carbon footprint and doing our part in contributing to a cleaner, healthier future.

In fiscal 2022, we set a goal to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50% by fiscal 2030 and committed to setting a Science-Based Target (SBT) for Scope 1, 2 and 3 emissions. Scope 3 emissions — which include all indirect emissions in a supply chain — are the most difficult to assess, but are critical because they often account for the majority of a company's total emissions. We are now baselining our Scope 3 emissions and expect to include Scope 3 impacts in our climate goal in calendar year 2023.

Meanwhile, we're taking other steps to lessen our carbon footprint. For example, we are using 100% renewable electricity to power our global headquarters in Dublin, Ohio, and our National Logistics Center in Groveport, Ohio. We've completed lighting retrofits in multiple facilities and have installed solar energy systems at various locations. I'm particularly excited about the opportunity that alternative fuel vehicles might offer; currently, we are testing the viability of adding electric delivery vans to our fleet and the feasibility of planning routes across the U.S. around existing charging infrastructure.

## Improving lives every day

Our approximately 46,500 Cardinal Health colleagues around the world are singularly motivated by our mission to deliver the products and services that improve lives every day. Throughout fiscal 2022, the COVID-19 pandemic continued and inflation and supply chain constraints continued to affect our communities, our economy and our lives. But over and over again, our employees responded with integrity, agility and a constant commitment to our customers and the patients they serve. They continue to do so, whether they are on the front lines in our distribution centers or manufacturing facilities, developing digital solutions that optimize our global supply chain, or innovating to help close the gaps across the healthcare system.

In addition to supporting our customers, partners and the patients they serve, we also give back to the communities where we live and work. Through the Cardinal Health Foundation, we focus on both improving healthcare access and quality and addressing social determinants of health. The Foundation also empowers our employees to give back, and employees do so, with passion and generosity, supporting a wide array of charitable organizations.

I want to thank you for your continued support and partnership, and for your personal and professional interest in our commitment to ESG. I'm enormously proud of our employees and inspired by them every day; together, we are taking steps toward becoming a more sustainable company and a better global corporate citizen. There is always more work to do, but I am truly energized by our progress and the stories we share with you in the pages that follow.

Sincerely,



Jason Hollar, CEO



# About Cardinal Health

## **In this section:**

- Company overview
- Awards and recognition
- Fiscal 2022 Environmental, Social and Governance (ESG) highlights
- Our ESG priorities
- Our ESG goals



# Company overview



Operations in more than **30** countries |



Approximately **46,500** employees worldwide

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 healthcare facilities. With more than 50 years in business, we are building on our scale and heritage in distribution, products and solutions.

**We are driven to innovate and create customer-centric solutions to address healthcare's most complicated challenges.**

## Pharmaceutical Segment

Our Pharmaceutical Segment includes the Pharmaceutical and Specialty Distribution, Nuclear & Precision Health Solutions, Sourcing and Manufacturer Services and Outcomes™ businesses.

### Key capabilities:



Distributing branded, generic and specialty pharmaceuticals and over-the-counter healthcare and consumer products



Manufacturing radiopharmaceuticals, operating nuclear pharmacies and supporting radiopharmaceutical innovation through our Nuclear & Precision Health Solutions Center of Theranostics Advancement



Providing end-to-end logistics and technology solutions for manufacturers, pharmacies and healthcare providers



Through Outcomes™, providing pharmacy management, medication therapy management and patient outcomes services to connect hospitals, healthcare providers and payers

## Medical Segment

Our Medical Segment includes Medical Products and Distribution, Medical Services and at-Home Solutions.

### Key capabilities:



Manufacturing, sourcing and distributing Cardinal Health™ Brand and national brand products (medical, surgical, specialty and laboratory products) to acute and alternate sites of care globally



Providing data-driven and tech-enabled supply chain solutions to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers



Distributing products directly to the home and providing supply chain solutions for customers to serve patients in their homes

[cardinalhealth.com](https://www.cardinalhealth.com)

[@CardinalHealth](https://twitter.com/CardinalHealth)

[linkedin.com/company/cardinal-health](https://www.linkedin.com/company/cardinal-health)

[facebook.com/cardinalhealthinc](https://www.facebook.com/cardinalhealthinc)

**Fiscal 2022 highlights: \$181.4 billion** in revenue | Pharma Segment revenue: **\$165.5 billion** | Medical Segment revenue: **\$15.9 billion**



# Our Path Forward

### Why we exist

We deliver products and solutions to **improve the lives of people every day.**

### Where we are going

We aspire to be **healthcare's most trusted partner** by building upon our scale and heritage in distribution, products and solutions, while driving growth in evolving areas of healthcare through customer insights, data and analytics, and focusing our resources on what matters most.

### What we value



**Integrity**  
we hold ourselves to the highest ethical standards



**Inclusive**  
we embrace differences to drive the best outcomes



**Innovative**  
we develop new ways of thinking, operating and serving customers



**Accountable**  
we bring passion, determination and grit to deliver on our commitments



**Mission driven**  
we serve the greater goal of healthcare

### How we act

**Invite curiosity**

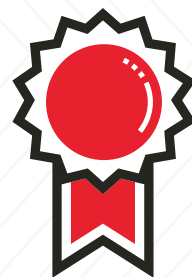
**Inspire commitment**

**Build partnerships**

**Develop self and others**

### How we will grow





# Awards and recognition

Most Charitable Companies,  
Columbus Business First



Human Rights Campaign Corporate  
Equality Index, perfect score of 100



LATINA Style, 50 Best Companies  
in the U.S. for Latinas



Best Companies for Multicultural Women,  
Seramount (formerly Working Mother Media)



Innovation Leader for Real-World Evidence  
Strategy awarded to Specialty Solutions



Business Group on Health Best Employers: Excellence in  
Health & Well-Being Award, Excellence in Mental Health



Learning Elite Silver Organization,  
Chief Learning Officer magazine



Top Companies for Executive Women,  
National Association for Female Executives (NAFE)





# Fiscal 2022 Environmental, Social and Governance (ESG) highlights



## August 2021

Building on our focus on **diversity, equity and inclusion** (DE&I) for all employees, we **announced** aspirational goals for increasing diverse representation at the manager level and above by 2030, as further discussed in this report.



## September 2021

We **announced** a goal to **reduce Scope 1 and 2 greenhouse gas emissions by 50%** by 2030 from a fiscal 2019 base year.



## October 2021

To build on our climate goal, we committed to setting a **science-based target (SBT)** and are baselining our Scope 3 emissions while developing a decarbonization strategy and plan for supplier engagement.



## February 2022

The Cardinal Health Board of Directors approved amendments to the Nominating and Governance Committee's Charter that formalized the Committee's oversight of ESG activities, policies, strategy and reporting and disclosure practices and changed the Committee's name to the Governance and Sustainability Committee.



## April 2022

We restructured our internal ESG Governance Committee, elevating it to the executive level. The Committee now includes our CEO, his direct reports and other senior business and functional leaders.

We also created a new role at Cardinal Health, vice president of ESG, who is responsible for building, driving and leading an enterprise-wide ESG strategy.

# Our ESG priorities

Our ESG priorities guide our work to address global challenges and create lasting value for our shareholders, employees, customers, suppliers and other business partners, and our communities as we strive to be healthcare's most trusted partner.

In fiscal 2022, we worked with BSR™, a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world, to identify the ESG priorities most relevant to our company, to the healthcare industry as a whole and to all of our stakeholders. For the purpose of this report, we are organizing these priorities into four broad categories: empowering our people, creating value for our customers and communities, operating sustainably and responsibly, and governance, ethics and compliance.

**We followed a multi-step process to identify the topics most important to our business:**

01 

Through peer and industry research, we aligned on a list of topics relevant for the company.

02 

We interviewed and surveyed internal and external stakeholders, including Cardinal Health's executive leaders, other key business, functional and ESG leaders across the company, customers, investors, outside experts and associations.

03 

We scored, prioritized and ranked the topics based on the company's priorities and strategies, relevant reporting frameworks, global goals, industry association and collaborative initiatives, and existing and potential regulation.

04 

We validated the results with internal stakeholders and then reviewed the final list of ESG priorities with our internal ESG Governance Committee and the new Governance and Sustainability Committee of our Board of Directors.



# Our ESG priorities (continued)

As shown here, these priorities inform our ESG strategy, goals and disclosure. These are our “material ESG topics” as referred to in the Global Reporting Initiative (GRI) Standards. In this report, the use of the term “material” and other similar terms is intended to reflect our priority ESG topics. We are not using such terms as they are used under securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting. Therefore, the inclusion of information or the absence of information in this report should not be construed to represent Cardinal Health’s belief regarding the financial impact of that information.

## Empowering our people

- Diversity, equity and inclusion\*
- Talent management\*
- Wages and benefits
- Employee well-being\*
- Workplace health and safety

## Creating value for customers and communities

- Product quality and patient safety
- Responsible use of prescription medications
- Supply chain resiliency
- Community engagement\*

## Operating sustainably and responsibly

- Climate action\*
- Efficient transportation and logistics
- Product and packaging innovation\*
- Waste
- Responsible procurement and sourcing\*

## Governance, ethics and compliance

- Corporate governance
- Data privacy and security
- Business ethics and compliance

We manage these issue areas through dedicated teams throughout the company with oversight from our internal ESG Governance Committee.

Our ESG Working Group serves as an additional management system for those areas we have deemed to be our most strategic ESG priorities, marked with asterisks below. Our Working Group has vice president-level representatives for each of these seven priorities; they work collaboratively to build our three-year strategic plan and longer term ESG direction and progress. We will continue to report on all 17 areas below, as they remain critical to our business.

## United Nations Sustainable Development Goals

As a global healthcare company, we consider how our efforts align with and contribute to global ESG priorities. As part of these efforts, Cardinal Health is beginning to integrate the United Nations Sustainable Development Goals (SDGs) as we develop our priorities and initiatives.

The 2030 Agenda for Sustainable Development was adopted in 2015 by all UN Member States as a blueprint for peace and prosperity for people and the planet into the future.

At the core of this agenda are **17 Sustainable Development Goals**. In particular, we are prioritizing the four goals shown here, as they are most aligned to our business and our ability to drive impact.



# A culture of ESG excellence

“I feel so fortunate to be leading Cardinal Health’s ESG work,” said Megan Maltenfort, Vice President of ESG. “In my first several months here, I’ve engaged with employees at all levels of the organization. Though all of them have different perspectives, experiences and roles, they have a very significant thing in common, and that is they want to do the right thing, including moving our ESG agenda forward.”

As a global healthcare company, Cardinal Health has an opportunity to make significant contributions in sustainability, she noted. For example, the healthcare industry contributes about 8.5% of greenhouse gas emissions in the U.S., and about 4.6% worldwide, according to the Commonwealth Fund.<sup>1</sup>

“At Cardinal Health, we are mission-driven to improve the lives of people every day. We care deeply for people within the company and in our communities. We feel an obligation to make a difference.”

Functions and business units across the company will continue to contribute to Cardinal Health’s ESG priorities and practices, Maltenfort noted.






“Fiscal 2022 has been a foundational year for us; we are strengthening our ESG efforts with additional expertise, policies and practices. We have the opportunity to do something truly special here — to change the way healthcare is delivered in an innovative, sustainable way that puts people first. We are on our way toward this transformation.”



<sup>1</sup> The Commonwealth Fund: How the U.S. Health Care System Contributes to Climate Change, <https://www.commonwealthfund.org/publications/explainer/2022/apr/how-us-health-care-system-contributes-climate-change>. Published April 19, 2022. Accessed August 9, 2022.

# Our ESG goals



|  | Category   | Target  | Scope         | Progress against base year  |
|--|--|---|---------------|---|
|  | <b>DE&amp;I</b>  |   |               |   |
|  | <b>Diversity, equity and inclusion</b><br> | Between fiscal 2021 and fiscal 2030, <b>increase representation globally of women<sup>2</sup></b> at the manager level and above, from 40% to 48%   | <b>Global</b> |                                    |
|  |  | Between fiscal 2021 and fiscal 2030, <b>increase representation in the U.S. of African American and Black employees<sup>3</sup></b> at the manager level and above, from 5% to 11%                                | <b>U.S.</b>   |                                    |
|  |  | Between fiscal 2021 and fiscal 2030, <b>increase representation in the U.S. of Asian, Latinx, Indigenous and all other ethnically diverse groups<sup>3*</sup></b> at the manager level and above, from 17% to 23% | <b>U.S.</b>   |                                  |
|  | <b>Climate action</b>  |   |               |   |
|  | <b>Climate action</b><br>                 | By fiscal 2030, <b>reduce absolute Scope 1 and 2 greenhouse gas emissions</b> , from a fiscal 2019 base year  | <b>Global</b> | 18% reduction as of the end of fiscal 2022  |
|  |  | <b>Set a Science-Based Target</b> approved by the Science Based Targets initiative (SBTi)   | <b>Global</b> | Committed to setting a Science-Based Target in October 2021 and currently baselining Scope 3 greenhouse gas emissions |

\* We use the ethnic diversity categorization of the Equal Employment Opportunity Commission (EEOC). "All other ethnically diverse groups" include American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races.

<sup>2</sup> This goal excludes Cardinal Health employees who identify as non-binary (U.S. only) or do not specify a gender within our voluntary survey.

<sup>3</sup> This goal excludes Cardinal Health employees located within U.S. Territories, and employees who do not specify an ethnicity or respond to the voluntary survey.





# Empowering our people

## In this section:

- Diversity, equity and inclusion (DE&I)
- Talent management
- Wages and benefits
- Employee well-being
- Workplace health and safety





What employees bring to work every day drives innovation, creativity and problem solving. When we empower our people, we fuel both business and personal success.

We work hard to build a culture where employees can bring their whole selves to work, where they have a sense of belonging and can thrive while advancing our mission of improving the lives of people every day. We support our employees by providing learning and development opportunities at every stage of their careers. We offer a wide array of benefits to promote quality of life, and we strive to keep their safety a top priority.



**Our promise to our employees**

We seek to provide our employees with a unique experience. Here is what employees can expect at Cardinal Health:

**Our employees do work that matters,** improving the lives of people every day.

**Our employees can find their place at Cardinal Health,** growing and owning their careers with our trusted team of driven professionals who expertly navigate the challenging, fast-paced field of healthcare to generate results and make a lasting impact.

**Our employees are encouraged to focus on balance.** We empower leaders to support their teams in ways that allow them to reach their personal and professional goals.

**Our employees can be themselves.** Authenticity is welcomed here: Just as you are is just right for us.

A culture of **honest conversations**

In 2020, Lynette Berger, a senior consultant in Supply Chain Management at Cardinal Health, was deeply shaken by the murder of George Floyd and other incidents of violence toward Black, African American and Asian American people. She wanted to better understand racism and discrimination, and find a way to talk about what she was feeling.

“I was frustrated by where we were as a society,” she said. “I was struggling with how to explain it to my children, and how to talk about it with colleagues. I began researching documentaries about these issues; the films I watched helped me begin conversations with my kids.” That gave her an idea: What if she could view and discuss documentaries with co-workers?

“Talking about race and racism can be very uncomfortable for everyone,” she said. “We’re afraid of saying the wrong thing or asking a question that might be perceived as offensive.”

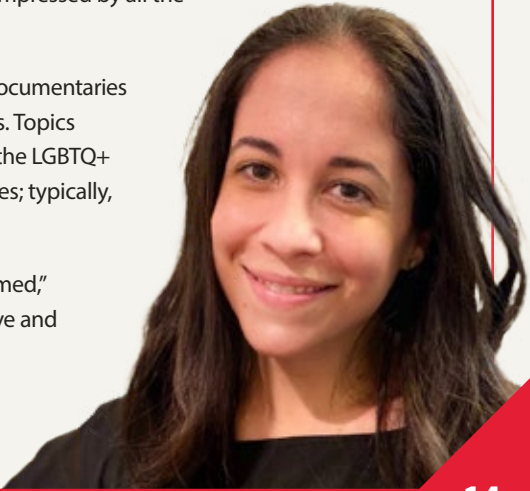
“I believe we can get more comfortable addressing difficult issues by learning about them together. When we talk about them, we start to build trust and openness.”

She talked to her management about starting a documentary review series with her team. “I wanted it to be like a book club,” she said. “But instead of reading a book, we would watch a documentary every month, then gather virtually for a conversation about it.”

With her leadership’s support, she emailed her 36 teammates, explaining what she wanted to do and why. She invited them to watch “13th,” a documentary that explores the history of racial inequality and the prison system in the U.S., and scheduled a group chat, making it clear that participation would be entirely voluntary. Thirty-three people joined that first conversation. “Only a few people spoke up,” she said. “But I was just as impressed by all the people who sat in and listened.”

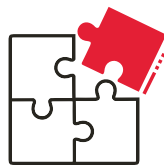
Now, two years into the series, Berger continues to vet documentaries for the group, reading reviews and previewing the films. Topics have expanded to include immigration, homelessness, the LGBTQ+ community, women’s rights and other DE&I-related issues; typically, 30–50 colleagues join the conversations.

“We’re helping each other grow and become more informed,” Berger said. “We’re united by a desire to become inclusive and accepting of everyone around us.”





# Diversity, equity and inclusion (DE&I)



At Cardinal Health, we believe that DE&I isn't about one person or a small group of people. It's about everyone working in collaboration to create a future that is equitable for all.

Our DE&I vision is to increase the company's competitive advantage by partnering with all employees and our multiple internal groups focused on DE&I in ways that will help us succeed and create a great place to work for all talent.

These include our Black and African American Racial Equity Cabinet, our DE&I Council, GenerationNext,<sup>4</sup> employee resource groups (ERGs) and Multi-Cultural Communities (MCCs).<sup>5</sup> We believe that every employee makes a difference in our journey toward a truly diverse, equitable and inclusive culture. This vision is intersectional with customers, suppliers and communities.

<sup>4</sup> GenerationNext is a group of manager- and director-level employees that supports our corporate DE&I initiatives, the work of the DE&I Council and the Black and African American Racial Equity Cabinet. GenerationNext also helps identify and cultivate the next generation of diverse talent.

<sup>5</sup> MCCs facilitate engagement by employees outside the U.S. in our DE&I work.

Here's how we define diversity, equity and inclusion:

**Diversity** means the representation of all our identities and differences (race, ethnicity, disability, sexual orientation, gender identity, nation of origin, tribe and religion), both as groups and as individuals.

**Equity** focuses on closing specific access gaps to success. By closing these gaps, we can help to provide equal opportunities and access to all.

**Inclusion** builds a culture of belonging that values all employees' unique perspectives and contributions.

**We know we will have achieved a culture of true diversity, equity and inclusion when:**

- Our customers recognize and support our culture of diversity and inclusion and the value it brings to them, as we recognize and support theirs.
- Our employees bring their whole selves to work feeling valued, respected and represented, while showing dignity and respect to each other.
- Our people leaders feel personal ownership, responsibility and accountability for building and empowering diverse teams that deliver results and innovation through curious and courageous leadership.
- Our company helps create communities where all people have an opportunity to thrive.
- Our company builds and supports a robust network of diverse suppliers that meets the needs of our customers and the communities we collectively serve.
- Our diverse and inclusive organization delivers value and meets the expectations of our government partners and investors through transparent dialogue and information sharing.



“DE&I is inextricably entwined with our business and is essential to who we are. We believe that having diverse voices at the table makes us more innovative and creative, and leads to smarter decision making. We know DE&I is important to our customers, stakeholders, employees and communities. What's more, creating an environment where our employees can bring their whole selves to work is the right thing to do.”

— **Ola Snow**  
Chief Human Resources Officer (CHRO)

At every level of the company, we continue to encourage authentic, vulnerable conversations in town halls and team meetings, throughout our ERGs and in one-on-one conversations.

We listen to and learn from diverse colleagues and leaders in order to continue to champion change and make progress. We have several internal employee-driven groups who focus on DE&I and help to drive this work forward.

We prioritize and organize all of this work under three pillars: engagement, equity and representation.

# Engagement and equity

## DE&I Steering Council

The DE&I Steering Council exists to help change internal conversations about diversity, equity and inclusion. Council members are senior leaders from across the company who are charged with identifying and discussing barriers to DE&I, challenging the status quo and championing change.

[Learn more »](#)

### Executive Sponsors

**Jason Hollar**, CEO, **Ola Snow**, CHRO

## Black and African American Racial Equity Cabinet

As an organization of truth-tellers, this Cabinet aspires to bring our scale, influence and resources to openly identify and address issues of Black and African American inequity due to unconscious bias, both inside and outside of our organization.

[Learn more »](#)

### Executive Sponsor

**Jason Hollar**, CEO

### Executive Advisors

**Ola Snow**, CHRO, **Ben Brinker**, President, Global Manufacturing & Supply Chain  
**Michelle Greene**, Chief Information Officer

## GenerationNext

This group of mid-level leaders helps support the initiatives of Cardinal Health's DE&I Council and the Black and African American Racial Equity Cabinet. GenerationNext also helps identify and cultivate the next generation of diverse talent. The group plays a key role in enhancing an inclusive culture, promoting DE&I both within the company and in the communities where we live and work.

[Learn more »](#)

Through regular and frequent internal training, tools and communications, we are driving awareness of DE&I strategies to middle managers and supervisors to create cultural fluency and enhance leadership capabilities.

A key initiative in fiscal 2022 encouraged all employees to participate in supporting our advancement of workplace equity. For example, all ERGs focused on allyship, encouraging all employees to join any ERG as allies to encourage learning from one another and to drive greater respect and empathy.

# Employee Resource Groups (ERGs)

Our seven ERGs help create community for underrepresented populations, their allies and advocates — all of whom are committed to helping recruit, develop, engage and retain talented individuals. Each ERG is sponsored and supported by one of our executive leaders. In addition, our Multi-Cultural Communities, though not ERGs, facilitate engagement by employees outside the U.S. in our DE&I work.

In fiscal 2022, our ERGs collaborated in new and impactful ways. For example, BOLD hosted a forum with our ¡HOLA!, APAN and PROUD ERGs to talk about code-switching: Participants spoke about the challenges of being one person in their private lives and switching to a "corporate-appropriate" personality for work. In partnership with our Human Resources team, PROUD introduced the option for employees to self-identify their gender identity

and pronouns in Workday, our employee management system. And WIN partnered with BOLD on a science, technology, engineering and math event focused on the power of STEM in the healthcare industry.

[Learn more about our ERGs »](#)





# Employee DE&I training

We continue to prioritize DE&I training for all employees worldwide. In fiscal 2022 in the U.S., management incentive-eligible employees took a DE&I Capabilities training: two hours focused on attracting, developing and retaining diverse talent, and those leaders also completed two Unconscious Bias courses designed to help increase awareness of implicit bias. Our Unconscious Bias trainings are available in eight languages, which allows global employees to take them.

Last year, we announced that the Human Resources and Compensation Committee of our Board of Directors approved expanding DE&I metrics in the company's fiscal 2022 annual incentive plan, as well as performance share units under our long-term incentive plan at the senior vice president level and above, with a portion of payouts aligned to progress toward our 2030 Representation Goals over each program's relevant performance periods. The fiscal 2022 requirement was for all incentive-eligible employees to complete a robust DE&I training program.

In fiscal 2023, all incentive-eligible employees are required to complete a new DE&I leadership training selected from a curated list on our online learning platform, and a new instructor-led (in-person or virtual) immersive experience focused on attracting, developing and retaining diverse talent.



As an enterprise, we achieved 99.9% DE&I training participation among management incentive-eligible employees in fiscal 2022.

# Annual DE&I Town Hall



Each year, our CEO and leadership team lead an all-employee town hall focused solely on DE&I; fiscal 2022 marked the third such event. Leaders and employees

throughout the company discussed how they're helping to build a diverse, equitable and inclusive culture for everyone, regardless of race, gender, religion, age, background or perspective.

# Advocating for our employees

Cardinal Health remains committed to supporting legislation that upholds our core values and furthers our commitment to respecting and appreciating diversity of thought, experience and background. With this commitment, Cardinal Health strives to create a robust culture that works for customers and employees. Since 2016, Cardinal Health has partnered with the Human Rights Campaign (HRC) to support bills such as the Equality Act and the Respect for Marriage Act through direct lobbying, statement sign-on letters and employee advocacy.



# A culture of inclusion

"Being your authentic self, publicly and privately, can be difficult, especially when you are a member of the LGBTQ+ community," said Ty Simonton, a marketing advisor within the Medical Segment.

“Working at Cardinal Health has made it easier to be more authentically myself.”

Simonton realized there was something unique about the Cardinal Health work culture during a town hall meeting he attended soon after he joined the company in 2020, he said. "A senior vice president spoke openly about some of the challenges that LGBTQ+ employees face. She talked about code-switching — the way members of under-represented communities adjust their speech patterns and behaviors at work to fit in. I hadn't heard the term code-switching before, but this leader's remarks resonated with me and my experiences. She helped me to see others like me, those with similar struggles and experiences."

A few months later, Simonton helped launch a grassroots employee group called New Perspectives, with the goal of engaging colleagues in conversations about social issues that have not generally been discussed in the workplace. He also became the marketing co-chair for PROUD, the company's ERG for LGBTQ+ employees and their allies and advocates. "I was, for the first time, comfortable being my true self at work. It was scary but liberating."

Learning to be open and visible at work helped him in other aspects of his life, he said. "Last year, I came out to my extended family. It was what I needed to do to be true to myself and those that I care most about. My family has shown me nothing but compassion and unwavering support, and I am extremely grateful for the opportunity to finally be me."

At Cardinal Health, we like to say, "Just as you are, is just right for us." We strive to create a work culture where everyone can feel safe, seen, supported and empowered to be 100% themselves. "In my role," Simonton said, "I hope to inspire continued change and allyship as we progress as an LGBTQ+ community, both within and outside Cardinal Health — because we all belong."



# Representation

## Representation goals

In August 2021, we **announced** our goals to increase the leadership representation of women and racially and ethnically diverse populations in our workforce by 2030 from a fiscal 2021 baseline.

Goals



Globally, increase representation of **women** at the manager level and above from 40% to 48%



In the U.S., increase representation of **African American and Black** employees at the manager level and above from 5% to 11%



In the U.S., increase representation of **Asian, Latinx, Indigenous and all other ethnically diverse groups** at the manager level and above from 17% to 23%

Throughout the year, we made progress toward these goals. Specifically, representation in fiscal 2022 grew at the manager level and above in the following ways:

2022



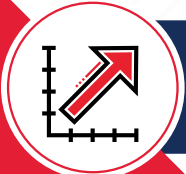
Global representation of **women** at the manager level and above grew to **40.9%** in fiscal 2022 (compared to 40.1% in fiscal 2021)<sup>6</sup>



In the U.S., representation of **Black and African American** employees at the manager level and above remained steady at **5.3%** in fiscal 2022 (compared to 5.3% in fiscal 2021)<sup>7</sup>



In the U.S., representation of **Asian, Latinx, Indigenous, and two or more ethnicities** at the manager level and above grew to **19.1%** in fiscal 2022 (compared to 17.5% in fiscal 2021)<sup>7</sup>



Asian representation grew to **11.3%** (compared to 10.2% in fiscal 2021)

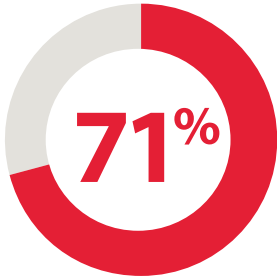
Hispanic representation grew to **5.8%** (compared to 5.5% in fiscal 2021)

Representation of Indigenous employees and those of two or more ethnicities grew to **2.0%** (compared to 1.8% in fiscal 2021)

<sup>6</sup> This goal excludes Cardinal Health employees who identify as non-binary (U.S. only) or do not specify a gender within our voluntary survey.  
<sup>7</sup> This goal excludes Cardinal Health employees located within U.S. Territories, and employees who do not specify an ethnicity or respond to the voluntary survey.

## Diversity of executive team (CEO and direct reports)<sup>8</sup>

## Diversity of employee population<sup>8</sup>



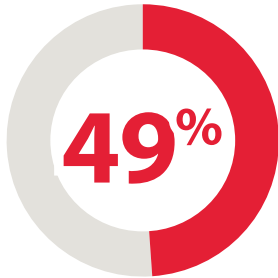
female



ethnically diverse



female  
(globally)

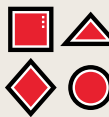


ethnically diverse  
(U.S. only)

To drive continued progress toward our representation goals, we have put the following initiatives in place:



We have eliminated the college degree requirement from **80%** of positions at the company. Instead, we look at **experience and accomplishments** as we recruit and hire.



A diverse slate of candidates and a diverse interview panel is required for **every salaried new hire**.



In addition, we eliminated **any questions about pay history** in the recruiting and interviewing process across the U.S.

<sup>8</sup> Diversity of employees is calculated based on data pulled from our HR system of record in October 2022 for the population of employees as of June 30, 2022 and excludes our Kinray employee base. Kinray is excluded as employment information is managed by a third party in a separate system of record and represents a minimal impact on the metrics. As of October 2022, Cardinal Health's executive committee comprises our CEO and his direct reports, representing a total of 7 executives. The diversity of employees by ethnicity is limited only to Cardinal Health's permanent employees based in the U.S. Cardinal Health does not collect racial/ethnic demographics of its employees outside of the U.S. Ethnically diverse is defined as all non-white employees.



# Talent management

Our Talent Management team is responsible for:

- Workforce**  
Transforming the workforce for growth
- Culture**  
Inspiring a high-performance culture
- Talent**  
Growing talent for today and tomorrow
- Leadership**  
Defining what it means to be a leader

How our Talent Management team works:

- Thought leadership and expertise**  
Stewards who inspire, share best practices and challenge the organization
- Coach/consult**  
Trusted partners who collaborate to provide solutions and services
- Develop and build capability**  
Builders of frameworks, processes and programs for others to excel
- Measure impact**  
Leaders who leverage quantitative and qualitative data



## Our Time to Talk performance conversations

In line with our company value of **Accountability**, our performance management processes are designed to inspire high performance through quarterly check-ins for manager and employee. Each quarter, all employees have one-on-one Our Time to Talk conversations with their manager to talk about their professional goals and areas of development.

- During the **first quarter of each fiscal year**, managers partner with employees to set annual performance goals and plans for personal development.
- During the **second and third quarters**, employee and manager conversations focus on these goals and development plans. Employees discuss any roadblocks they have encountered and get specific feedback from their manager.
- In the **final quarter of the year**, employees complete self-assessments of their performance and engage with their manager for a performance review.



## Listening to our employees

Our Talent Management team assesses employee engagement and sentiment throughout the year with its Voice of the Employee program. Biennially, the team surveys all employees across a broad range of engagement drivers with surveys to monitor action planning progress. Employee participation is high, with a response rate of nearly 90%. The mostly quantitative results of these surveys are shared directly with leaders to inform and build robust action plans.

Pulse surveys, designed to learn more about a specific topic or event (like the impact of a DE&I town hall or an all-employee meeting), are sent to a subset of employees. In addition, focus group discussions and interviews, hosted virtually or in person, help the team gather sample employee opinions or feedback on specific topics, like culture.

These surveys continue to show strong sustainable engagement — meaning how engaged, energized and empowered employees feel in their work.

Throughout the year, most members of our Executive Committee host **Let's Chat** sessions with their teams, designed to foster understanding and trust.



**In fiscal 2022, the Talent Management team added lifecycle surveys to gather feedback from employees new to the company, as well as those who are voluntarily exiting the company.**

These are designed to capture and analyze employee sentiment over time and allow leaders to continually improve our robust attraction and retention strategies.



CEO Jason Hollar joins the at-Home Solutions Let's Chat



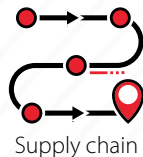
# Supporting the learning and development of all employees

The Learning and Development (L&D) team’s mission is to grow and develop all employees, empowering them to continuously refine their skills in areas important to Cardinal Health and the healthcare industry.

Working with 80 business partners across the enterprise to determine the most appropriate learning and development focus, the team helps drive cultural change and holds itself accountable for business results.



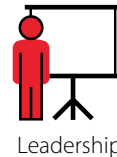
Business partners are organized around **seven learning academies** that work with each segment of the company to advocate for the needs of employees within specific business units, focusing on skills and development needed for excellence.



Supply chain



Sales



Leadership



Nuclear and pharmacy clinical work



Corporate functions



Customer experience

Our learning technology platforms provide consumer-grade experiences, allowing our employees to interact with them with no training. These platforms have enabled the L&D team to build impactful and engaging training, as evidenced by the more than 300% increase in net promoter scores, which represent the percent of respondents likely to recommend the learning opportunity to others.

Through digitally advanced tools like our online learning platform that includes learning and development programs for everyone, the L&D team supports a learner-driven approach to advancing skills and has made it easy for employees to seek out and take advantage of relevant learning opportunities.

## Our online learning platform offers 34K+ courses

In fiscal 2022:



More than 7,400 courses accessed by employees



More than 43,000 employees completed available online development courses



Average of 12.6 hours of training per employee





## A culture of **learning**

Digital **U**

Empowering and upskilling our employees through Digital U

Digital U is designed to build a core of data-driven capabilities in house and a digital-first culture throughout the company. The program equips our employees, who already have deep knowledge of healthcare and our customers' needs, with digital skills so they can innovate and constantly adapt.

Digital U is a comprehensive digital upskilling curriculum designed for employees around the globe. It provides knowledge and skills in areas that are aligned with our emerging business strategies, as well as evolving customer needs. The program encourages employees to answer the question of how Cardinal Health can leverage technology to create exceptional customer experiences and improve patient outcomes.

**Digital U features three levels:**

**01** Through **Digital Fluency**, employees are introduced to concepts like design thinking, machine learning, automation, blockchain business, telematics and more. This program is available in five languages. More than 400 employees completed this program in fiscal 2022.

**02** The **Digital Immersion** program provides a deeper dive into specific topics that spark employees' interest through more than 42 playlists on subjects including agile leadership, business analytics and product management. In fiscal 2022, 170 employees completed a Digital Immersion program.

**03** **Digital Colleges** are intensive, boot camp-style programs that require six to 12 months of coursework. Employees can apply to one of seven colleges, each focused on an area fundamental to our business growth: agility, architecture, cloud, digital marketing, engineering, information security and analytics, automation and artificial intelligence.

Digital Colleges give graduates the skills they need to help them expand their roles or move into new ones. Nearly 160 employees graduated from a Digital College in fiscal 2022. Digital College graduates have an 86% retention rate. And, of the nearly 270 employees who have graduated since the program's inception, more than a third have achieved career growth — either an expanded role or a promotion — which is 15% higher than the growth rate for nonparticipants.

[Read more »](#)





# Leadership development programs

In addition to the many online learning options offered, employees also have opportunities to participate in a variety of development programs. These programs are designed to equip employees with the skills to manage their careers, to contribute innovative work to Cardinal Health and to lead their teams to success.

## Developing early career talent

### Summer internship program

This program helps us identify tomorrow's talented workforce, connecting high-potential college and MBA students with engaged teams across our businesses. As interns, the students can develop their skills and prepare for full-time positions. The internship class that began the program in fiscal 2022 included 107 interns: 55% were women and 48% were ethnically diverse; nearly 6% lived and worked outside the U.S.



**550+**

More than 550 U.S. employees completed leadership development programs in fiscal 2022



### Emerge

Through Emerge, we prepare former summer interns and college graduates with the skills to build greater business acumen and navigate the organization. In fiscal 2023, Emerge transitioned from a three-year rotational program to one that offers meaningful entry-level roles with solid career pathways, where participants take greater ownership of their careers. Our goal is to create and prepare a talent pool of professional and manager-level employees for our company. Of our most recent participants, 42% were ethnically diverse and 54% were female. We will continue to focus on bringing greater equity to the program. Currently, 100 employees participate in the Emerge program.

## Building people-leader capabilities

We provide targeted development offerings to build and foster leader capabilities for both individual contributors and current people managers.

### Aspiring Leaders

Designed for team lead and supervisor levels within our distribution centers and manufacturing facilities, this program, piloted in 2021, focuses on helping participants grow their leadership skills. We developed Aspiring Leaders to address what McKinsey & Company calls the "broken rung" in the talent pipeline. In fiscal 2022, we advanced from a pilot phase to a full program, with 20 employees participating.

### Leading the Cardinal Health Way

This interactive leadership development program for new people leaders (those who are either new to the company or newly promoted) includes a one-day live event of instructor-led training or two half-days of virtual instructor-led sessions. More than 300 new leaders completed this program in fiscal 2022.

### Development for front-line leaders

For employees in the Philippines and India, a program called Pilot is designed to enhance the leadership capabilities of front-line leaders. The curriculum focuses on developing a leader mindset, leading through change, communicating effectively, driving accountability for team results and creating a culture of feedback. The program was launched early in 2021 in the Philippines; by the end of fiscal 2022, 120 leaders had graduated from the program. The program launched in India early in 2022; 15 employees in India have since completed the program.



# Developing leaders for our future

With a strong focus on succession planning, we identify individuals with potential for growth and focus on their development with a career development tool that helps them chart their course to ensure their readiness for next-level roles. In partnership with Korn Ferry, an industry leader in leadership development, we have designed three differentiated leadership development programs to enable leaders with potential to advance: Elevate, Envision and the Executive Development Experience (EDX). Through these programs, we are investing in employees' leadership effectiveness for today and for the future.

### Elevate

New in fiscal 2022, Elevate is a six-month program designed to advance ethnically diverse talent with potential for long-term career growth. This program was specifically designed with equity in mind to develop underrepresented talent and support the achievement of our **2030 representation goals**. This cohort-based program includes both participants and their direct managers. In fiscal 2022, 24 employees completed the Elevate program. A second cohort is planned for fiscal 2023.

### Envision

This is a 12-month leadership development program designed to accelerate the leadership readiness of high-potential managers and directors. In this program, there is an intentional mix of talent across business segments and functions as well as race and gender to ensure diverse representation. In fiscal 2022, 55 employees began this program and completed it in early fiscal 2023. A second cohort is planned to start in fiscal 2023.

### Executive Development Experience (EDX)

This 12-month program is designed for those individuals on succession plans for president- or executive vice president-level positions. Participants are selected based on their readiness, and we include participants with a diverse mix of functions and geography. We are also intentional about the representation (race, ethnicity and gender) of the participants. Fourteen employees graduated from the first program, three of whom have since advanced to president-level roles. Our second cohort will take place in fiscal 2024.



### We also offer external development programs for some employees

For example, each year, several rising women leaders in Central Ohio complete a Women for Economic and Leadership Development (WELD) course called the WELD Pathway to Management Program.

This is a six-month intensive course designed to prepare women for their first promotion to management. Five employees completed the program in fiscal 2022.

## Building our leadership succession planning

Succession planning serves as the basis for how we select individuals for all of the differentiated development opportunities highlighted in this section. We actively manage the succession plans for all vice president-level employees and above

— reviewing, updating and adapting based on business needs and current talent. In succession plan reviews, we determine each individual's long-term career trajectory and carefully architect their careers, considering their development based on their work

experiences and assignments. We measure the health (near and long-term readiness) and the diversity of our succession plans. Over time, we have consistently improved the near-term readiness of our talent and the depth of our succession plans.

# A culture of— advancing diverse leaders

"I had an 'aha!' moment early on in the Elevate program," said Sandi Sykes, a global director in Medical Affairs and co-chair of a BOLD employee resource group (ERG) field chapter. Sykes, a registered nurse with several advanced healthcare-related degrees and certifications, leads a team of nurses who provide clinical and medical expertise for the safety and efficacy of our medical devices.

The underlying theme of Elevate is defining one's goals — to live by design, not by default, she said. Throughout the program, Sykes and her manager worked together on a development plan to accelerate her professional readiness for her next role.

"The program provides coaching, tools and an environment to discover your talents and passions," she said. "Patient safety has always been my passion. Elevate fostered my discovery of a new passion: supporting and developing talent to help others advance to leadership roles. The program fueled my desire to give back and support the company's 2030 goal to increase representation of African American and Black employees at the manager level and above."

A fundamental distinction of Elevate is learning how messages we've heard throughout life, combined with the headwinds experienced by underrepresented groups, can impact one's confidence and career choices, Sykes explained. "Such awareness helps you focus on what you want to accomplish and the necessity of networking, mentorship and sponsorship."

“For myself and for others who are able to experience differentiated learning, the most important learning is to focus on the possibilities, make meaningful connections that will support your growth and maintain your momentum, even when you encounter setbacks.”





# Wages and benefits

## Benefits overview

At Cardinal Health, we provide our employees with benefits that promote their quality of life because we know that when our employees thrive, they are their best selves at work, at home and in their communities. Our benefits help empower our employees’ physical, mental and financial well-being.



401(k)  
savings plan



Flexible spending  
accounts



Short- and long-  
term disability  
coverage



Basic life  
insurance



Business travel  
insurance



Adoption  
assistance



Tuition  
reimbursement



Paid parental  
leave



Domestic  
partner benefits



Virtual coaching  
program for pain  
management



Mental well-  
being programs  
(including emotional,  
psychological and social  
connectedness resources)



Physical and  
financial well-  
being programs



Backup childcare  
and eldercare  
services



College  
coaching for  
dependents



Special needs  
programs



Live and Work Well  
employee assistance  
program (EAP)

**Globally, all employees and their household members, regardless of benefit enrollment, have access to our EAP, to help them manage stress and support their mental health. In addition, all employees around the globe are provided with business travel insurance and personal accident insurance. Other country-specific benefits are provided and vary by location.**

We look for ways to recognize employees, particularly front-line workers, for the work they do every day on behalf of our customers and the patients our customers care for. We have created an On the Spot Rewards program for leaders to recognize our front-line workers. And in September 2021, all employees not otherwise eligible for other incentives received a bonus in recognition of their extraordinary efforts through the COVID-19 pandemic.



# Pay equity

We have committed to conducting a pay equity study every year. We define pay equity as equal pay for women, men and all ethnicities who are performing substantially similar work. Some of the things we consider include job-related skills, tenure, experience and education level, performance rating and geography.

For every dollar male employees are paid, **female employees** at Cardinal Health are paid<sup>9</sup>

**98.6¢**

For every dollar non-minority employees are paid, **minority employees** at Cardinal Health are paid<sup>10</sup>

**99.5¢**



<sup>9</sup> Cardinal Health's gender pay equity metric is calculated using U.S. permanent employee compensation as of October 24, 2022. The calculation excludes employees located in U.S. territories, executives, employees on select incentive compensation plans, and employees who either identify as non-binary or do not respond to the voluntary survey.

<sup>10</sup> Cardinal Health's minority pay equity metric is calculated using U.S. permanent employee compensation as of October 24, 2022. Minority employees are those who identify with a race or ethnicity other than white. The calculation excludes employees located in U.S. territories, executives, employees on select incentive compensation plans, and employees who do not respond to the voluntary survey.

## EEO-1 survey data

We include the data below in the EEO-1 report that we file with the U.S. Equal Employment Opportunity Commission (EEOC) based on calendar year filing requirements. The data reflect U.S. representation of racial/ethnic groups in various job categories at Cardinal Health as of December 19, 2021. (The EEOC mandates the use of specific job categories that are different from our workforce categories.)

|  | Asian        |              | Black or African American |              | Hispanic or Latino |              | American Indian or Alaska Native |           | Native Hawaiian or other Pacific Islander |           | White        |              | Two or more races |            | Total         |
|--|--------------|--------------|---------------------------|--------------|--------------------|--------------|----------------------------------|-----------|---|-----------|--------------|--------------|-------------------|------------|---------------|
|  | F            | M            | F                         | M            | F                  | M            | F                                | M         | F   | M         | F            | M            | F                 | M          |               |
| <b>Executive/Senior Level Officials and Managers</b> | 1            | 2            | 1                         | 4            | 0                  | 4            | 0                                | 0         | 0   | 0         | 19           | 36           | 0                 | 1          | <b>68</b>     |
| <b>First/Mid-Level Officials and Managers</b>        | 100          | 175          | 163                       | 195          | 138                | 199          | 5                                | 5         | 3   | 4         | 1,207        | 1,612        | 28                | 33         | <b>3,867</b>  |
| <b>Professionals</b>                                 | 401          | 456          | 375                       | 224          | 249                | 206          | 15                               | 11        | 3   | 8         | 2,485        | 2,223        | 79                | 59         | <b>6,794</b>  |
| <b>Technicians</b>                                   | 53           | 86           | 157                       | 137          | 198                | 158          | 7                                | 9         | 9   | 8         | 459          | 462          | 17                | 16         | <b>1,776</b>  |
| <b>Sales Workers</b>                                 | 20           | 17           | 31                        | 53           | 44                 | 37           | 4                                | 1         | 2   | 3         | 591          | 590          | 9                 | 17         | <b>1,419</b>  |
| <b>Administrative Support Workers</b>                | 50           | 23           | 636                       | 94           | 214                | 60           | 14                               | 3         | 6   | 0         | 1,043        | 201          | 46                | 12         | <b>2,402</b>  |
| <b>Craft Workers</b>                                 | 0            | 4            | 16                        | 52           | 3                  | 40           | 0                                | 1         | 0   | 0         | 11           | 153          | 1                 | 2          | <b>283</b>    |
| <b>Operatives</b>                                    | 410          | 649          | 1,099                     | 1,758        | 1,222              | 1,531        | 24                               | 47        | 46  | 57        | 1,160        | 2,599        | 64                | 119        | <b>10,785</b> |
| <b>Laborers and Helpers</b>                          | 17           | 9            | 82                        | 28           | 211                | 59           | 4                                | 2         | 0   | 0         | 109          | 67           | 4                 | 1          | <b>593</b>    |
| <b>Service Workers</b>                               | 0            | 1            | 0                         | 12           | 1                  | 9            | 0                                | 0         | 0   | 0         | 0            | 39           | 0                 | 1          | <b>63</b>     |
| <b>Total</b>   | <b>1,052</b> | <b>1,422</b> | <b>2,560</b>              | <b>2,557</b> | <b>2,280</b>       | <b>2,303</b> | <b>73</b>                        | <b>79</b> | <b>69</b>                                 | <b>80</b> | <b>7,084</b> | <b>7,982</b> | <b>248</b>        | <b>261</b> | <b>28,050</b> |
| <b>Previous Report Total</b>                         | 1,067        | 1,479        | 2,608                     | 2,603        | 2,247              | 2,362        | 67                               | 74        | 80  | 89        | 7,224        | 8,449        | 234               | 264        | 28,847        |

(F) Female, (M) Male



# Employee well-being

## Living well: The whole you matters

We know that when our employees are empowered to be their best, and when their families are well, they will bring their best to work every day. At Cardinal Health, we know that the “whole you” matters. That’s why we take a holistic approach and shape our employee well-being efforts around Mind Matters (mental well-being), Moving Matters (physical well-being) and Money Matters (financial well-being).



## Mind Matters

Mind Matters is our global mental health initiative created to provide mental health resources to employees and their families, and to foster an open and supportive mental health culture throughout the company. Since the start of the COVID-19 pandemic, our focus on mental health has become increasingly important.

Because a key goal of Mind Matters is to eliminate the stigma of mental health issues, employees are encouraged to share their personal journeys related to mental well-being. Many senior leaders help make that more comfortable by sharing their own stories and by reiterating for everyone that it is okay to not be okay. Encouraging such open dialogue is helping employees to seek and get the help they need.

In fiscal 2022, we hired a full-time benefits manager focused solely on mental health, and our benefits team is working with our vendors to integrate mental health into all of our benefits.

To equip people leaders with the skills they need to address mental health issues in the workplace, we provide them with online learning programs via our digital learning platform. We provide all employees with free access to Headspace, a meditation, mindfulness and relaxation app.

In fiscal 2021, we began offering a training program to employees in the U.S. called Mental Health First Aid (MHFA). The MHFA certification helps people identify and support anyone who might be experiencing a mental health issue (e.g., a panic attack, traumatic event or withdrawal from substance misuse) and helps connect people who may need additional support to care. Through fiscal 2022, more than 1,000 employees earned their MHFA certification through a six-hour course. Once certified, these employees meet monthly for ongoing training and support. The Benefits team expects to implement a more concise MHFA course in fiscal 2023 that is accessible to more employees.

In fiscal 2022, each of our employee resource groups (ERGs) hosted a Mind Matters program customized to their specific audience.

Here are a few examples:



**¡HOLA!** partnered with Optum Health to create live training sessions on topics such as navigating workplace changes, supporting friends and family who have mental health concerns and coping with traumatic events. Some of the programs were led in Spanish; others were in English.



**DAN** hosted several sessions focused on mental health, including a presentation by a licensed mental health therapist and a panel discussion about the intersectionality of disabilities and mental health.



**BOLD** hosted a session led by a licensed mental health therapist focused on mental health stigma in the Black and African American community. BOLD members shared their personal stories and talked about ways to remove stigma and cultivate mental well-being.



**WIN** hosted a conversation with the Benefits team to highlight the importance of caring about one's own mental well-being and providing an overview of Cardinal Health resources that support self care.

[Learn more about our ERGs »](#)

## In addition, several business units at Cardinal Health began holding discussion forums on mental health in fiscal 2022.

For example, our Global Business Services team hosted a meeting for its employees in the U.S., India and the Philippines focused on disability and mental health. Employees from each country participated in a panel discussion, sharing personal stories of mental health issues and disabilities.

Additionally, we partner with the **Healthcare Distribution Alliance (HDA)** to share with other companies the importance and impact of supportive mental health benefits. In fiscal 2022, our CHRO hosted a series of brief videos for HDA members on topics such as removing the bias and stigma surrounding mental health issues, creating a culture where employees can be vulnerable and the impact of our **Midweek Moment**, a two-hour window each week that employees can use to focus on whatever is important to them.





## Employee assistance program (EAP)

Live and Work Well, our EAP, is available to all Cardinal Health employees, whether or not they have Cardinal Health benefits. Each employee can access eight EAP sessions per issue per year, and we even make EAP support accessible to employees for 18 months after they leave the company.

We want more employees to take advantage of our EAP for concerns big or small: work-life issues, legal advice, help in talking with a teen or relationship counseling, elder or childcare services, food and nutrition assistance and more. Throughout the year, we communicate regularly with our employees about accessing the EAP through multiple channels, including one-on-one conversations and printed mailers. In fiscal 2022, we launched a new EAP intranet site that helps facilitate connections to the help people need when they need it. There was a nearly 19% increase in total EAP engagement in fiscal 2022 over fiscal 2021. (Engagement can include multiple interactions by a single employee or household member.)

## Moving Matters

Our Benefits team is focused on making it easier for employees to improve their physical health. Each year, we offer a well-being incentive that encourages employees to:

- 01 **Take a health assessment.**
- 02 **Complete a biometric screening measuring four important health factors.**

The goal is to be in the “healthy” range for at least two of them. If not, employees can participate in other LivingWell health activities such as a weight management course or coaching programs to earn a discount on insurance premiums.

In January 2022, we simplified this incentive so that employees can get the benefits discount after completing a streamlined biometric screening.

We offer a digital care solution for musculoskeletal (MSK) care, which is the number one healthcare cost in the U.S.<sup>11</sup> This solution connects employees to a digital physical therapist. Through sensor technology, the digital physical therapist can deliver real-time feedback on personal exercises. The solution also connects employees to educational resources to help them develop healthier goals and habits — and stick with them. Further focusing on MSK care, site leaders across the U.S., Benefits team members

and employees on the Risk Management and Environment, Health and Safety teams meet regularly to create projects to address the costs of MSK issues across the business. They have established baseline metrics related to cost and employee impact and outlined project opportunities to improve the experience.

To make healthcare more accessible and to close gaps in care identified in specific employee populations, we began piloting a mobile health vehicle at sites in California. Through this mobile clinic, employees can get biometric screenings as well as connect to a primary care provider.



## Money Matters



Through our Money Matters benefits, we help employees build financial security today and for tomorrow. Among the benefits offered are financial planning, health savings accounts (HSAs), flexible spending accounts (FSAs), tuition reimbursement, estate and funeral planning services, retirement planning and a 401(k) savings plan.

In fiscal 2022, we offered personalized retirement planning sessions so that employees could meet virtually, one-on-one, with a retirement savings educator from Principal and discuss retirement goals, gaps in savings, income protection and risk tolerance.

In addition, we partner with BCU, a credit union that offers employees convenient access to services, including savings accounts, interest-earning checking accounts, credit cards and competitive loans. With BCU, we created a Financial Strength Builder, an online program that includes a financial assessment plus coursework that covers a variety of financial well-being topics like budgeting, credit, saving and planning and saving for college. These brief courses include videos, articles, calculators and financial worksheets.

Each year, the Cardinal Health Foundation awards scholarship funds to approximately 100 high school graduates. Eligible candidates are the unmarried, dependent children of full-time or regular part-time Cardinal Health employees living in any country where we work. The \$2,000 scholarships can be used for educational expenses at any accredited college, university or vocational/technical school for the upcoming school year. Winners are chosen based on a variety of criteria, including academic performance, financial need, leadership experience and extracurricular activities.

<sup>11</sup> “U.S. Health Care Spending by Payer and Health Condition, 1996–2016,” Journal of the American Medical Association (JAMA) <https://jamanetwork.com/journals/jama/fullarticle/2762309>. Accessed September 16, 2022.

# Workplace health and safety

## COVID-19 protocols

As the pandemic caused disruptions around the world, we continued to prioritize the health and safety of all our employees. Our Environment, Health and Safety (EHS) and Global Security teams, as well as CHRO Ola Snow and Chief Medical Officer Kevin Soden, have continued to provide frequent updates about the pandemic and new variants, changes to guidelines from the U.S. Centers for Disease Control and Prevention (CDC) and the latest guidance on testing, vaccines and boosters. Employees around the globe can access information via a robust COVID-19 Response intranet site that includes tools and guidance for leaders and employees.

In addition, Dr. Soden has hosted regular “Medical Minute” podcasts, each one focusing on a single issue related to COVID-19 (like wearing masks or traveling by air), and he and Snow have hosted “Let’s Chat” sessions for any employee who wants to participate and ask questions. Dr. Soden has led interactive virtual meetings with employees in facilities around the globe, answering questions and discussing the ever-changing pandemic.

Senior executives, particularly our CHRO, published podcasts frequently throughout fiscal 2022 to provide employees with pandemic updates and our safety protocols. Executive leaders hosted regular meetings and calls with operations leaders, and our pandemic team provided regularly updated posters, intranet stories and scripts to make information accessible to employees in our warehouses and our manufacturing and distribution facilities.

In fiscal 2022, we took COVID-19 vaccine clinics directly to various locations and offered COVID-19 testing to employees at facilities in Mexico, where testing was difficult to access. We kept a continuous supply of face masks available for employees in facilities around the world.

Throughout the pandemic, our safety protocols — particularly for front-line workers at our manufacturing facilities and distribution centers — have allowed us to keep our facilities open and operating. We have continued to provide our customers with the products and services they need to care for their patients.

## Injury and risk reduction

We take appropriate measures to prevent incidents and accidents in our workplaces. In fiscal 2022, we created a new operational excellence leader position to drive EHS-related improvements in facilities around the globe.

## Third-party certified EHS management systems

In fiscal 2022, Cardinal Health attained multi-site ISO 14001 and 45001 certifications for 21 global manufacturing sites. The ISO management systems for environmental management (14001) and for occupational health and safety (45001) are globally accepted best practice EHS management systems.

## Machine guarding safety campaign

Because machines used in manufacturing locations are a primary cause of workplace injuries, our EHS team launched a global safety campaign in fiscal 2021, which continues. Leaders and their teams received trainings and checklists to help minimize workplace injuries.

## Ergonomics improvement

We have an ongoing collaboration with SRI-Ergonomics, the training and consulting wing of The Ohio State University’s Spine Research Institute. In fiscal 2022, we focused the work of this collaboration on ergonomic health in our pharmaceutical distribution centers and at-Home Solutions facilities across the U.S. SRI-Ergonomics’ Program Director Dr. Gary Allread, a Certified Professional Ergonomist, evaluates the work done at these sites then incorporates best practices for ergonomic health into our ergonomic guide with the goal of preventing musculoskeletal (MSK) disorders.

Additionally, we continue to partner with Humantech to evaluate tasks and identify ergonomic risks. Once our facilities are trained in using Humantech’s risk assessment tools, facility leaders perform ergonomic risk assessments. Humantech’s mobile apps capture employees in motion to identify specific risks.

## A culture of safety excellence

### Our Focus Five program



Focus Five is a three-year program designed to bring safety excellence to our operations. It is built on three pillars: **management leadership, employee participation and risk mitigation.**

Each year, five sites join the program. A comprehensive site assessment is completed at each operation. The assessment includes a site-specific action plan designed to enhance various aspects of the operation’s EHS management system. Site leaders own the plan and are responsible for driving progress. The site leader reports on their site’s progress to the Senior Vice President of Operations.

All Focus Five sites are engaged in the quarterly reporting to enhance accountability and provide valuable best practice-sharing and collaboration among participants. Management teams from each participating operation take an eight-hour EHS management leadership course, which highlights the business case for EHS, the responsibilities of the leadership in integrating safety into the operation’s culture and how to achieve continual EHS performance improvement. In year three of the program, operations that have graduated from years one and two mentor those just beginning the program. Since the program was implemented in fiscal 2020, injury rates at these sites have declined 11% year over year.

## Global occupational injury/illness data (employees only)

|                                       | FY20 | FY21 | FY22 |
|---------------------------------------|------|------|------|
| Total recordable incident rate (TRIR) | 1.37 | 1.40 | 1.48 |
| Lost time incident rate (LTIR)        | 0.50 | 0.59 | 0.65 |

Work-related injuries and illnesses are self-reported by employees and entered by a site representative into the Intellex data management system for recordkeeping and reporting. Work-related recordable injuries and illnesses were determined as of October 25, 2022, for fiscal 2022. Cardinal Health defines a recordable injury or illness in accordance with the Occupational Safety and Health Administration’s (OSHA) definition. Higher than historically normal turnover has been a factor in these rates increasing year over year.



# Creating value for our customers and communities

## **In this section:**

- Product quality and patient safety
- Responsible use of prescription medications
- Supply chain resiliency
- Community engagement







Around the globe, our employees are committed to delivering the products and services that improve lives every day. Throughout fiscal 2022, we continued to drive a culture of product quality and patient safety, optimize our supply chain and improve customer experience.

Our commitment extends to the communities where we live and work. Through the Cardinal Health Foundation and corporate giving initiatives, we focus our philanthropic efforts on improving health outcomes. We invest in initiatives that expand access to mental health services, enhance access to healthy foods for people with health issues, and improve educational outcomes. We also empower and encourage our employees to give back to their communities — and they do, with passion and generosity.

## A culture of **innovation**

At Fuse, Cardinal Health's product development center for commercial technologies, Alex Annarino is the lone ethnographer, bringing a highly specialized research approach to inform early-stage innovation and existing product experiences. She collaborates with the Fuse User Experience and Product teams who are redefining healthcare with technology.

"I'm not a designer," she said. "I don't make things. But I am a design thinker, and my role is to help teams gain a deeper, more empathetic understanding of the people they're creating products for. Ethnographic research allows us to learn what is important to care providers, support staff and patients, and to see firsthand exactly what drives how they interact with technology."

“Innovation is now synonymous with good healthcare. We have to reduce the burden on healthcare providers, make their systems easier to manage, help patients get what they need from healthcare. We have to keep innovating to make all of this happen — to make sure that the healthcare of tomorrow serves all of us better so that fewer people fall through the cracks.”

[Read more »](#)



# Product quality and patient safety

Safety and quality are at the forefront of every decision we make to help ensure a continuous supply of trusted products. We endeavor to provide only products and services that meet or exceed the expectations of our customers and their patients.

We have a Distribution Center of Excellence, which brings together the Distribution Quality teams for the Pharmaceutical and Medical Segments to create a product and regulatory compliance center of excellence designed to help ensure best practices and drive greater efficiencies and greater results. The team focuses on compliance and best practices in all of our Pharmaceutical and Medical Segment distribution and replenishment facilities.

## Field action investigation and recall management

From time to time, certain aspects of our network may not meet our quality and safety standards. When an issue is identified, we assess the product in distribution for patient safety, product performance and compliance issues, and to determine severity and scale of the incident. We then follow a defined, risk-based, and quality-driven process to determine appropriate product holds or quarantines, and to evaluate the need for a field action. If a field action is warranted, it might be a correction (e.g., updating software in the field or relabeling the product) or a removal, meaning that we instruct the customer to physically return the product. Upon identifying a field action, we also communicate with our customers and regulatory authorities and keep them updated.

To ensure our products are safe and effective, our manufacturing sites and suppliers of medical products are appropriately registered with the U.S. Food and Drug Administration (FDA) and other global regulatory authorities. They maintain a quality management system that is designed to meet or exceed applicable regulatory requirements, as well as applicable quality standards. We have also established quality objectives and metrics. Our medical device suppliers must meet the requirements of our supplier quality management process, which includes an on-site qualification audit and monthly performance monitoring.

In addition to having robust processes for technical investigations and evaluations that are in accordance with global regulations, Cardinal Health also has an active program to further reduce the potential for such instances. This is primarily through cross-functional efforts to implement more robust and proactive measures to reduce field actions.

We have made significant improvements in product quality largely due to cultural and personnel improvement programs like our Quality Begins with Me initiative, as well as other efforts to harmonize quality management system processes and procedures.

## A culture of **quality**: Quality begins with me



To build a culture of quality throughout the organization where patient safety is a top priority, we launched our Quality Begins with Me initiative in fiscal 2020 and continue to make significant improvements year over year. The mission of Quality Begins with Me is four-fold:

- 01 Promote a culture of accountability that drives the right behaviors**
- 02 Empower employees to promote operational excellence**
- 03 Create a singular binding focus on quality and compliance improvements**
- 04 Drive high-performance execution, striving for "first-time right," every time**

Most significantly, we consistently promote individual accountability to drive the right behaviors among everyone. We recognize and reward these behaviors to empower employees to advance a culture of operational excellence. Our frequently repeated message is, "If you see something, say something," whether to a supervisor, manager or quality inspector.

We made a big step forward in fiscal 2022 by integrating elements of the initiative into the Daily Management System, the digital solution that operations leaders use to align day-to-day facility management with strategic goals.

Throughout fiscal 2022, we assessed all of our facilities to identify specific gaps in progress and made action plans to close those gaps. The program will expand in fiscal 2023, with further integration into our Operations team and an even greater focus on building a quality culture.

At the launch of the initiative, we created extensive communications and training materials, including a Quality Begins with Me playbook for every site and a variety of posters with important reminders. We also built a Quality Begins with Me intranet site.



# Responsible use of prescription medications

## Opioid-related update

In February 2022, Cardinal Health, AmerisourceBergen and McKesson announced that there was sufficient participation nationwide to move forward with a national settlement of opioid-related lawsuits and claims brought by states and local government entities. This settlement resolves the vast majority of these lawsuits and claims and became effective on April 2, 2022. As part of the agreement, the three companies have implemented injunctive relief terms for their controlled substance monitoring programs. The injunctive relief terms also require the establishment of a clearinghouse that will consolidate data from all three distributors for a period of 10 years. These data will be available to the settling distributors and the settling states and territories to use as part of their anti-diversion efforts.

The injunctive relief terms set forth requirements for the distribution of controlled substances to chain and retail pharmacy customers. We have made certain changes to existing practices related to customer diligence reviews, data collection and analysis, limits on controlled substances ordering and suspicious order reporting. Our compliance with these requirements will be subject to review by an independent, third-party monitor for five years.

The national settlement will benefit communities across the country. We remain committed to being a part of the solution to the U.S. opioid epidemic.

## Controlled Substance Monitoring Program

Cardinal Health operates a strict and uncompromising system to spot, stop and report to regulators all suspicious orders of controlled prescription medications. As threats evolve, we constantly adapt our system to prevent the diversion and misuse of medications.

Our team includes investigators, data analysts, former law enforcement officers, pharmacists and compliance officers at our pharmaceutical distribution centers, in the field and at our

corporate headquarters. We conduct on-site inspections of our pharmacy customers nationwide. Where appropriate, we collect pharmacy customer data on controlled prescription medications and identify top prescribers of those medications. On an ongoing basis, we identify pharmacies that do not meet our rigid Controlled Substance Monitoring Program standards and cease doing business with them.

We vet customers closely with the sole purpose of ensuring that the right medications reach the right prescribers at the right time.

[Learn more »](#)

## Educating our employees

All new U.S. employees (including salaried and hourly employees) are required to complete an interactive training about the opioid epidemic and the role that Cardinal Health plays in finding solutions to fight the epidemic. The training arms employees with facts about the epidemic and provides tips on how to talk about the issue with friends and family.



## Educating our communities

The Cardinal Health Foundation supports Generation Rx, an evidence-informed prevention education and awareness program designed to educate people of all ages about using medications safely. The program was founded at The Ohio State University College of Pharmacy and has been powered through a partnership with the Foundation since 2009.

[You can read more here »](#)

This program, along with drug take-back events held across the country in partnership with Kroger, also provide valuable volunteer opportunities for our employees. To date, our drug take back program with Kroger has resulted in the safe collection of more than 155,000 pounds of unused and/or expired medications. In fiscal 2023, we will expand partnerships to advance safe medication disposal and educate more communities about safe medication practices.

# Supply chain resiliency

The global supply chain continued to experience unprecedented challenges in fiscal 2022 — from sourcing and capacity constraints at places of origin, to bottlenecks at destination ports, to congestion on the rails and the roads — all of which caused significant delays in critical goods.

The healthcare supply chain has been particularly affected due to these complexities. To keep products moving quickly and reliably, we continually evaluate and advance every step along our supply chain to help ensure that our healthcare customers can effectively care for their patients.

## Building real-time supply chain visibility

Real-time visibility is key to responding with agility at every point in the supply chain where challenges can occur. In fiscal 2022, we leveraged technology in the Medical Segment to advance end-to-end visibility solutions across all foreign and domestic transport modes, including trucking, ocean and air transportation, so we know where critical medical supplies are at any point in the supply chain.



Our vision for the domestic supply chain is an automated system that uses real-time data, machine learning and artificial intelligence capabilities to create an intelligent, self-learning system that facilitates the flow of inventory

throughout the supply chain, ultimately allowing our customers to track their own orders as they progress from our warehouse facility to theirs.

**Our partnership with FourKites** helps to make this vision a reality by allowing us to create connectivity with all carriers across the supply chain, from large national carriers to couriers in the final mile. The partnership will enable us to build a cognitive network that will allow our logistics team to read and react to whatever is happening across the supply chain.

We are removing siloes in the supply chain to ensure that all aspects work together. We're pulling data into a single place, so we can feed that data into neural networks and intelligent algorithms and share the data seamlessly across all levels of the organization. Through this partnership, we're also able to use data to make decisions that advance environmental sustainability, such as switching to intermodal deliveries, optimizing routes and choosing more fuel-efficient carriers.

We have made significant improvements in the timeliness of couriers scanning the pickup of products. Prior to fiscal 2022, drivers reported pickups within 24 hours; today, 62% of order pickups are scanned and in our system within 15 minutes, providing greater visibility into where the products are and can alert customers with updated delivery times.

With the information a cognitive network provides, we can act predictively and proactively, making inventory decisions all along the supply chain — from the original vendor or manufacturer to the patient — in real time. That will help our service levels to remain as high as possible, regardless of potential supply chain disruptions.



## Optimizing the international supply chain

In fiscal 2022, we focused on increasing visibility into the first mile in the supply chain for medical products coming from Asia, where we have more than 200 suppliers. The first mile in the international supply chain usually refers to the transportation process and activities between the time a purchase order has been placed for a product and when it has been successfully loaded in a container on board a ship in the product's country of origin.

There are multiple steps in the first-mile process: establishing strong carrier relationships, booking and securing space on an ocean carrier, ensuring pickup and proper loading, clearing customs, and arrival at the port before cutoff. In order to track all first-mile activities, we installed a third-party central booking agent in Asia in fiscal 2022.

We now include our central booking agent in our purchase order distribution; the central booking agent then tracks products through the time they are scheduled to be finished and available for pickup.



The visibility continues all the way through to product arrival at a Cardinal Health U.S. receiving facility. Leveraging state-of-the-art visibility tools, we now have greater visibility to our supplies coming from Asia so we can see and correct in real time any problems that arise at any point in the journey. When we can quickly see a developing issue, we can take proactive corrective action before there is a supply problem.



## Kinaxis®: Increasing agility in the medical supply chain

Cardinal Health is leveraging the Kinaxis® RapidResponse® platform to increase medical product visibility and supply chain agility. With Kinaxis®, we are enhancing our medical supply chain through concurrent planning and end-to-end network visibility and transparency. This technology allows us to factor in seasonality and pandemic planning, instantly balance demand and supply while accounting for capacity safeguards and simulate product supply scenarios in seconds to create best-fit solutions for customers.

The platform supports timely decisions using advanced insights and analytics in real time. With the addition of RapidResponse®, Cardinal Health will standardize planning in our Medical Segment within one platform, further improving overall planning, supplier management, risk management and inventory capabilities.



## Building capacity to increase continuity for our customers

We are investing \$50 million in a multi-year medical inventory management project that will add nearly 1.5 million square feet to our regional replenishment centers, which store products that our nearby distribution centers can access quickly to restock their own inventory, then ship to our customers.

This investment means that our customers can more readily get the critical medical products they need because it strengthens our on-hand inventory and our ability to rapidly restock our distribution centers. It also allows us to acquire and store more Cardinal Health™ Brand inventory to further improve our customer service levels.

### Throughout fiscal 2022, our expansion investment continued:

An additional one-million-square-foot facility in Channahon, Illinois, for customer-owned inventory

so that customers can store their own products and access them quickly for their health systems.



The construction of a new replenishment center connected to our existing distribution center in Montgomery, New York, which added



310,000 square feet of storage space.



An expansion of our Elwood, Illinois, facility with 90,000

additional square feet of inventory space.

## Locus Robots:

### Increasing labor resiliency, improving customer order fulfillment

In our facilities in Montgomery, New York, and Buford, Georgia, we have installed Locus Robots to help mitigate labor shortages, ensure business continuity and increase accuracy and on-time picking, packing and shipping.

The 55 robots in the Montgomery facility and 35 at the Buford site have helped our teams to process orders faster, with greater accuracy and efficiency. At the same time, they have contributed to increased employee safety and job satisfaction. Since the robots have been operational, we have seen improved employee retention at these two sites.

At the start of every shift, each robot gets its plan, picks up totes and takes them to employees with specific pick instructions on easy-to-read displays. The employee picks products, scans them into the robot's digital system and places the products into the appropriate totes. The robot then directs the employee to the next-nearest robot to continue picking and packing products. When the robot's totes are fully packed, the robot takes the totes to the conveyor that moves them onto the truck for delivery.

Because the robots essentially bring the work to the employees, employees can focus on what they do best — picking and restocking — rather than pushing carts weighted down with hundreds of pounds of product around the warehouse.

The robots automatically take themselves to a charging station when they need a battery charge: One battery charges five robots in less than one hour, which is more energy efficient than typical equipment that takes hours to recharge on its own battery.

The robots also provide analytics on productivity and accuracy to help drive continuous improvement. Locus Robots will be pushed out to other U.S. facilities over the next three to five years.

This technology helps Cardinal Health provide a more stable and predictable experience for delivery to customers — but it also provides more stability and predictability for our employees, which in turn improves the employee experience.





# Advocating for our healthcare customers

We believe that the private sector must work hand in hand with the government on solutions to some of the challenges facing healthcare. In fiscal 2022 and 2023, we have advocated for healthcare providers by asking Congress to support several policy recommendations that will help ease medical supply chain constraints and help ensure resiliency in the U.S. healthcare system.

We're also advocating to make certain COVID-19 public health emergency (PHE)-related waivers permanent once the PHE has been lifted. These waivers increased access to healthcare, and we have been closely engaged with our federal and private sector partners to ensure we exit the PHE with a coordinated transition to prevent sudden disruptions in patient care.

Specifically, we are advocating for the passage of:



**Equitable Community Access to Pharmacist Services Act (H.R. 7213)** which would make pharmacists eligible providers for Medicare beneficiaries for services like testing, vaccinations and treatment related to the COVID-19 pandemic and specific infectious diseases, including flu, RSV and strep throat.



**Hospital Inpatient Services Modernization Act (H.R. 7053)** which would extend the pandemic-inspired Acute Hospital Care at Home waiver flexibilities for two years so that Medicare beneficiaries can continue to receive acute-level healthcare services in their homes.



We have also been advocating for improvements to the medical supply chain. Our advocacy has been directed at Congress and government agencies, including the Department of Health and Human Services, the Federal Maritime Commission, the Department of Commerce, FEMA and the White House.

[Read more »](#)







# Community engagement

In addition to investing in our supply chain to support the resiliency of our customers and other partners, we also invest to build resiliency in our local communities. Through our community engagement work, we strive to improve health outcomes in the communities where we live and work.

We do this through improving healthcare access and quality and by addressing social determinants of health. The Cardinal Health Foundation uses an equity lens in its investments and focuses on long-term outcomes, seeding programs with partners to help create permanent, positive change. Employee engagement is also at the heart of who we are: Our mission-driven employees give their time, talent and money to the causes they care about most.

Our investments in the community are focused on:

**Increasing access to healthy foods**

by expanding food pharmacies across the country; supporting the Mid-Ohio Market at Columbus State and other central Ohio nonprofits.

**Expanding mental health services**

by expanding school-based services and launching a national health system collaborative to prevent suicide.

**Improving educational outcomes**

by partnering with the United Way of Central Ohio to improve high school graduation rates.

## Cardinal Health philanthropy in fiscal 2022

Foundation donations: **\$3.6M** | Corporate donations: **\$2.6M** | Product donations: **\$10.6M**  
**Total donated: \$16.8M**

## Food Rx for Health

The Foundation began piloting its food pharmacy initiative, now called Food Rx for Health, in 2020 to improve chronic health conditions by addressing food insecurity. Food insecurity, defined as the lack of consistent access to enough nutritious food to support an active, healthy life, is a key social determinant of health.

Food Rx for Health helps bridge the gap between food banks and healthcare organizations to help support and sustain healthier eating habits among low-income patients with chronic health conditions. Through clinic-based food pharmacies, patients can fill prescriptions written by their healthcare providers for free, nutritious foods. The Foundation launched this work with food banks and health systems in five markets across the country.

The Cardinal Health Foundation has become a supporting partner of Feeding America to tap into that organization's hunger expertise and its ability to spread lessons learned to communities across the country. In fiscal 2021, the Food Rx for Health program shifted its focus to specifically address diabetes.

Diabetes is a costly chronic health condition affecting about 422 million people worldwide, and its prevalence has been steadily increasing, according to the World Health Organization.<sup>12</sup> Our health system and community health center partners are tracking healthy foods distributed and the A1C scores of participants in the program. (A1C scores reflect a patient's average blood sugar levels.)

Collectively, the five grantees who began their work in fiscal 2020 have reported connecting more than 3,366 households with access to food through partnerships between healthcare organizations and food banks.

Those who began their work in fiscal 2021 have used different kinds of interventions to increase access to and consumption of healthy foods, and are reporting initial progress toward lowering A1C values among patients served.

<sup>12</sup> World Health Organization website. [https://www.who.int/health-topics/diabetes#tab=tab\\_1](https://www.who.int/health-topics/diabetes#tab=tab_1). Accessed August 9, 2022.

## Suicide prevention

In fiscal 2021, the Cardinal Health Foundation launched its Zero Suicide Collaborative with the foundational belief that suicide deaths for individuals under the care of health and behavioral health systems are preventable.



The Foundation's Collaborative brought hospitals together to implement the Zero Suicide Institute's framework, a practical framework for system-wide transformation to prevent suicidal individuals from falling through the cracks in a healthcare system. Each of the participating hospitals received a two-year grant from Cardinal Health and in-depth training and expert consultation from the Zero Suicide Institute to build a preventative system within their own hospital. This initial cohort completed its grant-funded work early in fiscal 2023.

Among the participating hospitals, 75% saw an increase in leadership's commitment to reduce suicide and improve suicide safer care, which includes assessing all individuals for suicide risk with evidence-based screening tools, providing intervention with at-risk individuals, and monitoring at-risk individuals with increased follow-ups and regular screening. More than half (57%) of the grantees established policies and procedures for multiple "caring contacts," which are brief, encouraging messages that do not require a response from the patient, to support effective care transitions. 41% of the grantees incorporated process and policy modifications to suicide care based on real-time data review and staff input. Collectively, the collaborative directly touched more than 1.4 million unique patients in care settings across the health systems.

In fiscal 2022, the Foundation evolved its suicide prevention program to focus on children and created Preventing Youth Suicide: A Cardinal Health Foundation National Collaborative. This collaborative currently includes 17 children's hospitals across the country. The Foundation has engaged the national Children's Hospital Association (CHA) as a long-term partner in the Zero Suicide framework. Over the course of the next three years, in partnership with CHA, the Foundation will engage 40 pediatric institutions across the country in this work.

## Increasing equitable access to education

In our corporate headquarters city of Columbus, Ohio, the Foundation supports the Columbus Promise, a joint initiative of the City of Columbus, Columbus City Schools, I Know I Can and Columbus State Community College to address education inequities.

Designed to boost college enrollment, student success and social mobility, the Columbus Promise awards students who work hard, graduate from high school and complete the Free Application for Federal Student Aid (FAFSA). The Columbus Promise Scholarship covers tuition and fees to Columbus State Community College after the Pell grant (if eligible) and any tuition-restricted scholarship(s), plus \$500 per semester for educational expenses for up to six semesters.





## Our employees give back

Every year, employees are encouraged and empowered to give back to their communities through volunteerism.

Employees volunteer at food banks, tutor underprivileged schoolchildren, deliver Meals on Wheels to the elderly or help out at animal shelters. Many employees offer their leadership skills as members of nonprofit boards; others do pro bono work, providing free legal, financial, or marketing and communications advice and expertise.

In fiscal 2022, our employees collectively donated more than **\$1.3 million** to the nonprofit organizations they care about. The Foundation matches general donations at **25%** and donations to healthcare organizations and those working toward racial equity at **100%**. Racial equity organizations that we match at 100% include:

- The Black Youth Leadership Project
- The Center for Constitutional Rights, Inc.
- The Consortium for Graduate Study in Management
- The Equal Justice Initiative
- NAACP Foundation
- The NAACP Legal Defense and Educational Fund, Inc.
- The National Council of Negro Women, Inc.
- The National Fair Housing Alliance
- The National Urban League
- The Workers Center for Racial Justice

Cardinal Health will continue our commitment to serving the communities in which we live and work.



Salaried employees receive  
24 hours of volunteer time  
per year.



In fiscal 2022, employees  
around the world volunteered  
for more than 53,800 hours.





# Year of Service

In calendar year 2021, Cardinal Health celebrated its 50th year in business with a year of service. We challenged employees around the globe to collectively volunteer 50,000 hours.

By the end of 2021, they had volunteered more than 56,000 hours — time with a monetary value of nearly \$1.7 million, based on [Independent Sector's](#) \$29.95/hour valuation of volunteer work.

Teams around the globe volunteered together this past year. A few examples include:



## An afternoon of service

Our Communications team devoted half of a regularly scheduled meeting to an “afternoon of service,” logging more than 200 hours as they picked up trash in public spaces, fed the homeless, sorted groceries at food banks, collected donated books for schoolchildren and more.



## Supporting children's education

One team organized multiple book drives that collected more than 1,500 books for the library at Highland Elementary, a school in a significantly underserved area of Columbus, Ohio, and spent time reading to the students. In Ireland, more than 50 employees volunteered with Junior Achievement, delivering hands-on experiential learning to help schoolchildren understand entrepreneurship, employability and the power of science, technology, engineering and math (STEM). In Canada, employees partnered with the United Way to host a back-to-school drive.

## Feeding the hungry

Our BOLD ERG continued a two-year partnership with J. Jireh Ministries and the Mid-Ohio Food Collective to distribute fresh produce to families in an area of Columbus where more than 27% of the residents live in poverty. Each month, 20 to 30 Cardinal Health employees volunteer to help distribute fresh produce to up to 150 families. The program grew significantly in fiscal 2022, with volunteers from multiple ERGs participating.



# A culture of giving back

## Cardinal Health's first Volunteer of the Year

As part of our inaugural Year of Service, Cardinal Health named our first-ever Volunteer of the Year to recognize the employee who devoted the most hours to volunteerism.

The honor went to **Chris Sias**, a human resources specialist who gave more than 1,500 hours of volunteer service to the Greater Columbus Chapter of the Red Cross. Sias first saw Red Cross volunteers in action at age 14 after relatives lost their home to a fire. The volunteers found temporary housing for the family, gave them money for emergency support and worked with them for the next 18 months to help them get resettled. From then on, “I wanted to do what those people did for my relatives,” Sias said. “I wanted to help.”

Today, on top of his full-time work at Cardinal Health, he is part of the volunteer executive leadership team of the Red Cross' Greater Columbus chapter, leading 120 other volunteers. Typically, he devotes multiple hours a week to the organization, working long evenings and weekends.

“When I'm at the Red Cross, it really doesn't feel like work. I deploy teams in emergencies; I work closely with the city's emergency response teams; I train new volunteers. I love all of it.”





# Pelotonia: Raising money for cancer research

From across the country, hundreds of employees ride their bicycles, volunteer or find other ways to participate in Pelotonia each year, raising thousands of dollars for life-saving cancer research at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute at The Ohio State University. Cardinal Health has supported Pelotonia from its inception in 2008. In fiscal 2022, Cardinal Health employees and the company donated nearly \$300,000 to Pelotonia.

**100% of all Pelotonia participant-raised funds go toward innovative cancer research, including:**

- |   |   |
|---|---|
| <p><b>01 Enhanced treatments and therapies:</b><br/>Pelotonia dollars help attract and retain the best talent in cancer research to explore high-impact breakthroughs that make cancer treatment less toxic and more effective.</p> | <p><b>03 Immuno-oncology:</b><br/>Pelotonia pioneered a landmark investment to launch the Pelotonia Institute for Immuno-Oncology.</p>  |
| <p><b>02 The next generation of research talent:</b><br/>Pelotonia's Fellowship Program empowers young innovators across academic fields and disciplines to pursue a career in cancer research.</p>                                 | <p><b>04 Prevention and early diagnosis:</b><br/>Pelotonia funds initiatives that aim to save lives before cancer strikes through prevention and early detection methods.</p> |



**\$170K+**

raised by employees

**\$3.5K**

donated by the Foundation

**\$125K**

donated by Cardinal Health





# American Heart Association: Supporting heart research and education



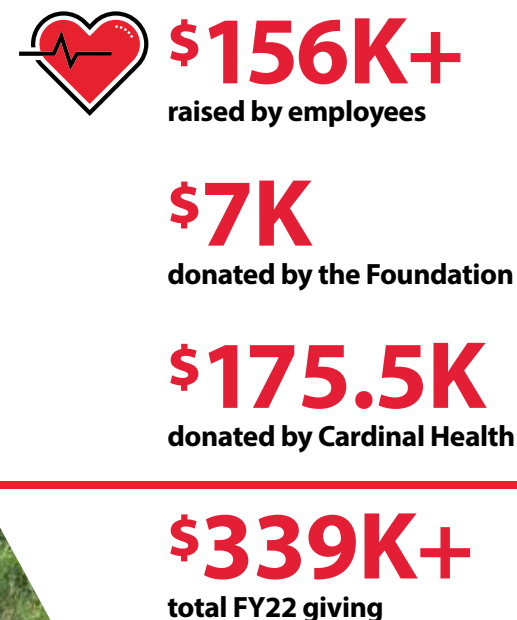
CHRO Ola Snow joined Representative Joyce Beatty (D-OH 3rd District) in co-chairing Central Ohio's Go Red for Women campaign which culminated with the Go Red for Women luncheon in February 2022.

Go Red for Women is the American Heart Association's (AHA's) signature women's initiative, created to increase women's heart health awareness. Together, Snow and Beatty focused their leadership on health equity, and led an awareness and fundraising campaign that netted \$1.2 million for women's heart health research — one of the most successful campaigns in Central Ohio's Go Red for Women history.

Employees across the U.S. also supported the AHA, through local Heart Walks, the Heart Ball and STEM Goes Red, raising funds for heart research and heart health education. Collectively, employees and Cardinal Health donated more than \$339,000 to the AHA.



(L-R) J. Nwando Olayiwola, MD, MPH, FGAAP, Ola Snow, Rep Joyce Beatty, Maureen Joyner, MD, FACEP, Chelsea Mooreland, MD



## Money from AHA fundraising program is invested locally and around the world, including:

- 01** In Central Ohio, the AHA has **partnered with four community health centers** to educate under-resourced people to better manage hypertension and lower their risk of heart disease and stroke.
- 02** Nationally, the AHA is **expanding diversity research opportunities for underrepresented racial and ethnic groups** in science and medicine through grant funding, STEM programs and established programs at historically black colleges and universities and other programs.
- 03** The AHA invested **\$2.2 million in Better birth outcomes and Experiences Through Technology, Education and Reporting (BETTER)** at The Ohio State University College of Medicine.
- 04** The AHA launched a **nationwide hypertension initiative to address poor cardiovascular health in Black, Hispanic and Indigenous communities**. In partnership with the U.S. Department of Health and Human Services (HHS), it is investing in Health Resources and Service Administration-funded health centers and Federally Qualified Health Centers to help elevate the quality of care, provide evidence-based education to clinicians and educate patients about controlling their hypertension.





## Providing disaster relief through product donations

Cardinal Health donates a significant amount of product each year, primarily through international relief organizations that support charitable missions and disaster relief throughout the U.S. and around the world.

In fiscal 2022, we donated more than \$2.5 million in medical products, including disposable gloves, surgical gowns, drapes, masks, wound care products, syringes, sharps containers and much more, primarily to MAP International and World Vision. The donations helped MAP provide lifesaving aid to more than 3 million people in more than 43 countries. Product donations to World Vision supported the organization's relief and development efforts in 25 countries, including the U.S.

Each year, these product donations provide a critical resource to those living in vulnerable conditions due to extreme poverty, food insecurity, military unrest and natural disasters around the world.

**\$2.5M** in medical products donated in fiscal 2022

This provided lifesaving aid to more than 3 million people in more than 43 countries

**3M** people





# Operating sustainably and responsibly

## In this section:

- Climate action
- Efficient transportation and logistics
- Product and packaging innovation
- Waste
- Responsible procurement and sourcing





Climate science shows that greenhouse gas (GHG) emissions across the world need to be halved by 2030 to limit warming to 1.5°C in order to avoid the worst impacts of climate change. With the healthcare industry alone accounting for 8.5% of total U.S. greenhouse gas emissions,<sup>13</sup> Cardinal Health has a role to play in reducing its footprint.

Building resiliency across our operations and supply chains is becoming ever more important as ESG-related regulations and stakeholder requirements rapidly change and disruptions from adverse weather events and sociopolitical conflicts continue to increase. At Cardinal Health, we are working to find ways to lower our carbon footprint to contribute to broader industry decarbonization efforts and to support our customers in meeting their climate goals.



With a focus on energy efficiency in our facilities, fleet efficiency in our supply chain, innovation to improve products and packaging, and the removal of waste from our processes, we strive to reduce our environmental impact.

We also engage with our suppliers to ensure that they are meeting our expectations for ethical and sustainable practices. We take a cross-functional approach to managing these challenges and work collaboratively across operations, procurement, research and development, engineering, ESG and others to proactively find solutions.

<sup>13</sup> The Commonwealth Fund: How the U.S. Health Care System Contributes to Climate Change, <https://www.commonwealthfund.org/publications/explainer/2022/apr/how-us-health-care-system-contributes-climate-change>. Published April 19, 2022. Accessed August 9, 2022.

# Climate action

Throughout 2021, we worked with the Science Based Targets initiative (SBTi) and utilized its methodology to set a Scope 1 and Scope 2 greenhouse gas emission (GHG) reduction goal. In September 2021, we [publicly announced](#) our goal to reduce Scope 1 and 2 GHG emissions by 50% by fiscal 2030, as compared to a fiscal 2019 base year. In October 2021, we publicly committed to setting a science-based target (SBT) and are baselining our Scope 3 supply chain emissions in order to set a Scope 3 goal. We expect to announce an approved SBT by the end of calendar year 2023.



In fiscal 2021, we announced our commitment to using renewable energy to power our central Ohio facilities. As of January 2022, all electricity used in our global headquarters in Dublin, Ohio, and our National Logistics Center (NLC) in Groveport, Ohio, comes from renewable sources. We're purchasing renewable electricity from AEP Energy through an initiative with Smart Columbus<sup>14</sup> designed to support the decarbonization of large businesses in the region. We also have on-site solar installations at our Mansfield, Massachusetts, office, our East Hartford, Connecticut, Aero-Med facility and our manufacturing site in Costa Rica. We will continue to evaluate additional renewable opportunities in order to achieve our climate goals.

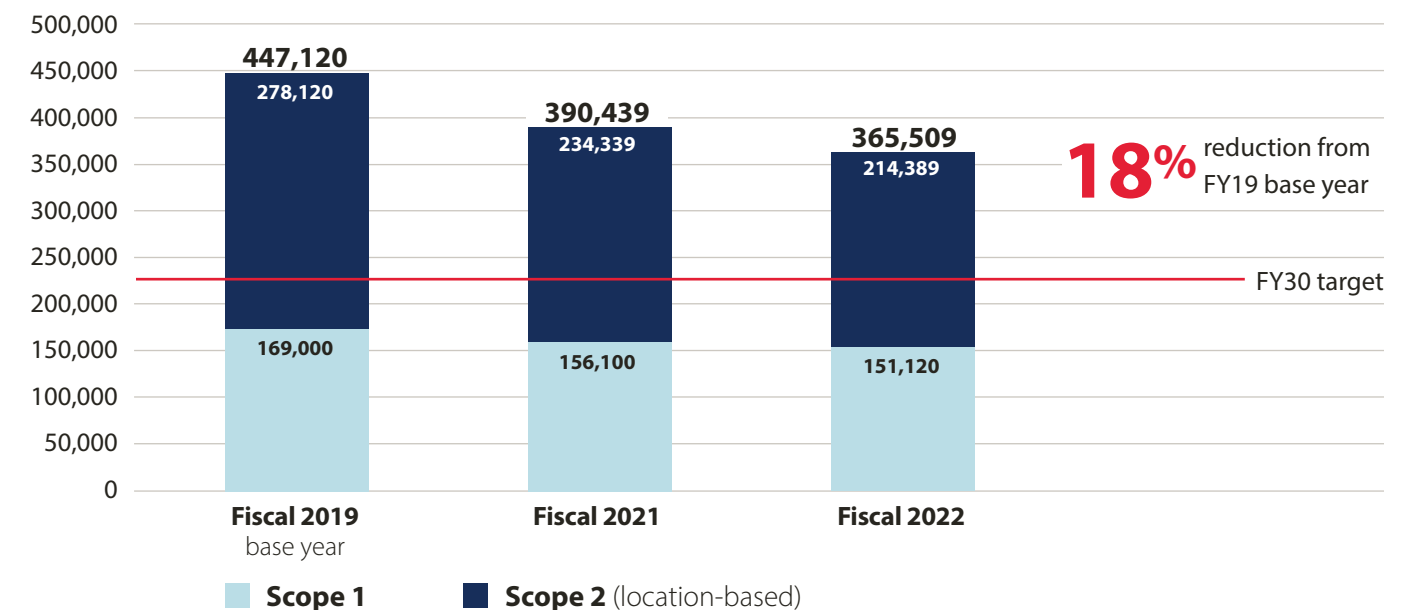
In fiscal 2022, we made progress toward our climate target and decreased aggregate Scope 1 and Scope 2 GHG emissions by 18%, as compared to fiscal 2019. This was due in part to energy efficiency efforts throughout our operations, as well as pandemic-related impacts. We retrofitted more than 10 facilities with LED lighting, which removed more than 4,000 tons of GHG emissions. LED lighting also creates a better work environment for our employees by improving employee safety, productivity, picking accuracy and overall comfort.

Also in fiscal 2022, we conducted ESG audits at 50% of our owned manufacturing sites to assess their environmental and social performance and identify opportunities for improvement. We intend to complete audits at all remaining facilities by the end of fiscal 2023.

## Scope 1 and 2 Greenhouse Gas (GHG) Emissions

**Total location-based GHG emissions**

(metric tons CO<sub>2</sub>e)



Emissions values represent 90% of the total square footage within our operational control.

In fiscal 2022, in order to improve the accuracy of reporting, Cardinal Health updated the emission factors used to calculate Scope 2 location-based GHG emissions dating back to our base year of fiscal 2019. First, emission factors assigned to each location were reviewed for precision to confirm that regional and local emission factors were used where applicable. Additionally, for each year presented in the graph above, Cardinal Health used the most recent version of published emission factors at the time the fiscal year emissions inventory was prepared.

The 18% reduction in emissions from the fiscal 2019 base year can be attributed in part to both our LED lighting retrofit campaign at sites under Cardinal Health's operational control and the improvement in emission factors due to the increased use of lower carbon-emitting fuels to generate electricity where Cardinal Health operates.

<sup>14</sup>Smart Columbus is an agile, collaborative innovation lab that serves the Columbus Region by anticipating and advancing what is new and next at the intersection of technology and community good.





# Efficient transportation and logistics

## In-house innovation with far-reaching impact

As a distributor, Cardinal Health can drive GHG emission reductions across its supply chain through more efficient transportation and logistics. In fiscal 2022, the logistics teams in both the Medical and Pharmaceutical Segments came together with a customer-first focus to build in-house product and transportation solutions fit to our needs.

The initiative is designed to provide synergies, efficiencies, cost savings and greater opportunities for innovations throughout our logistics network.

The logistics team partnered with the Pharmaceutical Distribution and at-Home Solutions businesses to kickstart the initiative and has implemented it at all forward distribution centers (FDCs) in our Medical Segment.

The initiative leverages technology solutions to consolidate shipments, ensure fewer partial loads and highlight movements and plans so we can more efficiently sell backhaul space to move other companies' products — or simply move more of our own products more effectively. The initiative is generating significant cost savings and reducing GHG emissions by improving fuel efficiency and removing trucks from the road.

## Meeting emergency needs efficiently

Cardinal Health manages many small orders which are often required to meet emergency healthcare needs. Many times, these orders are shipped using large tractor-trailer combinations that then move through the supply chain with far less than full loads.

In early fiscal 2022, we launched an initiative to deliver these small emergency orders quickly using smaller, more fuel-efficient vehicles like Ford Transits or Sprinter vans. These smaller vehicles get two to three times better gas mileage than large tractor trailers.

## Adding electric vehicles to our fleet

Our Riverside, California, medical replenishment center has utilized two electric truckyard tractors since fiscal 2021, assessing how these electric vehicles can help us achieve more efficient, sustainable operations. Daily, they move an average of 120 trailers containing essential medical products to and from our docking areas.

In fiscal 2023, we plan to bring three to five electric delivery vans to our fleet in southern California to pilot the viability of running the electric vehicles and planning routes around charging infrastructure.

## SmartWay® Transport Partnership

The SmartWay® program is a collaboration between the U.S. Environmental Protection Agency (EPA) and the freight industry that helps companies move goods in the most efficient

ways possible, increasing fuel efficiency, reducing greenhouse gas emissions and air pollution, and protecting public health. We have been a partner in good standing with SmartWay® since 2010.

98%

Today 98% of our product volume is moved via SmartWay® carriers.

# Product and packaging innovation

## Ember Cube: Innovating the pharmaceutical cold chain



As a result of our partnership with Ember, announced in January 2022, we are piloting the world's first digital, self-refrigerated, cloud-based shipping box for the transport of temperature-sensitive medicines: the Ember Cube.

Ember is a global temperature-control brand and technology platform best known for its temperature-controlled Ember Mugs.

Over the past two and a half years, Cardinal Health and Ember have collaborated to create the Ember Cube for pharmaceutical products that must travel through the supply chain at carefully controlled temperatures.

The Ember Cube is a cold chain solution that ensures product integrity and security throughout the supply chain, while significantly reducing shipping waste.

This represents a major step forward for transporting temperature-sensitive medicines, which typically are shipped using single-use ice packs, Styrofoam and cardboard.

Every Ember Cube has a cellular radio on board to report real-time temperature and humidity tracking. The Cubes are connected to the cloud at all times so that, for the first time, Cardinal Health will be able to see the entire fleet of cold chain boxes on a map of the U.S.; we can also see the humidity, inside ambient temperature and medicine temperature for each box.



## Packaging development guidelines for recyclability

Within our packaging development guidelines, we provide suggestions to promote sustainable design and design for recyclability.

### Considerations include:

01

#### Reduction of materials

Reducing the total weight or total size of packaging systems

02

#### Reusability

Incorporating materials and packaging systems that can be reused

03

#### Recyclability

Ensuring the use of packaging materials that can be recycled

04

#### Reclaiming energy

Using packaging materials that can be incinerated for energy recovery



# Reprocessing and recycling medical devices

According to Practice Greenhealth, a healthcare membership organization that provides sustainability solutions to benefit patients, employees and the environment, hospitals produce more than 5 million tons of waste each year.<sup>15</sup>

Single-use device reprocessing represents one of the largest opportunities to reduce hospital waste, and many single-use devices can be reprocessed multiple times. When they can no longer be reprocessed, these products can be recycled.

Sustainable Technologies, a Cardinal Health business, is a leading provider of single-use device collections, reprocessing and recycling services in the U.S. The business reprocesses pneumatic tourniquet cuffs, lateral air transfer mats, compression sleeves, disposable lead wires, pressure infusion bags, pulse oximetry sensors and more.

**18.3M** In fiscal 2022, Sustainable Technologies collected 18.3 million single-use devices.

This diverted more than 5.6 million pounds of waste from landfills.

**5.6M**

<sup>15</sup> Waste. Practice Greenhealth Website. <https://practicegreenhealth.org/topics/waste/waste-0>. Accessed August 9, 2022.

## Sustainable Technologies™ reprocessing cycle



## How it works

The Sustainable Technologies team maps a hospital, places collection bins in the most optimal locations for collection and schedules regular pickup of products ready to be reprocessed. The products to be reprocessed are inspected, sorted and cleaned. They are then tested, inspected, disinfected and sterilized before finally being redistributed to healthcare facilities.

Every device we reprocess is 100% functionally tested to confirm safety and quality before resale.

Nonhazardous waste that is left over after recycling is transported to a waste-to-energy facility rather than landfills. The waste is incinerated, and the combustion generates steam for electricity production.



# Waste

In March 2022, our facility in Deland, Florida, which manufactures needles and syringes, began partnering with recycling company Banyan Recycling on a new initiative to reduce the waste to landfill it produces.

Banyan Recycling takes the facility's waste, which includes both ground plastics and ground metals, and turns it into by-products that are used in both consumer and industrial products. The plastic waste is recycled for use in consumer shelving, roofing, industrial decking, and compression-molded industrial pallets; the metals are ground and sold to scrap metal processors to use in the manufacture of shelving and other products.

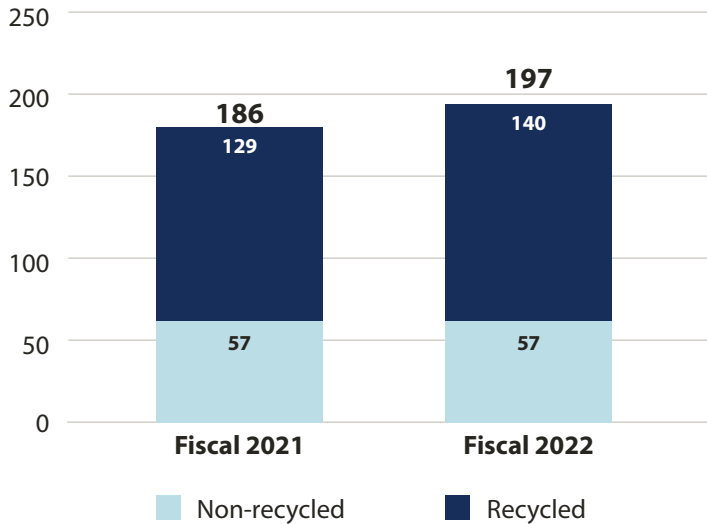


**60K**

In March – June 2022, this initiative diverted 60,000 pounds of waste from landfill. In addition, we're currently exploring with Banyan Recycling how we might recycle more dumpster waste from the Deland facility.

## Total weight of waste generated (million pounds)

Across the enterprise, we work to continually increase the percentage of waste we recycle each year (including wood, cardboard, paper, plastics, metal, electronics and other materials).



Note: Waste data represents 78% of the total square footage within our operational control.



# Responsible procurement and sourcing

We are committed to ensuring that our supply chain reflects our core values and our prioritization of both product quality and social and environmental responsibility. All of our suppliers are expected to comply with our [Vendor Code of Conduct](#).

This code sets forth the obligation of all vendors and suppliers that do business with Cardinal Health, and it is reviewed and updated regularly. We also have a [Global Human Rights and Labor Standards](#) policy, which establishes requirements for global conduct related to human rights and labor standards, and we issue an annual [Modern Slavery Statement](#) that sets forth the steps Cardinal Health has taken to prevent modern slavery and human trafficking in the business and supply chain.

In fiscal 2022, we enhanced processes for ESG risk assessments — including supplier self-assessment questionnaires and on-site audits — focusing on suppliers of Cardinal Health™ Brand products with the highest inherent risk associated with human rights, labor standards, health and safety, environmental standards, business ethics and impact on the business.

To do this consistently, we have built ESG priorities into our procurement and manufacturing standards and procedures. We evaluate suppliers and sites to assess ESG risk and to improve work environments, waste management programs and emission control programs.

Assessments ranged from self-assessment questionnaires to third-party on-site ESG audits, depending on risk. For those suppliers who are audited, corrective action plans are put in place where necessary. Our ESG Supply Chain team evaluates all of this information to determine a risk assessment score that informs our future level of engagement with each supplier. Approximately 64% of spend across Cardinal Health™ Brand products in the Medical Segment was assessed in fiscal 2022 and prior using ESG surveys and audits.

**64%**

Through fiscal 2022, 64% of spend had been assessed for ESG-related risks across Cardinal Health™ Brand products.

## Our due diligence process





## Responsible Glove Alliance

Cardinal Health is a founding member of the [Responsible Glove Alliance](#) (RGA) and an inaugural member of its steering committee.



The RGA is a collaborative initiative established to prevent, identify and remediate forced labor in the medical supplies industry in Malaysia through recruitment transformation, collective influence and the application of due diligence with advanced standards, tools and programs. The RGA began an outreach program for new applicants in September 2022.

Membership application is open to buyers and suppliers of Malaysian rubber gloves. Acceptance is based on potential members meeting strict membership requirements and commitments. All RGA members commit to core principles that recognize the importance of promoting responsible recruitment and employment practices in the rubber glove industry. The RGA envisions a rubber glove supply chain where the rights and dignities of workers, especially foreign migrant workers, are respected through responsible procurement and employment practices.

## Conflict minerals

Cardinal Health is a member of the **Responsible Minerals Initiative**. In addition, we have a [Conflict Minerals Policy](#) that describes our responsible sourcing expectations relating to tin, tantalum, tungsten or gold (3TG). We assess all product lines manufactured or contract manufactured to determine if they potentially contain 3TG and the source of the 3TG. We conduct due diligence conformant with guidance from the Organisation for Economic Co-operation and Development (OECD).



# Supplier diversity

Supplier diversity is an integral component of our procurement strategy at Cardinal Health. Just as we are committed to diversity, equity and inclusion in our workplaces and our communities, we also are committed to a diverse, equitable and inclusive supplier base.

As we continue to navigate a dynamic, fast-changing healthcare industry, our diverse suppliers can help us identify opportunities and overcome challenges — ultimately helping us better meet the needs of our customers as well as the economy. Supplier diversity helps us deliver value for our customers and their patients and helps us win as a company.

We have a dedicated team that manages our supplier diversity program, which helps diverse suppliers learn how to navigate larger organizations, how to package their ideas and how to harness their nimble, innovative thinking so that they're better able to compete. The program also helps generate economic vitality for marginalized communities.

At Cardinal Health, it is our practice to provide fair and equitable access to qualified small and diverse businesses, including those owned by ethnic minorities, women, American veterans and service-disabled veterans, Alaskan Natives, Native Americans and LGBTQ+ people, as well as disadvantaged and HUBZone-based companies. This practice extends to businesses owned by people with physical disabilities and to Historically Black Colleges and Universities.

## Supporting diverse suppliers through the pandemic

During the pandemic, minority-owned suppliers were particularly hard hit — forced to temporarily or permanently close at a higher rate than nonminority companies.<sup>16</sup> Throughout the past two years, we have directed these diverse businesses to important resources to help keep them financially healthy.

**Fiscal 2022 Supplier diversity: \$7.5B** spend with small and diverse suppliers

## Supporting our customers



More than half of our customers factor in supplier diversity when making purchasing decisions. For all those who do not yet have a supplier diversity program, we offer guidance for executing their own programs.

## Diverse supplier spend reports



Customers can request reports highlighting the percentage of their contract expenditures that are awarded directly to diverse suppliers through Cardinal Health. These reports are automated and generated upon customer request.

## Supplier diversity partner organizations



We partner with multiple advocacy organizations that support a specific constituency of diverse suppliers, including:

- **National Minority Supplier Development Council (NMSDC) and its affiliates**
- **Women's Business Enterprise National Council (WBENC) and its regional partner organizations**
- **Healthcare Supplier Diversity Alliance (HSDA)**
- **Midwest Small Business Liaison Officer Group (SBLO)**
- **National LGBT Chamber of Congress (NGLCC)**
- **U.S. Small Business Administration and other federal agencies**

## Healthcare Supplier Diversity Alliance



Cardinal Health is a founding member of the Healthcare Supplier Diversity Alliance, whose corporate membership consists of healthcare manufacturers, distributors, providers, payers and group purchasing organizations (GPOs). Through collaboration, the shared mission is to lead healthcare supplier diversity by building awareness through education and creating pathways to potential opportunities for historically underutilized businesses and all healthcare supply chain stakeholders.

## Mentoring diverse suppliers



When we bring on a new supplier, we assess the business' capabilities and acumen to determine its greatest needs and how we can best support them. We then offer the leaders of the new supplier a three-year mentoring program and connect them with appropriate experts across our enterprise to provide guidance and enable mentoring objectives.

## New online training



In fiscal 2022, our Supplier Diversity team worked with the Learning and Development team to develop online training that is required for the Global Sourcing team, with the goal of increasing awareness of the importance of supplier diversity, the benefits to Cardinal Health and its impact on local economies.

<sup>16</sup> "An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms," The Federal Reserve Bank of Cleveland. <https://www.clevelandfed.org/publications/cd-reports/2020/db-20201008-an-uphill-battle-covids-outsized-toll-on-minority-owned-firms>. Accessed September 19, 2022.

# Governance, ethics and compliance

## In this section:

- Corporate governance
- Data privacy and security
- Business ethics and compliance







Our commitment to strong corporate governance, data privacy and security, and business ethics and compliance begins with our Board of Directors and senior-most leaders and is embodied at every level throughout the organization.

The Board oversees the conduct of our businesses and of management's efforts to establish and maintain high standards of legal and ethical conduct; management's accounting, financial reporting and financial and other controls; risk management policies and practices; and our ESG work.



Maintaining a culture where employees are empowered to speak up is critical. We believe our employees want to do the right thing; it's ingrained in our values and is a critical part of how we will continue to be healthcare's most trusted partner.

# Corporate governance

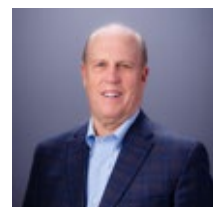
## Board of Directors

A summary of the allocation of general risk oversight functions among management, the Board and the Board's committees follows. Risks in **red text** align with our current ESG priorities.





# Board of Directors<sup>17</sup>



**Gregory B. Kenny**  
Independent Chairman of the Board  
Retired President and Chief Executive  
Officer of General Cable Corporation  
Committee: Governance and Sustainability



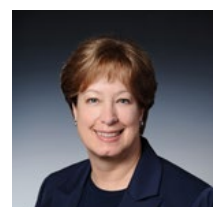
**Steven K. Barg**  
Global Head of Engagement at Elliott  
Management Corporation; Chief Financial  
Officer of Elliott Opportunity II Corp.  
Committees: Business Review<sup>18</sup>; Governance  
and Sustainability



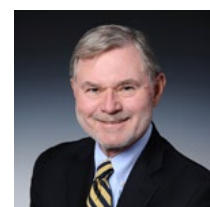
**Michelle M. Brennan**  
Retired Value Creation Leader of  
Johnson & Johnson  
Committees: Audit; Human Resources  
and Compensation



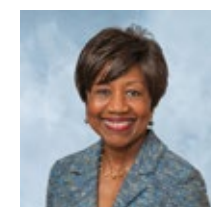
**Sujatha Chandrasekaran**  
Former Senior Executive Vice President  
and Chief Digital and Information Officer  
of CommonSpirit Health  
Committees: Audit; Risk Oversight



**Carrie S. Cox**  
Retired Executive Vice President and  
President of Global Pharmaceuticals,  
Schering-Plough Corporation and Retired  
Chairman and Chief Executive Officer of  
Humacyte, Inc.  
Committees: Governance and Sustainability;  
Human Resources and Compensation



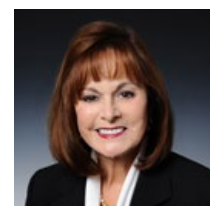
**Bruce L. Downey**  
Retired Chairman and Chief Executive Officer  
of Barr Pharmaceuticals, Inc.; Partner of  
NewSpring Health Capital II, L.P.  
Committees: Governance and Sustainability;  
Risk Oversight



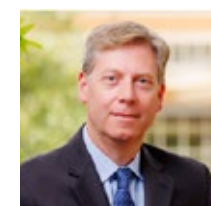
**Sheri H. Edison**  
Retired Executive Vice President  
and General Counsel of Amcor plc  
Committees: Audit; Risk Oversight



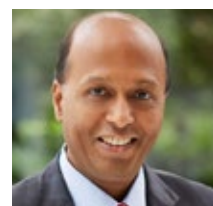
**David C. Evans**  
Retired Chief Financial Officer of The Scotts  
Miracle-Gro Company and Battelle  
Memorial Institute  
Committees: Audit; Risk Oversight



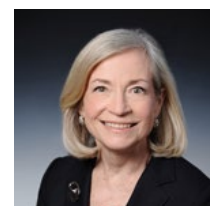
**Patricia A. Hemingway Hall**  
Retired President and Chief Executive Officer  
of Health Care Service Corporation  
Committees: Governance and Sustainability;  
Human Resources and Compensation



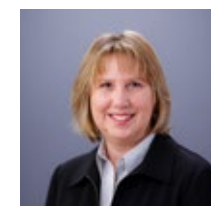
**Jason M. Hollar**  
Chief Executive Officer of Cardinal Health, Inc.  
Committee: Business Review



**Akhil Johri**  
Retired Executive Vice President and Chief  
Financial Officer of United Technologies  
Corporation; Operating Advisor to Clayton,  
Dubilier & Rice  
Committees: Audit; Business Review

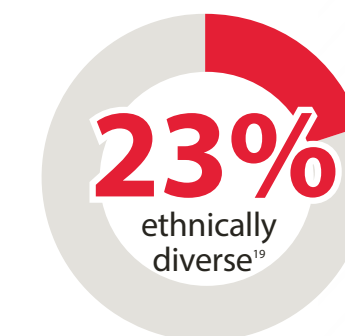
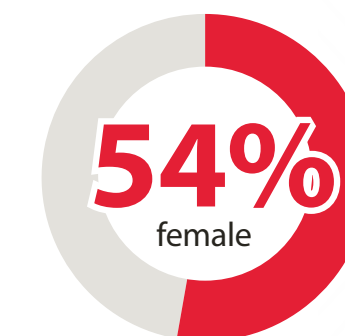


**Nancy Killefer**  
Retired Senior Partner, Public Sector  
Practice of McKinsey & Company, Inc.  
Committees: Governance and  
Sustainability; Human Resources and  
Compensation



**Christine M. Mundkur**  
Retired Chief Executive Officer of  
Impopharma, Inc.  
Committees: Human Resources and  
Compensation; Risk Oversight

## Board of Directors diversity



<sup>17</sup> All Board members, with the exception of CEO Jason Hollar, are independent.

<sup>18</sup> The Business Review Committee was formed in September 2022 pursuant to a Cooperation Agreement with a shareholder to review the operations and business of the Company as well as the Company's capital allocation policy in order to maximize the long-term value of the Company.

<sup>19</sup> Ethnically diverse Directors are all those who identify as a non-white race/ethnicity.



# ESG governance

In February 2022, the charter of the Nominating and Governance Committee of the Board of Directors was amended to formalize the Committee’s oversight of ESG activities, policies, strategy, and reporting and disclosure practices, and the Committee was renamed the Governance and Sustainability Committee. The Vice President of ESG reports to the Governance and Sustainability Committee quarterly.

**The following governance structure ensures proper oversight of ESG at Cardinal Health:**

- 01

Board of Directors

While the full Board discusses significant ESG risks, specific issues are overseen by the Board’s relevant committees. The Governance and Sustainability Committee has formal oversight of ESG activities, policies, strategy, and reporting and disclosure practices (except to the extent such matters are overseen by another Board committee). This includes oversight of our policies and practices regarding political and lobbying expenditures, including an annual review of our political contributions policy and corporate political contributions, lobbying activities and trade association dues and payments. It also monitors and evaluates environmental, social and political issues and risks potentially impacting the company. Other Board committees have oversight of other specific ESG-related areas such as human capital management and diversity, equity and inclusion (see Board oversight diagram on page 55).
- 02

ESG Governance Committee

The internal ESG Governance Committee was restructured in fiscal 2022 and elevated to the senior-most leaders in the company. It now comprises our CEO and his direct reports, along with select senior business and functional leaders. The ESG Governance Committee is responsible for approving and tracking progress against enterprise ESG strategies and goals, providing guidance on managing ESG risks and helping to embed ESG throughout the company.
- 03

ESG Working Group

The ESG Working Group is composed of vice president-level subject matter experts for Cardinal Health’s priority ESG areas. This group is responsible for working together to co-create action plans, integrate ESG strategies throughout the business and identify gaps and opportunities for success.
- 04

ESG Team

The ESG team at Cardinal Health is responsible for supporting and advising on the enterprise ESG strategy in collaboration with cross-functional owners and partners. It is directly accountable for the environmental and responsible procurement strategies.



# Data privacy and security



## New Enterprise Privacy Office

Established in fiscal 2022, our Enterprise Privacy Office was designed to strengthen and centralize our existing Global Privacy Program and the function of keeping personal information private and secure for the entire enterprise. This work grows every year as threats to data privacy continue to affect healthcare and many other industries and as the regulatory environment becomes increasingly complex.

The Enterprise Privacy Office works closely with the Information Security team to best position us to manage data privacy risks. The team is enhancing the enterprise privacy program strategy, working with senior executives of the company to promote a culture of privacy, transparency and ethical data use, and protecting personal information while allowing for the opportunity to use data for innovation and growth in a compliant manner.

Our recently created Global Privacy Program Framework identifies key privacy initiatives relating to the collection, use, protection and disclosure of personal information, including customer, employee and patient data. Areas of focus include enterprise policy and procedure management, privacy training and awareness, implementation of privacy by design principles and development of enhanced processes to address privacy incidents and individual rights requests. Working with the Information Security team and other key stakeholders, we identify personal data processing activities, apply appropriate checkpoints and

controls for a variety of uses and disclosures of personal information, and mitigate privacy risks associated with third-party access to personal data.

Through various businesses, particularly in the Pharmaceutical Segment, Cardinal Health collects patient-identifiable health information, so maintaining compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act — as well as related state and federal privacy laws — is one of our highest priorities. Given Cardinal Health's global footprint, compliance with international privacy laws and continued implementation of our cross-border data transfer strategy for current and future collection, use and sharing of personal data is also a high priority. The team is monitoring and enabling work plans for compliance with recently enacted comprehensive state privacy laws.

The Enterprise Privacy Office has also invested in tools and resources to enhance its program.

Beginning in fiscal 2022, it adopted a new automated tool for privacy incidents. Radar First simplifies all stages of incident response management: reporting, investigation and assessment, team collaboration, remediation and notification, and analysis and benchmarking. The team also uses OneTrust software for its record of processing activities.

The Enterprise Privacy Office hosts an annual Privacy Summit each April for the Information Security team, privacy officers, security officers and certain members of the Legal, Regulatory, Compliance and Quality teams. The week-long summit features both internal and external privacy experts as speakers and includes training and awareness sessions on key initiatives of the Enterprise Privacy Office, changes in the privacy regulatory landscape and best practices. Additional training programs are also deployed across the enterprise to raise awareness of the Global Privacy Program and the privacy laws and regulations that impact Cardinal Health.





## Cybersecurity training for employees

The Information Security Awareness team within our enterprise IT organization works hard to ensure employees have the information they need to help keep data safe.



Each year, all employees around the globe with a Cardinal Health email address are required to complete a training on cybersecurity best practices and to review internal IT security policies. Training topics include social engineering scams, helping employees identify phishing emails, device management setup and use, and the importance of strong passwords. The team regularly sends out test emails that look like phishing emails. Each time,

a growing number of employees forward these test emails to our IT security team without clicking on any of the links.

Periodically, we invite external experts to talk with our employees about various security issues. In fiscal 2022, an author, TEDx speaker and cybersecurity and network infrastructure expert spoke to employees about protecting their digital assets, as well as ways to identify and mitigate vulnerabilities to cyberattacks.

## Cybersecurity Awareness Month

The Information Security Awareness team plans a series of events every October for Cybersecurity Awareness Month. In fiscal 2022, it worked with the Learning and Development team to create multimedia playlists that include educational videos, quizzes and articles on our digital learning platform. Various external experts — including a global leader in the human

side of cybersecurity and an authority on security research, security assessments, penetration testing and consulting for corporations and government agencies — hosted virtual Q&A sessions with employees. The team also created a virtual escape room activity and other interactive events that employees could participate in throughout the month.



**Compared to fiscal 2021 attendance, we saw a 13% increase in Cybersecurity Awareness Month participation in fiscal 2022**



# Business ethics and compliance

Cardinal Health's compliance program is designed around our company values with an emphasis on integrity, which we communicate to our employees as, "holding ourselves to the highest ethical standards." Our compliance program takes into consideration our business operations and associated risks to ensure that we comply with the laws and regulations that apply to our business operations.

Under the leadership of the Chief Legal and Compliance Officer, the Ethics and Compliance team is responsible for the Standards of Business Conduct and the Business Conduct Line and for partnering with business leaders to prevent, detect and respond to compliance risks.

The Ethics and Compliance team is made up of ethics and compliance business partners who work in close partnership with business leaders to implement our compliance program and foster a culture of compliance throughout our operations. Our program is informed by the seven fundamental elements of an effective compliance program (see elements at right), and we continually evaluate and modify our compliance program based on changing regulatory expectations.

The work of the Ethics and Compliance team is guided by a Compliance Committee comprising the executive leadership team. Chaired by our Chief Legal and Compliance Officer, the Compliance Committee provides oversight on the implementation of the compliance program and monitors

ongoing improvement in the overall processes across the organization that prevent, detect and respond to compliance risks.

Our Board of Directors has established the Risk Oversight Committee to assist the Board in overseeing the Ethics and Compliance program and in monitoring risks associated with the Company's operations, including, without limitation, risks associated with ethical, quality and legal and regulatory compliance matters, other than legal and regulatory requirements related to audit, accounting and financial disclosure matters and related internal matters which are overseen by the Audit Committee.

The Board of Directors has also established an Audit Committee responsible for overseeing the integrity of Cardinal Health's financial statements; the independent auditor's qualifications, independence and performance; Cardinal Health's internal audit function; and Cardinal Health's processes for assessing and managing risk.

## Seven elements of an effective compliance program<sup>20</sup>



01 Written policies and procedures



02 Designated compliance officer and compliance committee



03 Training and education



04 Effective lines of communication



05 Internal auditing and monitoring



06 Enforcement of standards according to guidelines



07 Prompt corrective actions for problems



<sup>20</sup> "Seven Elements of an Effective Compliance Program," The National Law Review. <https://www.natlawreview.com/article/seven-elements-effective-compliance-program>. Accessed January 18, 2023.

## Standards of Business Conduct

The Cardinal Health Standards of Business Conduct serve as our foundation for responsible work and integrity. The Standards are approved by the Cardinal Health Board of Directors and senior leadership of Cardinal Health.

Overall responsibility for the ethics and compliance program rests with the Chief Legal and Compliance Officer, with oversight from the Risk Oversight Committee of the Board of Directors and the Audit Committee of the Board of Directors. The Standards of Business Conduct outline the standards of integrity and responsible conduct that all employees must follow to protect the trust of our suppliers, customers and shareholders.



**The Standards of Business Conduct are available in 11 languages and are posted on the Cardinal Health website and intranet for all employees.**

[View here »](#)

In addition to our Standards of Business Conduct, Cardinal Health has numerous policies and procedures that support the principles in our Standards of Business Conduct.



## Training

We are enhancing our culture of compliance throughout the enterprise, in part through training. We offer web-based training via our digital learning platform, live training at our facilities and virtual training to all employees globally.

Our Standards of Business Conduct training is the hallmark of our compliance program. This training is offered in 17 languages and is launched to all employees upon hire and annually thereafter. In addition to this annual training, Ethics and Compliance Business Partners use various training methods to drive compliance awareness and to support

the education of our employees on changes to laws and regulations that govern our business. Employees receive training via our web-based training platform, live training sessions, digital signage and one- to two-minute trainings in breakrooms across our facilities to further communicate aspects of our program.



# Anti-bribery and anti-corruption

Cardinal Health’s anti-bribery and anti-corruption program is a comprehensive risk-based program that requires various levels of due diligence on distributors and other third-party vendors.

In addition to having detailed policies, procedures and processes that govern the engagement of third parties, Cardinal Health follows various industry codes of ethics, including but not limited to AdvaMed, AdvaMed China, Medtech Europe and Abimed.

Our anti-bribery and anti-corruption training and certification program focuses on compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and

other country-specific anti-corruption laws. Cardinal Health expects third parties to comply with these laws, our Vendor Code of Conduct and all applicable anti-bribery and anti-corruption laws.

Cardinal Health also maintains memberships in various healthcare industry organizations throughout the world. We are actively involved in working with these organizations to develop best practices related to interactions with healthcare professionals. In countries where Cardinal Health has adopted industry guidelines or best practices, we expect our third-party sellers to follow the same standards with respect to their sales and marketing activities in those countries. Accordingly, third parties must have the necessary internal processes to help ensure their employees and representatives follow the respective industry standards and they prohibit and help prevent bribery and other crimes from

occurring within their organization. They must train their employees and representatives who directly or indirectly transact business with us or on our behalf about their responsibilities to avoid and report bribery or other violations of the law or our standards. These individuals are expected to complete their training before starting work for or on behalf of Cardinal Health.

Cardinal Health third-party sellers may not offer, promise, authorize, accept or request anything of value to someone else with the intention of obtaining or retaining business or to secure any improper advantage. For example, it is prohibited to provide something of value in an attempt to influence a person’s decision to purchase products from Cardinal Health, approve our products or expedite product registrations. Bribery is prohibited regardless of the amount, whether or not the other party is a government official.

# Business Conduct Line

The Business Conduct Line is available 24 hours a day, 365 days a year to employees and third parties to confidentially and, if desired, anonymously raise issues about the business conduct of Cardinal Health and its employees.

In addition to calling the Business Conduct Line, employees and third parties may submit concerns regarding other matters — including ethical, quality and legal and regulatory compliance matters — to the Senior Vice President of Ethics and Compliance, to the Chief Legal and Compliance Officer or to the chairperson of the Cardinal Health Risk Oversight Committee of the Board of Directors, c/o Chief Legal and Compliance Officer, 7000 Cardinal Place, Dublin, OH 43017 USA.

Employees and third parties may also submit written concerns regarding accounting, internal controls, financial reporting or auditing matters to the Senior Vice President of Ethics and Compliance, to the Chief Legal and Compliance Officer or to the chairperson of the Cardinal Health Audit Committee of the Board of Directors, c/o Chief Legal and Compliance Officer, 7000 Cardinal Place, Dublin, OH, 43017 USA.

All reports will be treated confidentially, except where disclosure is required to properly investigate the issue or where disclosure is mandated by law. All issues submitted are entered into an electronic case management system for tracking and communication.

The Cardinal Health Internal Investigations team is resourced by dedicated individuals with diverse and experienced backgrounds in law, procurement, human resources, operations and e-discovery. This team is responsible for the management and thorough investigation and documentation of matters escalated through the Business Conduct Line as well as other reporting channels. Cardinal Health’s investigations process includes a review of the misconduct and actions taken to ensure discipline is applied and documented consistently.

## Updating systems and technologies for ease of reporting

In fiscal 2022, we began refreshing our EthicsPoint system, which manages our Business Conduct Line. The refresh was completed at the end of calendar year 2022, and all enhancements were fully deployed. The enhancements will provide additional analytic capability, allowing us to capture better data sets, identify trends in issues that arise in specific locations or business units, and identify where we may need to enhance training or monitoring. Data insights will provide us with a dashboard to share with Cardinal Health leadership.

We also are evaluating the employee messaging on our Business Conduct Line to ensure that it is user-friendly, responsive and aligned with what consumers are accustomed to using, with features like scannable QR codes that employees in our distribution centers or manufacturing facilities can use to contact the Business Conduct Line.

**U.S. Business Conduct Line**  
**800.926.0834**

**Find an international number »**  
Multilingual representatives available.

# About this report and cautionary statement

This report provides qualitative and quantitative information highlighting our performance on environmental, social and governance (ESG) initiatives and goals in fiscal 2022 (July 1, 2021 through June 30, 2022) or for other periods where noted.

When we use the terms such as “Cardinal Health,” “company,” “we,” “us,” or “our,” in this report, we mean Cardinal Health, Inc., and its majority-owned and consolidated subsidiaries, unless noted otherwise. In this report, the use of the term “materiality” and other similar terms is intended to reflect our priority ESG topics and risks. We are not using such terms as they are used under securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting. Therefore, the inclusion of information or the absence of information in this report should not be construed to represent Cardinal Health’s belief regarding the financial impact of that information or its importance to shareholders.

This report includes estimates, projections and statements relating to our business plans, objectives and expected results regarding ESG-related initiatives and goals that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “potential,” “strategy,” “future,” “opportunity,” “commit,” “plan,” “goal,” “may,” “should,” “could,” “will,” “would,” “will be,” “will continue,” “will likely result” and similar expressions. Forward-looking statements are based on current expectations and assumptions that

are subject to risks and uncertainties that may cause actual results to differ materially. The most significant of these risks and uncertainties are described in “Risk Factors” in Cardinal Health’s most recent Form 10-K and Form 10-Qs filed with the United States Securities and Exchange Commission (SEC). Forward-looking statements in this report speak only as of the date of this document and we undertake no obligation to update or revise any forward-looking statement.

This report follows the Global Reporting Initiative (GRI): Core Option and Sustainability Accounting Standards Board (SASB) reporting guidelines with respect to our material ESG topics and risks. Given the scope of our core business activities, we aligned this report to portions of both the SASB Health Care Distributor and Medical Equipment and Supplies standards. We also report information aligned with portions of the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our GRI Content Index, SASB disclosures and TCFD disclosures are available in the appendix of this report. Additionally, we engaged Apex Companies, LLC to provide limited assurance over select environmental metrics disclosed within this report. Please see our website to view the limited assurance statement.



# Reporting indices

**In this section:**

- Global Reporting Initiative (GRI) Index
- Sustainability Accounting Standards Board (SASB) Index
- Task Force on Climate-Related Financial Disclosures (TCFD) Index

# Global Reporting Initiative (GRI) Index

| Reference  | Metric   | Disclosure  | Boundary, Assumptions, and Estimations                             |
|--|--|---|--|
| <b>GRI 2 – General Disclosures 2021<sup>21</sup></b> |  |   |  |
| <b>GRI 2-1</b>                                       | Organizational Details   | Cardinal Health, Inc. is a U.S. publicly traded Ohio corporation headquartered in Dublin, Ohio with business operations in more than 30 countries globally.   | Business operations are based on permanent employee work location. |
| <b>GRI 2-2</b>                                       | Entities included in the organization's sustainability reporting | As used in this report, “we,” “our,” “us,” “Cardinal Health” and similar pronouns refer to Cardinal Health, Inc., and its majority-owned and consolidated subsidiaries, unless the context requires otherwise. For a full list of majority-owned and consolidated subsidiaries, please refer to Exhibit 21.1 within our <a href="#">Form 10-K</a> .   |  |
| <b>GRI 2-3</b>                                       | Reporting period, frequency and contact point                    | Unless noted otherwise, the enclosed ESG report and supporting indices cover Cardinal Health's fiscal 2022 (July 1, 2021-June 30, 2022), thereby aligning with our company's financial reporting period.<br><br>Please submit inquiries regarding the information included within this report and supporting indices to:<br><br><b>Stu Block, Director, ESG Reporting</b> ( <a href="mailto:ESGinquiries@cardinalhealth.com">ESGinquiries@cardinalhealth.com</a> ).                                     |  |
| <b>GRI 2-4</b>                                       | Restatements of information                                      | No restatements were made of information disclosed in previous reporting periods.   |  |
| <b>GRI 2-5</b>                                       | External assurance   | Cardinal Health engaged an external, third-party assurance provider to verify our Scope 1 and 2 GHG emissions under the location-based method, water withdrawal, water recycled, waste generation, waste recycled, and waste diversion data. Our fiscal 2022 assurance statement can be found <a href="#">here</a> .  |  |
| <b>GRI 2-6</b>                                       | Activities, value chain and other business relationships         | 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 healthcare facilities. The diverse set of products and services we offer our customers requires a globally interconnected value chain. For more information on the specific activities, products, services, and markets please see the Business section of our fiscal 2022 <a href="#">Form 10-K</a> (pages 30-38). |  |

<sup>21</sup> Cardinal Health includes the year in which the GRI Standard was released to note the version we are disclosing against. Please see GRI 2-3 for our reporting period.



| Reference                                    | Metric  | Disclosure  | Boundary, Assumptions, and Estimations |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
|--|---|---|--|-----------------------|------------------------|-------|------------------|-------|--------------|---------------------|---------------------------------------|--------------------------------|---------------------|---------------------|---|--------|-----|-----|--------|-----|------|--------|-----|-----|--------|-----|------------------------|----|---|---|----|---|--------------|-----|---|----|-----|---|-------|--------|-------|-----|--------|-------|-----------------------------|--|--|--|--|--|--|---------------------|---------------------|--------------------------------|---------------------|---------------------|------|--------|-----|-----|--------|-----|--------------|--------|-------|---|--------|----|-------|--------|-------|-----|--------|-------|---|
| GRI 2 – General Disclosures 2021 (continued) |   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| GRI 2-7                                      | Employees   | <table><tr><th colspan="6">Employees by Type and Gender</th></tr><tr><th></th><th>Permanent Employees</th><th>Temporary Employees</th><th>Non-guaranteed Hours Employees</th><th>Full-time Employees</th><th>Part-time Employees</th></tr><tr><td>Female</td><td>23,148</td><td>933</td><td>422</td><td>22,661</td><td>498</td></tr><tr><td>Male</td><td>23,066</td><td>388</td><td>232</td><td>22,573</td><td>505</td></tr><tr><td>Non-binary (U.S. only)</td><td>10</td><td>0</td><td>0</td><td>10</td><td>0</td></tr><tr><td>Not Declared</td><td>236</td><td>2</td><td>21</td><td>234</td><td>2</td></tr><tr><td>Total</td><td>46,460</td><td>1,323</td><td>675</td><td>45,478</td><td>1,005</td></tr></table><br><table><tr><th colspan="6">Employee by Type and Region</th></tr><tr><th></th><th>Permanent Employees</th><th>Temporary Employees</th><th>Non-guaranteed Hours Employees</th><th>Full-time Employees</th><th>Part-time Employees</th></tr><tr><td>U.S.</td><td>30,132</td><td>129</td><td>675</td><td>29,171</td><td>966</td></tr><tr><td>Outside U.S.</td><td>16,328</td><td>1,194</td><td>0</td><td>16,307</td><td>39</td></tr><tr><td>Total</td><td>46,460</td><td>1,323</td><td>675</td><td>45,478</td><td>1,005</td></tr></table> | Employees by Type and Gender           |                       |                        |       |                  |       |              | Permanent Employees | Temporary Employees                   | Non-guaranteed Hours Employees | Full-time Employees | Part-time Employees | Female  | 23,148 | 933 | 422 | 22,661 | 498 | Male | 23,066 | 388 | 232 | 22,573 | 505 | Non-binary (U.S. only) | 10 | 0 | 0 | 10 | 0 | Not Declared | 236 | 2 | 21 | 234 | 2 | Total | 46,460 | 1,323 | 675 | 45,478 | 1,005 | Employee by Type and Region |  |  |  |  |  |  | Permanent Employees | Temporary Employees | Non-guaranteed Hours Employees | Full-time Employees | Part-time Employees | U.S. | 30,132 | 129 | 675 | 29,171 | 966 | Outside U.S. | 16,328 | 1,194 | 0 | 16,307 | 39 | Total | 46,460 | 1,323 | 675 | 45,478 | 1,005 | <p>Cardinal Health’s population of employees is calculated based on data pulled from our HR system of record in October 2022 for the population of employees as of June 30, 2022.</p> <p>Permanent employees are defined as regular employees (both full- and part-time) OR employees not otherwise identified as on-call (employees that work “as needed”), Intern, or Global Assignee (employees that have taken an assignment in a country other than their normal work country). Note some part-time employees are not permanent employees. Cardinal Health discloses human capital information on our Form 10-K based on our permanent employee population, which agrees to the figures presented herein.</p> <p>Temporary employees: Non-U.S. Temporary/Fixed Term (employees who are paid directly by the company and whose employment is for a limited period — not valid in the U.S.) and interns.</p> <p>Non-guaranteed hours employees: on-call.</p> <p>Full time employees: Employees who work 30 or more hours per week.</p> <p>Part time employees: Employees who work less than 30 hours per week.</p> |
| Employees by Type and Gender                 |   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
|  | Permanent Employees                                     | Temporary Employees   | Non-guaranteed Hours Employees         | Full-time Employees   | Part-time Employees    |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Female                                       | 23,148  | 933   | 422                                    | 22,661                | 498                    |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Male   | 23,066  | 388   | 232                                    | 22,573                | 505                    |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Non-binary (U.S. only)                       | 10  | 0   | 0                                      | 10                    | 0                      |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Not Declared                                 | 236   | 2   | 21                                     | 234                   | 2                      |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Total  | 46,460  | 1,323   | 675                                    | 45,478                | 1,005                  |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Employee by Type and Region                  |   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
|  | Permanent Employees                                     | Temporary Employees   | Non-guaranteed Hours Employees         | Full-time Employees   | Part-time Employees    |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| U.S.   | 30,132  | 129   | 675                                    | 29,171                | 966                    |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Outside U.S.                                 | 16,328  | 1,194   | 0                                      | 16,307                | 39                     |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Total  | 46,460  | 1,323   | 675                                    | 45,478                | 1,005                  |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| GRI 2-8                                      | Workers who are not employees                           | <table><tr><th>Employee by Type and Region</th><th>Number of contractors</th></tr><tr><td>Information Technology</td><td>3,823</td></tr><tr><td>Light Industrial</td><td>2,791</td></tr><tr><td>Professional</td><td>2,764</td></tr><tr><td>Quality &amp; Regulatory, and Engineering</td><td>276</td></tr><tr><td>Total Contractors</td><td>9,654</td></tr></table>  | Employee by Type and Region            | Number of contractors | Information Technology | 3,823 | Light Industrial | 2,791 | Professional | 2,764               | Quality & Regulatory, and Engineering | 276                            | Total Contractors   | 9,654               | <p>Workers who are not employees are defined as the number of contractors on assignment at the end of fiscal 2022 (i.e., June 30, 2022).</p> <p>Contractors are workers whose scope is based on a defined contract and who are not permanent or temporary employees of Cardinal Health.</p> |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Employee by Type and Region                  | Number of contractors                                   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Information Technology                       | 3,823   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Light Industrial                             | 2,791   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Professional                                 | 2,764   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Quality & Regulatory, and Engineering        | 276   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| Total Contractors                            | 9,654   |   |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| GRI 2-9                                      | Governance structure and composition                    | <p>Cardinal Health’s Board of Directors represents the highest governance body at the organization and is comprised of 13 directors with relevant skills and experience that contribute to a well-functioning Board effectively overseeing our strategy and management.</p> <p>The management of Cardinal Health’s ESG function receives oversight from the Board’s Governance and Sustainability Committee, which is specifically outlined in the Committee’s <a href="#">charter</a>. However, the full Board discusses significant ESG risks, and each Board committee has oversight of select risks.</p> <p>For more details regarding the composition of the Board and its committees, please <a href="#">see our corporate governance website</a>.</p>  |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |
| GRI 2-10                                     | Nomination and selection of the highest governance body | <p>For information regarding the nomination and selection process for Cardinal Health’s Board of Directors, please see our <a href="#">2022 Proxy Statement</a>.</p>  |  |                       |                        |       |                  |       |              |                     |                                       |                                |                     |                     |   |        |     |     |        |     |      |        |     |     |        |     |                        |    |   |   |    |   |              |     |   |    |     |   |       |        |       |     |        |       |                             |  |  |  |  |  |  |                     |                     |                                |                     |                     |      |        |     |     |        |     |              |        |       |   |        |    |       |        |       |     |        |       |   |

| Reference   | Metric  | Disclosure   | Boundary, Assumptions, and Estimations  |
|---|---|--|---|
| <b>GRI 2 – General Disclosures 2021</b> (continued) |   |  |   |
| <b>GRI 2-11</b>                                     | Chair of the highest governance body  | Our Chairman of the Board is Gregory B. Kenny, who is not a senior executive of Cardinal Health.   |   |
| <b>GRI 2-12</b>                                     | Role of the highest governance body in overseeing the management of impacts | The management of Cardinal Health's ESG function receives oversight from the Board's Governance and Sustainability Committee, which is specifically outlined in the Committee's <a href="#">charter</a> .  |   |
| <b>GRI 2-13</b>                                     | Delegation of responsibility for managing impacts                           | For information on Cardinal Health's ESG governance model to manage impacts throughout the organization, please see the <a href="#">ESG governance section</a> within this report.   |   |
| <b>GRI 2-14</b>                                     | Role of the highest governance body in sustainability reporting             | While the full Board discusses significant ESG risks, specific issues are overseen by the Board's relevant committees. The Governance and Sustainability Committee has formal oversight of ESG matters such as environmental, social, and political risks, and reviews the ESG report prior to publication. Other Board committees have oversight of other specific ESG-related areas, like human capital management and diversity, equity, and inclusion. |   |
| <b>GRI 2-15</b>                                     | Conflicts of interest (within highest governance body)                      | Our Board has adopted written Standards of Business Conduct that outline our corporate values and standards of integrity and behavior, including conflicts of interest. Please see pages 15–16 of our <a href="#">Standards of Business Conduct</a> to learn more about how we seek to prevent and mitigate potential conflicts of interest.   |   |
| <b>GRI 2-16</b>                                     | Communication of critical concerns  | As noted on page 7 of our <a href="#">Standards of Business Conduct</a> , items of critical concern regarding Cardinal Health's business practices are communicated through our Business Conduct Line.   |   |
| <b>GRI 2-17</b>                                     | Collective knowledge of the highest governance body                         | Please see the Director Skills Matrix on page 22 of our <a href="#">2022 Proxy Statement</a> for more information on the collective knowledge of our Board of Directors.   |   |
| <b>GRI 2-18</b>                                     | Evaluation of performance of the highest governance body                    | Please see page 32 of our <a href="#">2022 Proxy Statement</a> to learn more about our Board of Directors' performance evaluation process.   |   |
| <b>GRI 2-19</b>                                     | Remuneration policies   | Please see pages 36–37 of our <a href="#">2022 Proxy Statement</a> to learn more about director compensation and pages 40–70 of our 2022 Proxy Statement to learn more about named executive officer compensation.   | As described in the proxy statement and consistent with U.S. Securities and Exchange Commission (SEC) requirements, named executive officers include the CEO, CFO, CEO of the Pharmaceutical Segment, CEO of the Medical Segment, and Chief Legal and Compliance Officer. |



| Reference   | Metric   | Disclosure  | Boundary, Assumptions, and Estimations  |
|---|--|---|---|
| <b>GRI 2 – General Disclosures 2021</b> (continued) |  |   |   |
| <b>GRI 2-20</b>                                     | Process to determine remuneration                  | Please see pages 36–37 of our <a href="#">2022 Proxy Statement</a> to learn more about director compensation and pages 40–70 of our 2022 Proxy Statement to learn more about named executive officer compensation.  | As described in the proxy statement and consistent with U.S. Securities and Exchange Commission (SEC) requirements, named executive officers include the CEO, CFO, CEO of the Pharmaceutical Segment, CEO of the Medical Segment, and Chief Legal and Compliance Officer. |
| <b>GRI 2-21</b>                                     | Annual total compensation ratio                    | As noted on page 70 of our <a href="#">2022 Proxy Statement</a> , “the median annual total compensation of all our employees (other than the CEO) was \$63,906. Mr. Kaufmann’s annual total compensation for fiscal 2022 for purposes of the pay ratio disclosure was \$13,478,493. Based on this information, for fiscal 2022, the ratio of the compensation of the CEO to the median annual total compensation of all other employees was estimated to be 211 to 1.”  |   |
| <b>GRI 2-22</b>                                     | Statement on sustainable development strategy      | <a href="#">See CEO statement in this report</a>  |   |
| <b>GRI 2-23</b>                                     | Policy commitments                                 | Cardinal Health’s <a href="#">Standards of Business Conduct</a> represents our primary policy commitment for responsible business conduct. It communicates both our company’s core values and standards to our employees for how we interact with each other, customers, vendors, and all other third parties. All employees worldwide, from our senior leadership to our sales and marketing departments to our warehouse and plant employees, are trained on our Standards of Business Conduct when they join the company and certify compliance annually thereafter. Our Standards of Business Conduct also provides specific guidance on conduct related to competing responsibly in the marketplace including the topics of anti-bribery, anti-corruption, and unethical behavior. |   |
| <b>GRI 2-24</b>                                     | Embedding policy commitments                       | Cardinal Health builds on our <a href="#">Standards of Business Conduct</a> and guidance when we implement company-wide policies and procedures that provide requirements for doing our jobs in compliance with the laws and regulations applicable to each business unit’s operations. From our manufacturing locations to our distribution centers to our sales and marketing teams, these policies often require detailed procedures to ensure appropriate review and approval of various regulated activities and activities that involve a transfer of value to third parties, specifically customers and healthcare professionals.  |   |
| <b>GRI 2-25</b>                                     | Processes to remediate negative impacts            | Cardinal Health provides all stakeholders a confidential and anonymous platform to raise issues about business conduct of Cardinal Health and its employees. All claims submitted through the Business Conduct Line are thoroughly investigated by our team that sits in the Ethics and Compliance function.  |   |
| <b>GRI 2-26</b>                                     | Mechanisms for seeking advice and raising concerns | As noted on page 7 of our <a href="#">Standards of Business Conduct</a> , items of critical concern regarding Cardinal Health’s business practices can be raised through our Business Conduct Line.   |   |
| <b>GRI 2-27</b>                                     | Compliance with laws and regulations               | We report any significant instances of non-compliance or alleged non-compliance with laws and regulations in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.   |   |
| <b>GRI 2-28</b>                                     | Membership associations                            | Cardinal Health plays an active role in several membership and advocacy associations globally. For a full listing of trade associations to which we paid more than \$25,000 in calendar year 2021, please see our <a href="#">Political Activities and Contributions Report</a> .   |   |

| Reference   | Metric                               | Disclosure  | Boundary, Assumptions, and Estimations   |
|---|--------------------------------------|---|--|
| <b>GRI 2 – General Disclosures 2021</b> (continued) |                                      |   |  |
| <b>GRI 2-29</b>                                     | Approach to stakeholder engagement   | <p>Some of the ways we engage with key stakeholders include:</p> <ul style="list-style-type: none"> <li>• Employees: creating a purposeful working environment by providing regular town halls and leadership panels that help drive diversity, equity and inclusion, talent development and retention, and strategies and goals; engaging employees and gathering feedback through a biennial employee engagement survey, more frequent pulse and life cycle surveys, and connecting with employees at all levels through internal social media websites, newsletters, digital signage, and posters.</li> <li>• Investors and other interested parties: disclosing against standards and frameworks (e.g., SASB, TCFD, GRI) and participating in the ESG surveys (e.g., CDP) that may be significant to them; engaging in phone calls and our Annual Meeting of Shareholders.</li> <li>• Customers: assessing satisfaction through periodic surveys and responding to ESG surveys and inquiries.</li> <li>• Partners: engaging to improve our responsible procurement and sourcing practices, increase employee well-being, and hold ourselves and our suppliers to high ethical standards.</li> </ul> |  |
| <b>GRI 2-30</b>                                     | Collective bargaining agreements     | Approximately 11% of total employees are covered by a collective bargaining agreement.  | The percentage of global employees covered by a collective bargaining agreement is calculated by taking the number of employees covered by a collective bargaining agreement that was still valid as of the end of fiscal 2022 (employee counts updated as of October 21, 2022) divided by the total number of global permanent employees (GRI 2-7). |
| <b>GRI 3 – Material Topics 2021</b>                 |                                      |   |  |
| <b>GRI 3-1</b>                                      | Process to determine material topics | <p>Please see <a href="#">Our ESG Priorities</a> section of this report for more information on Cardinal Health's process to determine material topics. As noted in the report, these are our "material ESG topics" as referred to in the GRI Standards. The use of the term "material" and other similar terms is intended to reflect our priority ESG topics and risks. We are not using such terms as they are used under securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting. Therefore, the inclusion of information or the absence of information in this report should not be construed to represent Cardinal Health's belief regarding the financial impact of that information or its importance to shareholders.</p>  |  |
| <b>GRI 3-2</b>                                      | List of material topics              | <p>Please see <a href="#">Our ESG Priorities</a> section of this report for our list of material topics. As noted in the report, these are our "material ESG topics" as referred to in the GRI Standards. The use of the term "material" and other similar terms is intended to reflect our priority ESG topics and risks. We are not using such terms as they are used under securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting. Therefore, the inclusion of information or the absence of information in this report should not be construed to represent Cardinal Health's belief regarding the financial impact of that information or its importance to shareholders.</p>   |  |
| <b>GRI 3-3</b>                                      | Management of material topics        | <p>Our ESG priorities guide our work in addressing global challenges and creating lasting value for our shareholders, our employees, our customers and partners, and our communities as we strive to be healthcare's most trusted partner. The ESG team's efforts to engage with the business to manage these impacts can be viewed within this report, as we have aligned each section of the report with our ESG priority categories. To further drive performance improvement and demonstrate our commitment to managing the impact of our ESG priorities, we have set multiple public-facing goals. Please see <a href="#">Our ESG Goals</a> for more information on these goals and progress to date.</p>  |  |



| Reference                                  | Metric   | Disclosure   | Boundary, Assumptions, and Estimations   |
|--|--|--|--|
| <b>GRI 201 – Economic Performance 2016</b> |  |  |  |
| <b>GRI 201-1</b>                           | Direct economic value generated and distributed                                | For information on Cardinal Health's financial performance, including the generation and distribution of economic value, please see our fiscal 2022 Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .  |  |
| <b>GRI 201-2</b>                           | Financial implications and other risks and opportunities due to climate change | As noted in our <a href="#">TCFD Index</a> , Cardinal Health has performed a qualitative analysis to identify relevant climate-related risks and opportunities for consideration during strategic, financial, and business planning activities. We have not yet performed a quantitative scenario analysis to determine the specific financial implications of climate-related risks and opportunities, but plan to do so.   |  |
| <b>GRI 201-3</b>                           | Defined benefit plan obligations and other retirement plans                    | Cardinal Health offers a 401(k) defined contribution plan to all regular U.S. employees who work 20 hours or more per week. We offer a full suite of investment options, and participants can defer into pre-tax, and Roth accounts up to the annually defined IRS contribution limits, while benefiting from a competitive company match. Internationally all countries have government mandated retirement programs; some schemes are defined benefit or defined contribution. In many countries, Cardinal Health also contributes to supplemental retirement programs on behalf of employees. |  |
| <b>GRI 201-4</b>                           | Financial assistance received from government                                  | For information on Cardinal Health's financial performance, please see our fiscal 2022 Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .   |  |
| <b>GRI 202 – Market Presence 2016</b>      |  |  |  |
| <b>GRI 202-1</b>                           | Ratios of standard entry level wage by gender compared to local minimum wage   | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>GRI 202-2</b>                           | Proportion of senior management hired from the local community                 | 53% of senior management   | <p>Senior management is defined as all permanent employees who are at a Vice President level and above within the management and executive tracks, excluding Kinray employee details.</p> <p>Local community is defined by work address in our HR system of record and includes the Dublin, Ohio headquarters or other Central Ohio Cardinal Health locations.</p> |

| Reference                                | Metric   | Disclosure  | Boundary, Assumptions, and Estimations |
|--|--|---|--|
| GRI 203 – Indirect Economic Impacts 2016 |  |   |  |
| GRI 203-1                                | Infrastructure investments and services supported                        | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| GRI 203-2                                | Significant indirect economic impacts                                    | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| GRI 204 – Procurement Practices 2016     |  |   |  |
| GRI 204-1                                | Proportion of spending on local suppliers                                | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| GRI 205 – Anti-corruption 2016           |  |   |  |
| GRI 205-1                                | Operations assessed for risks related to corruption                      | <p>Our <b>Anti-Bribery and Anti-Corruption Policy</b> identifies requirements for employee conduct, and we train all employees on those requirements. Third-party sellers are bound by contractual provisions that oblige them to follow our standards of business conduct and how to apply them when transacting business with Cardinal Health or when acting on our behalf. We regularly seek guidance from outside legal experts and consultants to make improvements to our anti-bribery and anti-corruption program.</p> <p>We subject third-party intermediaries who market or sell products on our behalf to regular compliance due diligence, training, and monitoring. We also implement a strict due diligence, training, and monitoring system for our higher risk vendors across the globe; currently, we are enhancing our compliance program for our suppliers and contract manufacturers.</p> <p>Our Ethics and Compliance team conducts risk assessments and uses data from various compliance systems to monitor activity levels in key compliance risk areas. In addition, our Internal Audit department conducts regular Foreign Corrupt Practices Act (FCPA) audits in our commercial organizations, manufacturing, and sourcing locations.</p> |  |
| GRI 205-2                                | Communication and training about anti-corruption policies and procedures | All employees are assigned a training, whether in person or online, on our Standards of Business Conduct. The online training course is deployed to any new hire and annually thereafter, and includes scenario-based situations, knowledge checks, policy links and other information on anti-bribery and anti-corruption, conflicts of interest and privacy and confidential information. The online training course was deployed in 17 different languages in 32 countries in all regions- U.S., Canada, LATAM, EMEA and APAC. Those in manufacturing and distribution centers mostly received in person trainings, with certifications kept locally. We actively monitor training completions and follow up with reminders to employees and leadership teams to ensure the online training is completed.  |  |
| GRI 205-3                                | Confirmed incidents of corruption and actions taken                      | We report any significant incidents of corruption, or alleged corruption, and actions taken in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <b>Investor Relations</b> website for access to corporate filings.  |  |



| Reference                                       | Metric  | Disclosure  | Boundary, Assumptions, and Estimations   |
|---|---|---|--|
| <b>GRI 206 – Anti-competitive Behavior 2016</b> |   |   |  |
| <b>GRI 206-1</b>                                | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | We report any significant legal proceedings concerning anti-competitive behavior, anti-trust and monopoly practices in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.   |  |
| <b>GRI 207 – Tax 2019</b>                       |   |   |  |
| <b>GRI 207-1</b>                                | Approach to tax   | For information on our approach to tax during fiscal 2022, please see our fiscal 2022 Financial Statements and Notes to Consolidated Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .  |  |
| <b>GRI 207-2</b>                                | Tax governance, control, and risk management                                    | For information on tax governance, control and risk management activities during fiscal 2022, please see our fiscal 2022 Financial Statements and Notes to Consolidated Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .   |  |
| <b>GRI 207-3</b>                                | Stakeholder engagement and management of concerns related to tax                | For information on stakeholder engagement and management of concerns related to tax during fiscal 2022, please see our fiscal 2022 Financial Statements and Notes to Consolidated Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .   |  |
| <b>GRI 207-4</b>                                | Country-by-country reporting  | For information on country-specific reporting on tax, please see fiscal 2022 Financial Statements and Notes to Consolidated Financial Statements starting on page 56 of our <a href="#">Form 10-K</a> .   |  |
| <b>GRI 301 – Materials 2016</b>                 |   |   |  |
| <b>GRI 301-1</b>                                | Materials used by weight or volume  | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| <b>GRI 301-2</b>                                | Recycled input materials used   | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| <b>GRI 301-3</b>                                | Reclaimed products and their packaging materials                                | Sustainable Technologies™, a Cardinal Health business, is a leading provider of single-use device collections, reprocessing, and recycling services in the U.S. The business reprocesses pneumatic tourniquet cuffs, lateral air transfer mats, compression sleeves, disposable lead wires, pressure infusion bags, pulse oximetry sensors and more. The products to be reprocessed are inspected, sorted, and cleaned, then tested, inspected, disinfected, and sterilized, and finally, redistributed to healthcare locations. In fiscal 2022, the team collected approximately 18.3 million single use devices which diverted 5.6 million pounds of waste from landfill. | Waste diversion is calculated by multiplying the average weight of all devices eligible for collection and reprocessing by the number of single use devices collected during the reporting period. |

| Reference                                 | Metric   | Disclosure   | Boundary, Assumptions, and Estimations  |
|---|--|--|---|
| <b>GRI 302 – Energy 2016</b>              |  |  |   |
| <b>GRI 302-1</b>                          | Energy consumption within the organization                 | <p>Total energy consumption (non-renewable and renewable): 4,715,665 Gigajoule (GJ)</p> <p>Total non-renewable energy consumption: 4,714,961 GJ</p> <p>Total renewable energy consumption: 704 GJ</p> <p>Total grid-purchased electricity consumption: 2,073,082 GJ</p>  | <p>Energy consumption within the organization is inclusive of all energy sources consumed by assets under Cardinal Health’s operational control, including diesel, gasoline, jet fuel, liquified petroleum gas (LPG), natural gas, grid-purchased electricity, and solar photovoltaic (PV)-generated electricity. Renewable energy consumption only includes solar PV-generated electricity, with all other fuel sources listed above being included in Cardinal Health’s calculation of non-renewable energy/consumption.</p> <p>Please note Cardinal Health reports on energy consumption within the organization for only 90% of the total square footage within our operational control.</p> <p>Conversion factors used:</p> <ul style="list-style-type: none"> <li>• 2021 Climate Registry Default Emission Factors Table 1.1</li> </ul> |
| <b>GRI 302-2</b>                          | Energy consumption outside of the organization             | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |   |
| <b>GRI 302-3</b>                          | Energy intensity   | 0.000026 GJ of energy consumption per dollar of revenue  | Energy intensity is calculated by dividing total energy consumption (as reported in GRI 302-1) by total enterprise-wide revenue as reported in our fiscal 2022 <a href="#">Form 10-K</a> .  |
| <b>GRI 302-4</b>                          | Reduction of energy consumption                            | As a result of LED lighting retrofits completed at locations under our operational control during fiscal 2022, Cardinal Health reduced electricity consumption by 22,228 GJ.   | Reduction of energy consumption includes only energy efficiency projects that were completed during fiscal 2022.  |
| <b>GRI 302-5</b>                          | Reductions in energy requirements of products and services | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |   |
| <b>GRI 303 – Water and Effluents 2018</b> |  |  |   |
| <b>GRI 303-1</b>                          | Interactions with water as a shared resource               | <p>Cardinal Health withdraws, consumes, and discharges water at our locations globally. Most locations, including all distribution centers and pharmacies, withdraw water via the local municipality or utility. In distribution centers and pharmacies, water is typically used for general office and landscaping activities. At these locations, water is discharged through the local municipality or utility’s wastewater infrastructure. Manufacturing locations withdraw water via wells and the local municipality or utility.</p> <p>To monitor water usage, data is assessed for withdrawal that exceeds a location-specific threshold to reduce water wasted from leaks or to identify changes in personnel or operational water-related behavior. We also seek opportunities to reduce water withdrawal at our locations, and, in fiscal 2022, we replaced the existing landscaping at one of our locations in Arizona with xeriscape to reduce irrigation water withdrawal.</p> <p>While Cardinal Health has not established external water-related goals, water withdrawal was included in the scope of our <a href="#">third-party assurance for fiscal 2022</a>.</p> |   |



| Reference   | Metric  | Disclosure   | Boundary, Assumptions, and Estimations   |
|---|---|--|--|
| <b>GRI 303 – Water and Effluents 2018</b> (continued) |   |  |  |
| <b>GRI 303-2</b>                                      | Management of water discharge-related impacts | <p>Cardinal Health's internal EHS Standard 10-100: Water Management requires managers of operations with wastewater discharge to understand their location's wastewater generation, characterize the properties of that wastewater, and to not discharge that material unless allowed to do so by a discharge permit. Additionally, the water management standard requires the implementation of several other best management practices related to water discharge.</p> <p>In areas without existing discharge regulations, the water management standard sets minimum water quality thresholds for effluent discharges. These thresholds represent maximum daily concentration limits for typical wastewater parameters such as: oil and grease, total suspended solids (TSS), biological oxygen demand, chemical oxygen demand, and pH. These concentration limits are based on general discharge conditions often found in industrial discharge permits issued in locations with wastewater discharge regulations.</p> <p>Locations in jurisdictions with water quality regulations are required to obtain permits before discharging any effluent. Locations in jurisdictions without water quality regulations are required to follow the internally developed effluent water quality standards found in the water management standard.</p> <p>While we do not specifically consider the profile of the receiving waterbody at each location, our approach ensures that impacts to waterbodies are compliant when local authorities issue location-specific permits with conditions specific to receiving waterbodies, such as the U.S. National Pollutant Discharge Elimination System (NPDES) permitting program. For waterbodies located in jurisdictions without water quality regulations, our best management practices implemented by each location mitigate potential impacts.</p> |  |
| <b>GRI 303-3</b>                                      | Water withdrawal                              | 4.7 million cubic meters   | <p>Water withdrawal data is captured for locations that receive third-party invoices with metering infrastructure and owned sub-meters when locations withdraw water from a well or shared location. For locations in multi-tenant locations equipped with only a master meter to measure water withdrawal, Cardinal Health estimates water withdrawal using the following formula:</p> <p><b>Total hours worked at location / (8 hours per worker per day × 12 gallons per person per day)</b></p> <p>Please note Cardinal Health reports on water withdrawal within the organization for only 80% of the total square footage within our operational control.</p> <p>This value was included in <a href="#">our fiscal 2022 assurance statement</a>.</p> |
| <b>GRI 303-4</b>                                      | Water discharge                               | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>GRI 303-5</b>                                      | Water consumption                             | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |

| Reference                | Metric   | Disclosure                  | Boundary, Assumptions, and Estimations  |
|--------------------------|--|-----------------------------|---|
| GRI 305 – Emissions 2016 |  |                             |   |
| GRI 305-1                | Direct (Scope 1) GHG emissions                                   | 151,120 mtCO <sub>2</sub> e | <p>Scope 1 GHG emissions were measured in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development's (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol). Cardinal Health selected an organizational boundary based on operational control and direct emissions sources include stationary and mobile combustion. Fuel sources included in Cardinal Health's calculation of Scope 1 GHG emissions include natural gas, gasoline, diesel, jet fuel, and LPG.</p> <p>Please note Cardinal Health reports on Scope 1 GHG emissions for only 90% of the total square footage within our operational control.</p> <p>The divestment of our Cordis business unit was finalized in August 2021. Therefore, Cardinal Health included Scope 1 GHG emissions from assets at Cordis locations under our operational control through July 2021. We plan to remove Cordis energy consumption and emissions from environmental metrics back through our existing goal's base year (fiscal 2019) during fiscal 2023.</p> <p><b>Emission factors used:</b></p> <ul style="list-style-type: none"><li>• 2022 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub.</li></ul> <p>This value was included in <a href="#">our fiscal 2022 assurance statement</a>.</p> |
| GRI 305-2                | Indirect (Scope 2) GHG emissions under the location-based method | 214,389 mtCO <sub>2</sub> e | <p>Scope 2 GHG emissions were measured using the location-based method in accordance with the WRI WBCSD GHG Protocol Scope 2 Guidance. Cardinal Health selected an organizational boundary based on operational control and direct emissions sources include stationary and mobile combustion.</p> <p>Please note Cardinal Health reports on Scope 2 GHG emissions for only 90% of the total square footage within our operational control.</p> <p>The divestment of our Cordis business unit was finalized in August 2021. Therefore, Cardinal Health included Scope 2 GHG emissions from assets at Cordis locations under our operational control through July 2021. We plan to remove Cordis energy consumption and emissions from environmental metrics back through our existing goal's base year (fiscal 2019) during fiscal 2023.</p> <p><b>Emission factors used:</b></p> <ul style="list-style-type: none"><li>• 2020 International Energy Agency (IEA) Emission Factors</li><li>• 2020 EPA eGRID Emission Factors</li></ul> <p>This value was included in <a href="#">our fiscal 2022 assurance statement</a>.</p>  |



| Reference                                   | Metric  | Disclosure   | Boundary, Assumptions, and Estimations  |
|---|---|--|---|
| <b>GRI 305 – Emissions 2016</b> (continued) |   |  |   |
| <b>GRI 305-3</b>                            | Other indirect (Scope 3) GHG emissions  | <p>As a part of our goal to set a Science-Based Target approved by the Science Based Targets initiative (SBTi), Cardinal Health is actively measuring its Scope 3 GHG emissions across all relevant categories.</p> <p>Consistent with prior years, Cardinal Health reports in accordance with the minimum boundary for Scope 3 Category 6, Business Travel: 8,992 mtCO<sub>2</sub>e</p>   | <p>Business travel emissions were measured in accordance with the WRI WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Category 6 emissions (i.e., emissions from business travel) include sources that align with the minimum boundary requirement and include emissions from air travel, rail travel, and rental cars.</p> <p><b>Emission factors used:</b></p> <ul style="list-style-type: none"> <li>• 2021 DEFRA Conversion factors 2021: full set (for advanced users) - revised January 2022</li> <li>• 2022 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub.</li> </ul> |
| <b>GRI 305-4</b>                            | GHG emissions intensity   | 0.000002 mtCO <sub>2</sub> e / USD   | Emissions intensity is calculated by dividing the sum of Scope 1 and Scope 2 GHG emissions under the location-based method (as reported in GRI 305-1 and 305-2) by total enterprise-wide revenue as reported in our fiscal 2022 <a href="#">Form 10-K</a> .   |
| <b>GRI 305-5</b>                            | Reduction of GHG emissions  | <p>From fiscal 2021 to fiscal 2022, Cardinal Health's Scope 1 and 2 GHG emissions under the location-based method decreased by more than 24,000 mtCO<sub>2</sub>e. This was primarily driven by two activities, including:</p> <ol style="list-style-type: none"> <li>1. LED lighting retrofits completed during fiscal 2022 at locations under our operational control</li> <li>2. Updating the emission factor sets used to convert energy consumption into emissions</li> </ol>   |   |
| <b>GRI 305-6</b>                            | Emissions of ozone-depleting substances (ODS)                                   | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |   |
| <b>GRI 305-7</b>                            | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |   |
| <b>GRI 306 – Waste 2020</b>                 |   |  |   |
| <b>GRI 306-1</b>                            | Waste generation and significant waste-related impacts                          | <p>As a distributor of pharmaceuticals, a global manufacturer and distributor of medical and laboratory products, and a provider of performance and data solutions for healthcare locations, Cardinal Health has several waste streams and related impacts throughout our value chain that we actively work to measure and manage. Activities such as sourcing raw materials, manufacturing products, distribution of products and services, routine waste generation from operations, regulatory actions, product recalls, and changing waste disposal requirements all have an impact on Cardinal Health's waste streams and must be monitored on an on-going basis. We recognize that waste-related impacts apply not only to Cardinal Health, but also extend upstream to our raw material and product suppliers, and downstream to our customers.</p> |   |

| Reference   | Metric   | Disclosure  | Boundary, Assumptions, and Estimations   |
|---|--|---|--|
| <b>GRI 306 – Waste 2020</b> (continued)                 |  |   |  |
| <b>GRI 306-2</b>  | Management of significant waste-related impacts                      | <p>Cardinal Health's Environmental, Health, and Safety (EHS) team develops and oversees our waste management program that requires all operations to manage waste in accordance with regulatory requirements, monitor waste streams (including identifying new waste streams or significant changes to waste generation), and consider the feasibility of reducing waste generation.</p> <p>We partner with third-party providers to dispose of waste, divert waste from landfills where possible, and manage our hazardous waste. Our EHS team requires these partners to provide Certificates of Destruction, waste manifests, and other instruments to document contractual and regulatory requirements are being met.</p> <p>One external partner, Veolia, provides select sites detailed data regarding their activity via an online database shared with Cardinal Health EHS leaders. Cardinal Health also maintains an internal database to manage information related to waste generation and recycling. Field EHS teams and the ESG team monitor this data for completeness and accuracy as part of our environmental data validation process.</p> |  |
| <b>GRI 306-3</b>  | Waste generated  | During fiscal 2022, Cardinal Health generated 197 million pounds of waste.  | <p>Cardinal Health reports waste generation across our locations that contract directly with a waste management provider or actively manage waste collection and disposal. For locations that are not invoiced based on weight, the size and type of receptacle as well as the frequency of pick-up by the third-party vendor are used to estimate waste generation.</p> <p>Please note Cardinal Health reports on waste generated within the organization for only 78% of the total square footage within our operational control.</p> <p>This value was included in <a href="#">our fiscal 2022 assurance statement</a>.</p> |
| <b>GRI 306-4</b>  | Waste diverted from disposal   | During fiscal 2022, Cardinal Health diverted 140 million pounds of waste from disposal through our recycling efforts. Of our recycled materials, 30,000 pounds were designated as hazardous.  | <p>Cardinal Health reports waste diversion across our locations that contract directly with a recycling or waste to energy provider or actively manage recycling collection and disposal. For locations that are not invoiced based on weight, the size and type of receptacle as well as the frequency of pick-up by the third-party vendor are used to estimate waste diversion.</p> <p>This value was included in <a href="#">our fiscal 2022 assurance statement</a>.</p>  |
| <b>GRI 306-5</b>  | Waste directed to disposal   | During fiscal 2022, Cardinal Health directed 57 million pounds of waste to disposal. 10 million pounds were directed to disposal for energy generation through our waste to energy program. Of our disposed materials, nearly 4 million pounds were designated as hazardous.  | Cardinal Health reports waste disposal across our locations that contract directly with a waste management provider or actively manage waste collection and disposal. For locations that are not invoiced based on weight, the size and type of receptacle as well as the frequency of pick-up by the third-party vendor are used to estimate waste generation.  |
| <b>GRI 308 – Supplier Environmental Assessment 2016</b> |  |   |  |
| <b>GRI 308-1</b>  | New suppliers that were screened using environmental criteria        | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |
| <b>GRI 308-2</b>  | Negative environmental impacts in the supply chain and actions taken | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |  |



| Reference                                   | Metric   | Disclosure  | Boundary, Assumptions, and Estimations       |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
|---|--|---|--|--|------------------|--|--------|-------|------|-------|------------|------|--------------|------|--------------------|--|------|-------|--------|-------|--|
| GRI 401 – Employment 2016                   |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| GRI 401-1                                   | New employee hires and employee turnover   | <table><tr><th colspan="2">Percentage of new hires by gender and region</th></tr><tr><td colspan="2">Gender break-out</td></tr><tr><td>Female</td><td>47.2%</td></tr><tr><td>Male</td><td>51.5%</td></tr><tr><td>Non-binary</td><td>0.0%</td></tr><tr><td>Not Declared</td><td>1.3%</td></tr><tr><td colspan="2">Regional break-out</td></tr><tr><td>U.S.</td><td>59.1%</td></tr><tr><td>O.U.S.</td><td>40.9%</td></tr></table>   | Percentage of new hires by gender and region |  | Gender break-out |  | Female | 47.2% | Male | 51.5% | Non-binary | 0.0% | Not Declared | 1.3% | Regional break-out |  | U.S. | 59.1% | O.U.S. | 40.9% | <p>The percentage of new employee hires and turnover by gender and region are calculated for fiscal 2022 based on data pulled from our HR system of record in October 2022.</p> <p>New hires include both internal employee transfers and external candidates selected to fill open positions at Cardinal Health. Turnover includes both voluntary and involuntary separations from Cardinal Health. Both new hires and turnover percentages are calculated for permanent employees only, excludes activity related to the Cordis divestiture, and excludes our Kinray employee base. Kinray is excluded as employment information is managed by a third party in a separate system of record and represents a de minimis impact on the metrics.</p> |
|   |  | Percentage of new hires by gender and region  |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Gender break-out                            |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Female                                      | 47.2%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Male  | 51.5%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Non-binary                                  | 0.0%   |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Not Declared                                | 1.3%   |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Regional break-out                          |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| U.S.  | 59.1%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| O.U.S.                                      | 40.9%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
|   |  | <table><tr><th colspan="2">Percentage of turnover by gender and region</th></tr><tr><td colspan="2">Gender break-out</td></tr><tr><td>Female</td><td>47.4%</td></tr><tr><td>Male</td><td>51.8%</td></tr><tr><td>Non-binary</td><td>0.0%</td></tr><tr><td>Not Declared</td><td>0.8%</td></tr><tr><td colspan="2">Regional break-out</td></tr><tr><td>U.S.</td><td>55.4%</td></tr><tr><td>O.U.S.</td><td>44.6%</td></tr></table>  | Percentage of turnover by gender and region  |  | Gender break-out |  | Female | 47.4% | Male | 51.8% | Non-binary | 0.0% | Not Declared | 0.8% | Regional break-out |  | U.S. | 55.4% | O.U.S. | 44.6% |  |
| Percentage of turnover by gender and region |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Gender break-out                            |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Female                                      | 47.4%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Male  | 51.8%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Non-binary                                  | 0.0%   |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Not Declared                                | 0.8%   |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| Regional break-out                          |  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| U.S.  | 55.4%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| O.U.S.                                      | 44.6%  |   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| GRI 401-2                                   | Benefits paid to full-time employees that are not provided to temporary or part-time employees | Cardinal Health offers health and wellbeing benefits and resources that include comprehensive support for the “whole self” at affordable prices. Our benefits team’s guiding principle is to manage costs and drive efficiencies to provide the best care to our employees and their families. U.S. based staff, who work an average of 30 or more hours per week, can choose from a menu of health and wellness plans that best support their unique needs. International employee benefits vary by country and are established based on market competitiveness, while maintaining statutory compliance. All global employees and their household members, regardless of benefit enrollment, have access to a robust Employee Assistance Program (EAP) to help them manage stress and support their mental health. |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |
| GRI 401-3                                   | Parental leave   | In the U.S., Cardinal Health offers employees 2.5 weeks of paid parental leave for fathers and mothers, including adoptive parents. This benefit provides birth mothers 100 percent of pay for up to 10 weeks (when used in combination with the short-term disability benefit). International parental leave benefits vary by country and are established based on market competitiveness, while maintaining statutory compliance.   |  |  |                  |  |        |       |      |       |            |      |              |      |                    |  |      |       |        |       |  |

The percentage of new employee hires and turnover by gender and region are calculated for fiscal 2022 based on data pulled from our HR system of record in October 2022.

New hires include both internal employee transfers and external candidates selected to fill open positions at Cardinal Health. Turnover includes both voluntary and involuntary separations from Cardinal Health. Both new hires and turnover percentages are calculated for permanent employees only, excludes activity related to the Cordis divestiture, and excludes our Kinray employee base. Kinray is excluded as employment information is managed by a third party in a separate system of record and represents a de minimis impact on the metrics.

| Reference  | Metric   | Disclosure  | Boundary, Assumptions, and Estimations  |
|--|--|---|---|
| <b>GRI 402 – Labor/Management Relations 2016</b> |  |   |   |
| <b>GRI 402-1</b>                                 | Minimum notice periods regarding operational changes               | 60% of the active collective bargaining agreements at the end of fiscal 2022 include specific language regarding the minimum notice periods for any operational changes.  | All collective bargaining agreements are active as of the end of fiscal 2022 (i.e., June 30, 2022).   |
| <b>GRI 403 – Occupational Health and Safety</b>  |  |   |   |
| <b>GRI 403-1</b>                                 | Occupational health and safety management system                   | Cardinal Health has established and implemented a Global Environmental, Health and Safety Management System (EHSMS) comprised of 10 elements that define the planning, implementation, assessment and measurement of the management system ( <a href="#">Global Environmental, Health and Safety Management System Summary</a> ). The EHSMS has been implemented to manage relevant risks in our global operations, and 21 of our 32 manufacturing locations also adopted the ISO 14001:2015 and ISO 45001:2018 management system standards. Note these manufacturing locations have been audited and certified under both ISO standards by an external, third-party. The EHSMS covers both Cardinal Health employees and contractors working at Cardinal Health locations.   | EHSMS applies to Cardinal Health, Inc., its divisions and majority-owned or controlled subsidiaries, including those joint ventures, partnerships, or other business arrangements where Cardinal Health holds a majority ownership interest, majority voting control or where Cardinal Health by contract has agreed to manage the company. |
| <b>GRI 403-2</b>                                 | Hazard identification, risk assessment, and incident investigation | <p>Element 2 of Cardinal Health's <a href="#">EHSMS</a>, Hazard Recognition, Evaluation and Control, requires the recognition of work-related hazards, evaluation of risks on a routine and non-routine basis, and application of a hierarchy of controls in order to eliminate hazards and minimize risks. Further, Cardinal Health's EHS function has established a Risk Assessment and Reduction Program to guide operations through the risk assessment process. Finally, there is a requirement for workers to report work-related hazards and hazardous situations and for workers to remove themselves from work situations that they believe could cause injury or ill health.</p> <p>Cardinal Health protects workers against reprisals when they are reporting hazards or stopping unsafe work situations by empowering them to get engaged in safety activities and programs, particularly in addressing the hazards and investigating incidents that arise from those hazards or unsafe work situations. Element 8 of the EHSMS, Incident Investigation, defines the requirement to investigate work-related incidents. This includes the processes to identify hazards and assess risks relating to the incidents, determining corrective actions using the hierarchy of controls, and determining improvements needed in the occupational health and safety management system.</p>  | See GRI 403-1   |
| <b>GRI 403-3</b>                                 | Occupational health services                                       | <p>Cardinal Health has established and implemented an EHS Standard for Occupational Health that defines the requirements to recognize, evaluate, and control occupational health hazards. The Standard requires each location to have a system in place to deliver timely medical care in the event of sudden injury or illness, which includes having the appropriate number of trained personnel and ensuring the availability of first responders. Each location is also required to establish a relationship with a local medical clinic, have a first aid kit(s) to provide for the immediate treatment of minor injuries by first aid responders, and to have automatic external defibrillators (AEDs) that can be used by authorized operators who have been trained as required by local regulations and as recommended by the manufacturer.</p> <p>Cardinal Health maintains the confidentiality of workers' personal health-related information through our data management system (i.e., Intelix) where personal health-related information is reported and kept. In addition, paper copies of reports or assessments that may contain other personal health-related information are required to be kept in a secured filing system at each location. Cardinal Health ensures that workers' personal health-related information and their participation in any occupational health services is not used for any favorable or unfavorable treatment through the established accountability systems and mechanisms as required by the EHSMS.</p> | See GRI 403-1   |



| Reference   | Metric  | Disclosure  | Boundary, Assumptions, and Estimations  |
|---|---|---|---|
| <b>GRI 403 – Occupational Health and Safety (continued)</b> |   |   |   |
| <b>GRI 403-4</b>  | Worker participation, consultation, and communication on occupational health and safety | <p>Element 5 of Cardinal Health’s <b>EHSMS</b>, Employee Engagement, requires operations to provide employees opportunities to engage in EHS initiatives and processes. Our 21 manufacturing locations operating in accordance with the ISO Standards 14001 and 45001 follow the guidance provided in ISO 45001:2018 clause 5.4d and 5.4e. Some examples of how our operations provide workers the opportunity to participate, consult, and communicate include but are not limited to:</p> <ul style="list-style-type: none"><li>• EHS committees that address specific issues</li><li>• Annual safety or EHS awareness campaigns</li><li>• Management or business reviews</li><li>• Employee suggestion programs or surveys</li><li>• Townhalls or employee group meetings</li></ul> <p>Operations are required to define location-specific processes for employee participation and consultation. For team-based mechanisms, the location-specific process includes the frequency of meetings, members of the teams, topics needed to be discussed, specific goals they need to achieve, and tasks needed to be completed to achieve the team goals. For the rest of the mechanisms, the location is required to establish goals that they need to achieve (e.g., number of inspections to be completed, number of suggestions to be addressed).</p> | See GRI 403-1   |
| <b>GRI 403-5</b>  | Worker training on occupational health and safety                                       | <p>Element 6 of Cardinal Health’s <b>EHSMS</b>, Training and Education, requires operations to ensure employees have the required skills and knowledge to safely and accurately complete all assigned tasks. Each operation is required to provide effective training and education opportunities for employees to engage in the EHS initiatives and processes. Training can be delivered online through the Cardinal Health Learning Management System or by live instructor-led training (ILT) sessions. Corporate EHS and its Learning Management and Development business partners provide training guidance and tools to operations to plan for and deliver the training, including a Training Needs Analysis template to establish training topics for that operation. These topics include regulatory-required training (e.g., hazard communication, blood-borne pathogen) and company-required training (e.g., EHSMS training, risk assessment training, incident investigation and root cause analysis training).</p>  | See GRI 403-1   |
| <b>GRI 403-6</b>  | Promotion of worker health  | <p>Cardinal Health’s Wellness and Benefits teams actively manage and facilitate workers’ access to non-occupational medical and healthcare services and voluntary health promotion services and programs.</p> <p>Cardinal Health offers a digital physical care program with real-time feedback as employees complete exercises designed just for them by a physical therapist. With 24/7 text-based support, participants get high quality care when and where they need it. The program is free for all employees working 20+ hours per week, as well as free for all spouses, domestic partners, and dependents age 13 and older who are enrolled in a Cardinal Health medical plan.</p> <p>Cardinal Health provides 100% preventive care coverage in all medical plan options. In addition, Cardinal Health offers many well-being tools and resources such as a healthy survey (100% confidential), well-being rewards, employee assistance program, virtual behavioral health visits, stress trackers, weight management program, tobacco cessation program, 100% covered immunizations and mindfulness programs.</p>   | Benefits disclosed are specific to U.S. based, full-time Cardinal Health employees. |

| Reference  | Metric  | Disclosure   | Boundary, Assumptions, and Estimations  |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
|--|---|--|---|---------------|---|-----------------|--|---|---|------------|--|---|---|--------------------|--|-----|----|--------------------|--|------|------|-----------------------------------|--|--------|--------|-----|-------------------|------------|-----------|-------|---|
| <b>GRI 403 – Occupational Health and Safety (continued)</b>              |   |  |   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| <b>GRI 403-7</b>   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Element 2 of Cardinal Health's <b>EHSMS</b> , Hazard Recognition, Evaluation and Control, requires the identification of hazards and assessment of risks on a routine and non-routine basis and to apply the hierarchy of controls in order to eliminate hazards and minimize risks. These activities include the mitigation of significant negative occupational health and safety impacts directly linked to the operations' activities, products, and services. The identification of hazards and assessment of risks account for all interested parties, including but not limited to contractors, vendors, regulatory agencies, communities, and business partners. Cardinal Health's Risk Assessment and Reduction Program provides operations with guidance and methodologies to determine the significance of the risks associated with hazards identified for activities, products and services of our operations and their interested parties.   | See GRI 403-1   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| <b>GRI 403-8</b>   | Workers covered by an occupational health and safety management system  | <p>Cardinal Health actively uses two EHS management systems at our operations, which are comprised of manufacturing locations, distribution centers, and nuclear pharmacies.</p> <p>1. ISO 14001:2015 and ISO 45001:2018 for 21 manufacturing locations that have been certified by an external third party.</p> <p>2. Cardinal Health's internal EHSMS for operations controlled by Cardinal Health.</p> <p>Total number and percentage of employees that are covered by an occupational health and safety management system: 32,141 (66%)</p> <p>Total number and percentage of employees covered by an internally audited occupational health and safety management system (i.e., Cardinal Health's internal EHSMS): 28,986 (60%)</p> <p>Total number and percentage of employees covered by an externally audited and certified occupational health and safety management system (i.e., ISO 14001:2015 and ISO 45001:2018): 12,744 (26%)</p>   | All employees and workers who are not employees but whose work and/or workplace is controlled by the organization as of June 30, 2022 are included in the calculation of these metrics. |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| <b>GRI 403-9</b>   | Work-related injuries   | <table border="1"> <thead> <tr> <th>Metric</th><th>All Employees</th><th>Workers who are not employees but whose work is controlled by Cardinal Health</th><th>Unit of Measure</th></tr> </thead> <tbody> <tr> <td># of fatalities from work-related injury</td><td>1</td><td>0</td><td>Fatalities</td></tr> <tr> <td># of high-consequence work-related injury/illness (excluding fatalities)</td><td>5</td><td>1</td><td>Injuries/illnesses</td></tr> <tr> <td>Recordable work-related injury/illness</td><td>650</td><td>44</td><td>Injuries/illnesses</td></tr> <tr> <td>Total Recordable Incident Rate (TRIR)<sup>1</sup></td><td>1.48</td><td>1.83</td><td>Incident per 200,000 hours worked</td></tr> <tr> <td>Main type of work-related injury/illness</td><td>Strain</td><td>Strain</td><td>N/A</td></tr> <tr> <td># of hours worked</td><td>87,797,868</td><td>4,797,439</td><td>Hours</td></tr> </tbody> </table> <p><sup>1</sup> Cardinal Health calculates TRIR by dividing the number of recordable work-related injuries and illnesses by the total number of hours worked and multiplying the quotient by 200,000.</p> | Metric  | All Employees | Workers who are not employees but whose work is controlled by Cardinal Health | Unit of Measure | # of fatalities from work-related injury | 1 | 0 | Fatalities | # of high-consequence work-related injury/illness (excluding fatalities) | 5 | 1 | Injuries/illnesses | Recordable work-related injury/illness | 650 | 44 | Injuries/illnesses | Total Recordable Incident Rate (TRIR) <sup>1</sup> | 1.48 | 1.83 | Incident per 200,000 hours worked | Main type of work-related injury/illness | Strain | Strain | N/A | # of hours worked | 87,797,868 | 4,797,439 | Hours | <p>Work-related injuries and illnesses are self-reported by employees and entered by a location manager into the Intelex application for record keeping and reporting.</p> <p>Fatalities, high-consequence work-related injuries and illnesses, and recordable work-related injuries and illnesses were determined as of October 25, 2022, for fiscal 2022.</p> <p>Cardinal Health defines a recordable injury or illness in accordance with the Occupational Safety and Health Administration's (OSHA) definition. Cardinal Health defines high-consequence work-related injuries and illnesses as those that result in employee lost time exceeding 180 days.</p> |
| Metric   | All Employees   | Workers who are not employees but whose work is controlled by Cardinal Health  | Unit of Measure   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| # of fatalities from work-related injury                                 | 1   | 0  | Fatalities  |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| # of high-consequence work-related injury/illness (excluding fatalities) | 5   | 1  | Injuries/illnesses  |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| Recordable work-related injury/illness                                   | 650   | 44   | Injuries/illnesses  |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| Total Recordable Incident Rate (TRIR) <sup>1</sup>                       | 1.48  | 1.83   | Incident per 200,000 hours worked   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| Main type of work-related injury/illness                                 | Strain  | Strain   | N/A   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| # of hours worked  | 87,797,868  | 4,797,439  | Hours   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |
| <b>GRI 403-10</b>  | Work-related ill health   | Cardinal Health does not distinguish between work-related injuries and ill health; therefore, all work-related incidents are disclosed within GRI 403-9.   |   |               |   |                 |  |   |   |            |  |   |   |                    |  |     |    |                    |  |      |      |                                   |  |        |        |     |                   |            |           |       |   |



| Reference                                    | Metric   | Disclosure   | Boundary, Assumptions, and Estimations  |
|--|--|--|---|
| <b>GRI 404 – Training and Education 2016</b> |  |  |   |
| <b>GRI 404-1</b>                             | Average hours of training per year per employee                                      | <p>Cardinal Health utilizes two online platforms to administer training for employees and contractors.</p> <p>The first serves as the primary platform to ensure employees and contractors understand and comply with Cardinal Health policies and procedures. For fiscal 2022, employees and contractors together obtained, on average, 23.9 hours of training on this platform.</p> <p>The second online platform provides employees learning and development opportunities on a variety of subject matter including but not limited to diversity, equity, and inclusion, finance, customer impact, supply chain, and manufacturing excellence. For fiscal 2022, employees obtained, on average, 12.6 hours of training while contractors obtained, on average, 5.4 hours of training on this platform.</p>  | <p>Within the myLearning platform, training hours consist of an estimate of how long a specific training will take an employee or contractor to complete, and not the actual duration of how long a training took to complete.</p> <p>Within our digital learning platform, training hours are recorded based on the actual duration it took an employee or contractor to complete the training. In some instances, if the total time is recorded as zero, it is assumed that an average of 30 minutes was needed to complete the training.</p>   |
| <b>GRI 404-2</b>                             | Programs for upgrading employee skills and transition assistance programs            | <p>Cardinal Health offers interactive leadership development programs for first-time people leaders who have transitioned from individual contributors to leading others and existing leaders who are looking for practical relevant resources to effectively lead and manage their teams.</p> <p>Programs such as Leading the Cardinal Health Way, Sales Leadership Academy, FrontLine Leaders, and Aspiring Leaders are designed to prepare our employees to be effective, inclusive people leaders that align with Cardinal Health's core values. While most are U.S. based, we are actively seeking to provide access to our international teams.</p> <p>We also offer a robust curriculum of professional development courses that will increase our employees' skillsets in business writing, presentation skills, and technical skills. Our content is available in our Learning Management System and is offered in a variety of methods including in person, virtual and web based.</p> |   |
| <b>GRI 404-3</b>                             | Percentage of employees receiving regular performance and career development reviews | <p>At Cardinal Health, we encourage quarterly "Our Time to Talk" (OTTT) performance and development conversations between employees and managers. While completion is tracked quarterly, the fourth quarter and fiscal year end OTTT (#4) is formally tracked and used for reporting purposes. For fiscal 2022, 96% of employees completed their OTTT (#4) discussion with their manager.</p>  | <p>Percentage of employees receiving regular performance and career development reviews is calculated as of October 2022, when OTTT (#4) officially closed in our Workday system of record.</p> <p>The metric includes all eligible global employees where the manager has acknowledged in Workday that an end-of-year performance and development conversation has occurred.</p> <p>The following employees are not "eligible" and are not included in this report:</p> <ul style="list-style-type: none"> <li>• Field/Operations and Executive level employees</li> <li>• Employees from countries that have labor union laws prohibiting this process</li> <li>• Employees who are on leave of absence or have been terminated during the process timeframe</li> <li>• Employees who are defined as "too new to rate" (started employment on or after March 28, 2022)</li> </ul> |

| Reference   | Metric                                       | Disclosure  | Boundary, Assumptions, and Estimations  |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|---|--|---|---|---|--------------------------------------|--|----------------------------------|----------------|----------------|---------------|---------------------------|----------------|--------------------|---------------|---|------------|-------------------|------------|--------------|----------------|-----------|------------|-------|--------|--------|--------|--|
| GRI 405 – Diversity and Equal Opportunity 2016  |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| GRI 405-1   | Diversity of governance bodies and employees | <b>Board of Directors – Gender Diversity</b>  | <p>Diversity of employees is calculated based on data pulled from our HR system of record in October 2022 for the population of employees as of June 30, 2022 and excludes our Kinray employee base. Kinray is excluded as employment information is managed by a third party in a separate system of record and represents a de minimis impact on the metrics.</p> <p>The composition of the Board of Directors is consistent with the nominees presented in Cardinal Health's <b>2022 Proxy Statement</b>.</p> <p>Cardinal Health's executive committee is comprised of our CEO and his direct reports, representing a total of 7 executives.</p> <p>The diversity of employees by ethnicity is limited only to Cardinal Health's permanent employees that are based in the United States. Cardinal Health does not collect racial/ethnic demographics of its employees outside of the United States. The number of employees that are reported is based upon employees self-reporting their gender and/or ethnicity. The “Not declared/Not specified” category of employees are those who declined to disclose such information.</p> |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | <table><tr><th>Gender</th><th>Director count (percentage of total)</th></tr><tr><td>Female</td><td>7 (53.8%)</td></tr><tr><td>Male</td><td>6 (46.2%)</td></tr><tr><td>Total</td><td>13</td></tr></table>  |   | Gender                                  | Director count (percentage of total) | Female                                 | 7 (53.8%)                        | Male           | 6 (46.2%)      | Total         | 13                        |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | Gender  |   | Director count (percentage of total)    |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | Female  |   | 7 (53.8%)                               |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | Male  |   | 6 (46.2%)                               |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Total   | 13   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| <b>Board of Directors – Racial/Ethnic Diversity</b>   |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| <table><tr><th>Gender</th><th>Director count (percentage of total)</th></tr><tr><td>Asian</td><td>2 (15.4%)</td></tr><tr><td>Black or African American</td><td>1 (7.7%)</td></tr><tr><td>White</td><td>10 (76.9%)</td></tr><tr><td>Total</td><td>13</td></tr></table> | Gender                                       | Director count (percentage of total)  | Asian   | 2 (15.4%)                               | Black or African American            | 1 (7.7%)                               | White                            | 10 (76.9%)     | Total          | 13            |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Gender  | Director count (percentage of total)         |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Asian   | 2 (15.4%)                                    |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Black or African American   | 1 (7.7%)                                     |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| White   | 10 (76.9%)                                   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Total   | 13   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| <b>Executive Committee (CEO &amp; Direct Reports) – Gender Diversity</b>  |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| <table><tr><th>Gender</th><th>Employee count (percentage of total)</th></tr><tr><td>Female</td><td>5 (71.4%)</td></tr><tr><td>Male</td><td>2 (28.6%)</td></tr><tr><td>Total</td><td>7</td></tr></table>   | Gender                                       | Employee count (percentage of total)  | Female  | 5 (71.4%)                               | Male                                 | 2 (28.6%)                              | Total                            | 7              |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Gender  | Employee count (percentage of total)         |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Female  | 5 (71.4%)                                    |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Male  | 2 (28.6%)                                    |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Total   | 7  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | <b>Global Employees – Gender Diversity</b>  |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | <table><tr><th>Gender</th><th>Global count (percentage of total)</th><th>US count (percentage of total)</th><th>Outside US count (percentage of total)</th></tr><tr><td>Female</td><td>22,995 (49.9%)</td><td>14,118 (47.4%)</td><td>8,877 (54.4%)</td></tr><tr><td>Male</td><td>22,890 (49.6%)</td><td>15,608 (52.4%)</td><td>7,282 (44.6%)</td></tr><tr><td>Non-binary</td><td>10 (0.0%)</td><td>10 (0.0%)</td><td>0 (0.0%)</td></tr><tr><td>Not declared</td><td>236 (0.5%)</td><td>67 (0.2%)</td><td>169 (1.0%)</td></tr><tr><td>Total</td><td>46,131</td><td>29,803</td><td>16,328</td></tr></table>                           | Gender  | Global count (percentage of total)      | US count (percentage of total)       | Outside US count (percentage of total) | Female                           | 22,995 (49.9%) | 14,118 (47.4%) | 8,877 (54.4%) | Male                      | 22,890 (49.6%) | 15,608 (52.4%)     | 7,282 (44.6%) | Non-binary                                | 10 (0.0%)  | 10 (0.0%)         | 0 (0.0%)   | Not declared | 236 (0.5%)     | 67 (0.2%) | 169 (1.0%) | Total | 46,131 | 29,803 | 16,328 |  |
| Gender  | Global count (percentage of total)           | US count (percentage of total)  | Outside US count (percentage of total)  |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Female  | 22,995 (49.9%)                               | 14,118 (47.4%)  | 8,877 (54.4%)   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Male  | 22,890 (49.6%)                               | 15,608 (52.4%)  | 7,282 (44.6%)   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Non-binary  | 10 (0.0%)                                    | 10 (0.0%)   | 0 (0.0%)  |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Not declared  | 236 (0.5%)                                   | 67 (0.2%)   | 169 (1.0%)  |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Total   | 46,131                                       | 29,803  | 16,328  |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | <b>US Employees – Racial/Ethnic Diversity</b>   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  | <table><tr><th>Race/Ethnicity</th><th>US employee count (percentage of total)</th></tr><tr><td>Not declared / Not specified</td><td>23 (0.1%)</td></tr><tr><td>American Indian / Alaskan Native</td><td>171 (0.6%)</td></tr><tr><td>Asian</td><td>2,576 (8.6%)</td></tr><tr><td>Black or African American</td><td>5,514 (18.5%)</td></tr><tr><td>Hispanic or Latino</td><td>5,548 (18.6%)</td></tr><tr><td>Native Hawaiian or Other Pacific Islander</td><td>178 (0.6%)</td></tr><tr><td>Two or More Races</td><td>603 (2.0%)</td></tr><tr><td>White</td><td>15,190 (51.0%)</td></tr><tr><td>Total</td><td>29,803</td></tr></table> | Race/Ethnicity  | US employee count (percentage of total) | Not declared / Not specified         | 23 (0.1%)                              | American Indian / Alaskan Native | 171 (0.6%)     | Asian          | 2,576 (8.6%)  | Black or African American | 5,514 (18.5%)  | Hispanic or Latino | 5,548 (18.6%) | Native Hawaiian or Other Pacific Islander | 178 (0.6%) | Two or More Races | 603 (2.0%) | White        | 15,190 (51.0%) | Total     | 29,803     |       |        |        |        |  |
| Race/Ethnicity  | US employee count (percentage of total)      |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Not declared / Not specified  | 23 (0.1%)                                    |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| American Indian / Alaskan Native  | 171 (0.6%)                                   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Asian   | 2,576 (8.6%)                                 |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Black or African American   | 5,514 (18.5%)                                |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Hispanic or Latino  | 5,548 (18.6%)                                |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Native Hawaiian or Other Pacific Islander   | 178 (0.6%)                                   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Two or More Races   | 603 (2.0%)                                   |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| White   | 15,190 (51.0%)                               |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
| Total   | 29,803                                       |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |
|   |  |   |   |   |                                      |  |                                  |                |                |               |                           |                |                    |               |   |            |                   |            |              |                |           |            |       |        |        |        |  |



| Reference  | Metric   | Disclosure   | Boundary, Assumptions, and Estimations   |
|--|--|--|--|
| <b>GRI 405 – Diversity and Equal Opportunity 2016</b> (continued)      |  |  |  |
| <b>GRI 405-2</b>   | Ratio of basic salary and remuneration of women to men   | For every dollar male employees are paid, female employees at Cardinal Health are paid 98.6 cents.   | Cardinal Health's gender pay equity metric is calculated using U.S. permanent employee compensation as of October 24, 2022. The calculation excludes employees located in U.S. territories, executives, employees on select incentive compensation plans, and employees who either identify as non-binary or do not respond to the voluntary survey. |
| <b>GRI 406 – Non-discrimination 2016</b>                               |  |  |  |
| <b>GRI 406-1</b>   | Incidents of discrimination and corrective actions taken   | <p>Cardinal Health provides equal employment opportunity to all applicants and employees in all aspects of employment, including but not limited to sourcing; recruiting; hiring; transferring; promoting; maintaining or establishing terms and conditions of employment; training; educational assistance; compensation and benefits; corrective action; and determining layoffs, recalls, position eliminations, and terminations. Discrimination based on race, religion, sex, color, national origin, ancestry, age, physical or mental disability, sexual orientation, gender identity/expression, veteran status, pregnancy, marital status, creed, status with regard to public assistance, genetic status or any other status protected by federal, state, or local law is prohibited and is not tolerated.</p> <p>All Cardinal Health employees share in the responsibility for fulfilling the commitment of Cardinal Health to equal employment opportunity. Employees who believe they have been discriminated against or who believe they have witnessed discrimination against others must report their concerns to their manager or supervisor immediately. If the employee is uncomfortable raising the concern with his/her manager, the employee must raise the concern with the Human Resources department immediately. Note that all complaints of discrimination must be reported to the Business Conduct Line (businessconductline.com).</p> <p>All allegations of discrimination are thoroughly investigated. The Advice &amp; Counsel Center (ACC) within the Human Resources function has primary responsibility for leading these investigations but will do so in partnership with the Ethics &amp; Compliance department as needed. The ACC consists of experienced investigators that have deep expertise in Title VII and Equal Employment Opportunity to identify actions that are a violation of our policy, which is posted on our internal intranet and externally on cardinalhealth.com.</p> <p>Immediate measures and corrective action, up to and including termination, will be taken against any person we find has engaged in conduct that is in violation of our <a href="#">policy</a>. No employee will be retaliated against for making a complaint in good faith or for participating in good faith in an investigation pursuant to our policy.</p> |  |
| <b>GRI 407 – Freedom of Association and Collective Bargaining 2016</b> |  |  |  |
| <b>GRI 407-1</b>   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |

| Reference                                  | Metric   | Disclosure   | Boundary, Assumptions, and Estimations   |
|--|--|--|--|
| GRI 408-1 – Child Labor 2016               |  |  |  |
| GRI 408-1                                  | Operations and suppliers at significant risk for incidents of child labor                | 34 suppliers<br>53 supplier locations  | <p>Risk for incidents of child labor is assessed by country based on two indices — the Child Labor Elevate Index and Secondary Enrollment Index. Secondary enrollment refers to the number of students enrolled in secondary education, regardless of age, as a percentage of the population of secondary school age eligible children. For more detail, see the following <a href="#">link</a>.</p> <p>If a country scores less than 4.0 out of 10.0 on either index, it is considered to pose significant risk for incidents of child labor for any supplier and supplier location located within that country.</p> <p>The suppliers and supplier locations included in this metric are specific to Cardinal Health™ Brand Products in the Medical Segment as of October 2022. No significant changes to the Cardinal Health™ Brand Products supplier population have occurred since the end of fiscal 2022.</p> |
| GRI 409 – Forced or Compulsory Labor 2016  |  |  |  |
| GRI 409-1                                  | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 171 suppliers<br>368 supplier locations  | <p>Risk for incidents of forced or compulsory labor is assessed by country based on three indices — the Forced Labor Index (Elevate), the Global Slavery Index - Proportion in Slavery (from the Walk Free Foundation), and the Global Slavery Index - Vulnerability (from the Walk Free Foundation)</p> <p>If a country scored less than a 4.0 out of 10.0 on any of the indices, it is considered to pose significant risk for incidents of forced or compulsory labor for any supplier or supplier location within that country.</p> <p>The suppliers and supplier locations included in this metric are specific to Cardinal Health™ Brand Products in the Medical Segment as of October 2022. No significant changes to the Cardinal Health™ Brand Products supplier population have occurred since the end of fiscal 2022.</p>   |
| GRI 410 – Security Practices 2016          |  |  |  |
| GRI 410-1                                  | Security personnel trained in human rights policies or procedures                        | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| GRI 411 – Rights of Indigenous People 2016 |  |  |  |
| GRI 411-1                                  | Incidents of violations involving rights of indigenous peoples                           | We report any significant legal proceedings concerning the rights of indigenous people in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings. |  |

| Reference                                  | Metric   | Disclosure  | Boundary, Assumptions, and Estimations  |                         |                 |     |                          |     |               |    |  |    |   |
|--|--|---|---|-------------------------|-----------------|-----|--------------------------|-----|---------------|----|--|----|---|
| GRI 413 – Local Communities 2016           |  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 413-1                                  | Operations with local community engagement, impact assessments, and development programs | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 413-2                                  | Operations with significant actual and potential negative impacts on local communities   | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 414 – Supplier Social Assessment 2016  |  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 414-1                                  | New suppliers that were screened using social criteria                                   | 20 suppliers (100%)   | New suppliers engaged during fiscal 2022 for Cardinal Health™ Brand Products in the Medical Segment who were sent a self-assessment questionnaire or completed a social compliance audit were included in the calculation of this metric. |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 414-2                                  | Negative social impacts in the supply chain and actions taken                            | <p># of suppliers assessed for social impacts: 434</p> <p># of suppliers identified as having significant actual and potential negative social impacts: 46</p> <p>Breakdown of the significant actual and potential negative social impacts identified in supply chain:</p> <table><tr><th>Category of Social Impact</th><th>% of identified impacts</th></tr><tr><td>Health &amp; Safety</td><td>56%</td></tr><tr><td>Labor and Wage Practices</td><td>34%</td></tr><tr><td>Environmental</td><td>5%</td></tr><tr><td>Management systems, ethics, and compliance</td><td>5%</td></tr></table> <p>Percentage of suppliers identified as having significant actual and potential negative social impacts that agreed to a corrective action plan: 76% of suppliers</p> | Category of Social Impact   | % of identified impacts | Health & Safety | 56% | Labor and Wage Practices | 34% | Environmental | 5% | Management systems, ethics, and compliance | 5% | <p>The total number of suppliers assessed for social impacts represent the suppliers that completed a self-assessment questionnaire or a social compliance audit during fiscal 2022 or prior.</p> <p>Suppliers audited during fiscal 2022 or prior and received 3 or more major findings are deemed to have “significant actual and potential negative social impacts”. While all suppliers who meet this criterion are assigned corrective action plans, only those that had accepted or were in process of accepting as of the end of fiscal 2022 were considered to have agreed to it.</p> |
| Category of Social Impact                  | % of identified impacts  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| Health & Safety                            | 56%  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| Labor and Wage Practices                   | 34%  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| Environmental                              | 5%   |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| Management systems, ethics, and compliance | 5%   |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 415 – Public Policy 2016               |  |   |   |                         |                 |     |                          |     |               |    |  |    |   |
| GRI 415-1                                  | Political contributions  | For information on our political contributions, please see our <a href="#">Political Activities and Contributions Report</a> .  | Cardinal Health updates our Political Activities and Contributions Report on a calendar year basis. Therefore, the report link will provide our data for 2021.  |                         |                 |     |                          |     |               |    |  |    |   |



| Reference  | Metric  | Disclosure   | Boundary, Assumptions, and Estimations |
|--|---|--|--|
| <b>GRI 416 – Customer Health and Safety 2016</b> |   |  |  |
| <b>GRI 416-1</b>                                 | Assessment of the health and safety impacts of product and service categories                 | Cardinal Health understands the importance of identifying and responding to the health and safety impacts our products and services have on our customers. An example of how we identify and manage those impacts are demonstrated through our <a href="#">Controlled Substance Monitoring Program</a> .   |  |
| <b>GRI 416-2</b>                                 | Incidents of non-compliance concerning the health and safety impacts of products and services | We report any significant legal proceedings concerning the health and safety of our products and services in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.  |  |
| <b>GRI 417 – Marketing and Labeling 2016</b>     |   |  |  |
| <b>GRI 417-1</b>                                 | Requirements for product and service information and labeling                                 | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>GRI 417-2</b>                                 | Incidents of non-compliance concerning product and service information and labeling           | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>GRI 417-3</b>                                 | Incidents of non-compliance concerning marketing communications                               | We report any significant incidents regarding non-compliance, or alleged non-compliance, concerning marketing communications in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.   |  |
| <b>GRI 418 – Customer Privacy</b>                |   |  |  |
| <b>GRI 418-1</b>                                 | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | <p>Cardinal Health has established strong governance measures to protect the security and confidentiality of the information it collects, including policies and procedures for identifying, prioritizing, reporting, mitigating, and responding to potential security and privacy incidents. Training has been deployed across the organization to aide in incident identification and escalation. Additionally, Cardinal Health has invested in technology solutions to expedite our incident discovery and assessment processes. We also leverage these tools to better enable timely notifications to impacted stakeholders as appropriate.</p> <p>We report any material complaints or events concerning breaches of customer data or losses of customer data in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.</p> |  |

# Sustainability Accounting Standards Board (SASB) Index

| Topic  | SASB Code    | Accounting Metric  | Disclosure  | Boundary, Assumptions, and Estimations   |
|--|--------------|--|---|--|
| SASB Index – Health Care Distributors Standard |              |  |   |  |
| Fleet Fuel Management                          | HC-DI-110a.1 | Payload fuel economy   | Fuel efficiency for our fleet operating on diesel fuel — 8.00 MPG<br>Fuel efficiency for our fleet operating on gasoline — 10.12 MPG  | Fuel efficiency reported under this metric includes only trucks within the Medical Fleet operated by Penske Logistics and leased through Penske Truck Leasing. This fleet operates in the final mile space for 37 Forward Distribution Centers. Penske Truck Leasing’s telematics system, Omnitracs, supplies the data used to calculate the fuel efficiency for trucks that operate on diesel and unleaded gasoline. Penske Logistics and Penske Truck Leasing provided the data directly to Cardinal Health, using a date range of July 1, 2021 – June 30, 2022. |
| Fleet Fuel Management                          | HC-DI-110a.2 | Description of efforts to reduce the environmental impact of logistics | <p>The Enterprise Logistics Center of Excellence (COE) within Cardinal Health is responsible for the environmental impact reduction of our Medical fleet.</p> <p><b>Equipment Specification:</b> When ordering and securing equipment, significant investments in technology are part of an ongoing strategy to improve fuel efficiency. The tractors, trucks, and trailers we lease are equipped with physical options designed to improve fuel economy. These features include roof fairings, side extenders, aerodynamic mirrors, aerodynamic bumpers, fuel tank skirts, eco-flap mud flaps, trailer side skirts, SmartWay fuel efficient tires (low roll resistance), single torque engines, automated transmissions with overdrive, aluminum rims, and tire pressure management systems, including auto inflation. According to the NACFE (North American Council for Freight Efficiency), a fleet investing in these technologies can see fuel efficiency increase up to 13%.</p> <p><b>Vehicle Maintenance:</b> Penske Truck Leasing maintains our equipment and uses synthetic oil and lubricants where available. This is done both to reduce engine drag (synthetic offers greater resistance to thickening) and to allow for extended drain intervals reducing the waste stream. Regularly scheduled maintenance, paired with onboard proactive diagnostic alerts, identify any malfunctions or non-optimal conditions early; therefore, decreasing the risk that a truck is not performing in top condition. Malfunctions are identified early for correction before impacting fuel economy at a meaningful level.</p> <p><b>Vehicle Speed Management:</b> When a tractor or truck is put into service, the engine governor is set at 67 mph. The vehicle’s road speed has a significant effect on fuel economy. As road speed increases, so does air resistance. For example, a vehicle traveling at 55 mph may get 7 mpg, at 65, 6 mpg, and at 70, only 5.5 mpg. The general rule is that above 55 mph, each 1 mph increase in vehicle speed decreases mileage by 0.1 mpg. Limiting the top speed of the vehicle can minimize this loss of efficiency.</p> <p><b>Vehicle Idle Management:</b> When we put a tractor or truck into service, the idle auto shutoff is set at three minutes. Idle time can significantly affect the vehicle’s fuel efficiency. The vehicle gets worse mpg when the engine runs, and the truck doesn’t move. Every hour of idle time can decrease fuel efficiency by one percent.</p> <p><b>Tracking and Management Programs:</b> Penske Logistics, which operates our fleet, is required to report mpg and idle time monthly to allow corrective action or investigation of outliers if needed. Additionally, all tractors and trucks are equipped with On-Board technology for driver monitoring.</p> <p><b>SmartWay®:</b> Cardinal Health’s Medical fleet participates in the EPA’s SmartWay program and has been a SmartWay Truck Carrier partner since 2010.</p> |  |

| Topic   | SASB Code    | Accounting Metric   | Disclosure  | Boundary, Assumptions, and Estimations |
|---|--------------|---|---|--|
| <b>SASB Index – Health Care Distributors Standard</b> (continued) |              |   |   |  |
| <b>Product Safety</b>   | HC-DI-250a.1 | Total amount of monetary losses as a result of legal proceedings associated with product safety   | We report any significant legal proceedings concerning the safety of our products in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.   |  |
| <b>Product Safety</b>   | HC-DI-250a.2 | Description of efforts to minimize health and safety risks of products sold associated with toxicity/chemical safety, high abuse potential, or delivery | To address the health and safety risks of sold products, Cardinal Health has established multiple programs designed to combat prescription drug misuse and the diversion of controlled substances. For more information, please see the following pages within our Company website: <a href="#">Combating Opioid Misuse</a> , <a href="#">Controlled Substance Monitoring Program (CSMP)</a> , <a href="#">Addressing the Opioid Crisis: Board Engagement and Governance</a> .  |  |
| <b>Counterfeit Drugs</b>  | HC-DI-260a.1 | Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting          | The safety and security of our nation’s pharmaceutical supply is among our highest priorities. A safe and reliable supply is critical to the health and well-being of patients and central to our customers’ businesses. Our pharmaceutical distribution procedures are designed to comply with the U.S. Drug Supply Chain Security Act (DSCSA). Before we receive pharmaceuticals, we conduct a licensing check to make sure the product comes from an entity authorized to distribute prescription pharmaceuticals. We visually inspect products for signs of tampering or any indications that the products are suspect. If we discover illegitimate product, we notify our trading partners, the U.S. Food and Drug Administration and other regulatory bodies as required. In 2018, as a requirement of the DSCSA, manufacturers began placing a unique product identifier on every pharmaceutical package and case. Beginning in 2023, we will electronically track product at the individual package level with this product identifier. Transaction data will be exchanged through a secure, interoperable, and electronic system to further minimize the threat of counterfeit product entering the supply chain. Please see <a href="#">DSCSA Readiness website</a> for more information. |  |



| Topic   | SASB Code    | Accounting Metric   | Disclosure   | Boundary, Assumptions, and Estimations |
|---|--------------|---|--|--|
| <b>SASB Index – Health Care Distributors Standard</b> (continued) |              |   |  |  |
| <b>Counterfeit Drugs</b>  | HC-DI-260a.2 | Discussion of due diligence process to qualify supplier of drug products and medical equipment and devices                          | <p>The distribution of drug products is conducted through Cardinal Health's Pharmaceutical Segment and the distribution of medical equipment and devices is conducted through Cardinal Health's Medical Segment. Each segment has their own approach for conducting due diligence to qualify suppliers which is described below:</p> <p><b>Medical Segment:</b> Within the Medical Segment, Cardinal Health's procurement team evaluates suppliers to select the ones that are best able to meet the needs of the business in terms of quantity, specification, price, etc. Once selected by procurement, these suppliers are subject to the approved supplier list (ASL) qualification process that is conducted by the Medical Segment supplier quality team. Depending on a supplier's risk profile, the supplier quality team may audit the supplier, obtain a quality agreement, or send a survey to further qualify the supplier prior to including them in the ASL.</p> <p>Once on the ASL, the supplier is subject to performance monitoring and audits on a recurring basis. Audits conducted by the supplier quality team are in accordance with the standard the supplier holds (i.e., ISO 13485 or ISO 9001), confirm compliance with FDA's current good manufacturing practices (cGMP) (21 CFR 820), and determine the supplier quality agreement is adhered to. We verify that the supplier has a current ISO certificate, and that they have FDA Establishment Registration for the current calendar year.</p> <p><b>Pharmaceutical Segment:</b> The Pharmaceutical Segment conducts due diligence in two stages: the supplier qualification process and the supplier life cycle management program.</p> <p>As part of the supplier qualification process, Cardinal Health implements quality agreements, which describe the materials or services to be provided, quality specifications, and communication mechanisms between Cardinal Health and the supplier. Within the qualification process, questionnaires may be posed to the supplier or location to gain additional insights into the potential working relationship with a new supplier. For example, this questionnaire can have a scope that is focused on a new supplier's Quality Management System (QMS) to ensure the company has the adequate procedures in place to support a product.</p> <p>Once engaged with Cardinal Health, the supplier enters the life cycle management program. In this program, Cardinal Health may use a series of questions to confirm an existing supplier has continued to maintain their QMS or other mechanisms, such as a risk assessment, to determine if an inspection or audit is required for a supplier or location. The inspection or audit is an event that evaluates a process (e.g., QMS) to ensure compliance to a set of requirements and may be performed routinely or for cause.</p> <p>If available, Cardinal Health may request third-party certification for cGMPs from its suppliers or locations. This third-party certification, such as UL, NSF, and ISO, include an independent evaluation of a manufacturing process to show it meets a set of specific requirements.</p> |  |
| <b>Counterfeit Drugs</b>  | HC-DI-260a.3 | Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products | <p>When we discover potential suspect or counterfeit product, either through the receiving process at our Distribution Centers, a customer complaint, an inquiry from a state or federal agency, or from a manufacturer communication, we immediately quarantine the product and investigate, in conjunction with the manufacturer, to determine if the product is illegitimate. The identification of illegitimate product triggers several subsequent notification processes. Downstream customers would be notified through our recall process. In addition, the DSCSA requires that any trading partner who identifies illegitimate product in their possession or control to notify the FDA and all immediate trading partners believed to have received the illegitimate product within 24 hours of the determination. Notifications to the FDA regarding illegitimate product are made on Form FDA 3911.</p>  |  |

| Topic   | SASB Code    | Accounting Metric   | Disclosure  | Boundary, Assumptions, and Estimations   |
|---|--------------|---|---|--|
| <b>SASB Index – Health Care Distributors Standard</b> (continued) |              |   |   |  |
| <b>Product Lifecycle Management</b>                               | HC-DI-410a.1 | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle   | At Cardinal Health, our packaging engineering team is responsible for the design and sourcing of packaging materials used for our Cardinal Health-branded medical equipment and supplies as well as our Presource® kit services. As resources, materials and costs allow, the Cardinal Health team evaluates ways to reduce the environmental impact of packaging within our primary control. To help monitor these efforts, the packaging engineering team has created a sustainability tracker that categorizes projects based on the strategy used to reduce environmental impact, including component elimination, material changes, or smaller packaging. Several active projects are being tracked and once implemented Cardinal Health will be able to quantify the weight reduced and emissions avoided because of these efforts. |  |
| <b>Product Lifecycle Management</b>                               | HC-DI-410a.2 | Amount (by weight) of products accepted for take-back and reused, recycled, or donated  | Cardinal Health engages in both the take-back and reprocessing of single-use medical devices for reuse as well as donation of both medical and pharmaceutical product each year. During fiscal 2022, we collected 18.3 million single use devices representing 5.6 million pounds and donated more than \$10.5 million in medical and pharmaceutical product.   | Waste diversion is calculated by multiplying the average weight of all devices eligible for collection and reprocessing by the number of single use devices collected during the reporting period. Product donation (in dollars) is calculated based on the internal cost of products at the time they are designated for donation.  |
| <b>Business Ethics</b>  | HC-DI-510a.1 | Description of efforts to minimize conflicts of interest and unethical business practices   | Within our <b>Standards of Business Conduct</b> , Cardinal Health outlines our corporate values and standards of integrity and behavior. Please see pages 6-7 to learn more about how we guide our employees to act with integrity and in compliance with law as well as pages 15-16 to learn more about how we prevent and mitigate potential conflicts of interest.   |  |
| <b>Business Ethics</b>  | HC-DI-510a.2 | Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices | We report any significant legal proceedings concerning bribery, corruption, or other unethical business practices in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <b>Investor Relations</b> website for access to corporate filings.  |  |
| <b>Activity Metrics</b>   | HC-DI-000.A  | Number of pharmaceutical units sold by product category   | Approximately 692 million units   | <p>Pharmaceutical units are measured using the number of items ordered by a customer and fulfilled by Cardinal Health as recorded in our sales system of record. Pharmaceutical units are reported depending on how our sales systems organize items into purchase orders and can represent both single- and multi-dose volumes sold by both Cardinal Health's Medical and Pharmaceutical Segments.</p> <p>For the Pharmaceutical Segment, all non-prescription drug related items were excluded from the metric as well as the following business units:</p> <ul style="list-style-type: none"> <li>• Metro Medical</li> <li>• Major Rugby</li> </ul> |

| Topic   | SASB Code    | Accounting Metric  | Disclosure   | Boundary, Assumptions, and Estimations   |
|---|--------------|--|--|--|
| <b>SASB Index – Health Care Distributors Standard</b> (continued) |              |  |  |  |
| <b>Activity Metrics</b>   | HC-DI-000.B  | Number of medical devices sold by product category   | Approximately 495 million units  | <p>Medical devices are measured using items ordered by a customer and fulfilled by Cardinal Health as recorded in our sales system of record within the Medical Segment only. Cardinal Health defines a medical device in accordance with the World Health Organization's definition, stating "a medical device can be any instrument, apparatus, implement, machine, appliance, implant, reagent for in vitro use, software, material or other similar or related article, intended by the manufacturer to be used, alone or in combination for a medical purpose."The value reported excludes the following Medical Segment business units:</p> <ul style="list-style-type: none"> <li>• Medical Distribution - International</li> <li>• Cardinal Health Canada</li> <li>• Cardinal Health at-Home Solutions</li> <li>• Cardinal Health Singapore</li> </ul> |
| <b>SASB Index – Medical Equipment and Supplies Standard</b>       |              |  |  |  |
| <b>Affordability &amp; Pricing</b>                                | HC-MS-240a.1 | Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>Affordability &amp; Pricing</b>                                | HC-MS-240a.2 | Description of how price information for each product is disclosed to customers or to their agents                             | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>Product Safety</b>   | HC-MS-250a.1 | Number of recalls issued, total units recalled   | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>Product Safety</b>   | HC-MS-250a.2 | List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database                                | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.  |  |
| <b>Product Safety</b>   | HC-MS-250a.3 | Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience               | Cardinal Health reports all data as required by the U.S. FDA regarding Manufacturer and User Facility Device Experience (MAUDE). To see Cardinal Health information, please visit the <a href="#">MAUDE Database</a> . |  |



| Topic   | SASB Code    | Accounting Metric  | Disclosure  | Boundary, Assumptions, and Estimations  |
|---|--------------|--|---|---|
| <b>SASB Index – Medical Equipment and Supplies Standard</b> (continued) |              |  |   |   |
| <b>Product Safety</b>   | HC-MS-250a.4 | Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type  | We report any significant regulatory matters concerning FDA enforcement actions taken in response to violations of cGMP, or allegations of such violations, in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.   |   |
| <b>Ethical Marketing</b>  | HC-MS-270a.1 | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims  | We report on significant legal proceedings concerning false marketing claims in our Forms 10-K and 10-Q filed with the SEC to the extent required by the SEC. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.  |   |
| <b>Ethical Marketing</b>  | HC-MS-270a.2 | Description of code of ethics governing promotion of off-label use of products   | Cardinal Health maintains an active policy in the U.S. that prohibits the promotion of pharmaceutical, biological or medical device products for off-label use as defined within our policy or otherwise unapproved purposes. The policy applies to all forms of promotional activities, including but not limited to direct healthcare provider communications, conducting or sponsoring promotional talks or discussions that involve off-label promotions, and providing access to online materials or educational programs for the purpose of off-label promotions. |   |
| <b>Product Design and Lifecycle Management</b>                          | HC-MS-410a.1 | Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |   |
| <b>Product Design and Lifecycle Management</b>                          | HC-MS-410a.2 | Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) suppliers                            | Cardinal Health engages in both the take-back and reprocessing of single-use medical devices for reuse as well as donation of medical product each year. During fiscal 2022, we collected 18.3 million single use devices representing 5.6 million pounds and donated more than \$2.5 million in medical products.  | Waste diversion is calculated by multiplying the average weight of all devices eligible for collection and reprocessing by the number of single use devices collected during the reporting period. Product donation (in dollars) is calculated based on the internal cost of products at the time they are designated for donation. |
| <b>Supply Chain Management</b>  | HC-MS-430a.1 | Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality             | Cardinal Health has elected not to disclose performance on this metric for fiscal 2022.   |   |

| Topic   | SASB Code    | Accounting Metric  | Disclosure   | Boundary, Assumptions, and Estimations   |
|---|--------------|--|--|--|
| <b>SASB Index – Medical Equipment and Supplies Standard</b> (continued) |              |  |  |  |
| <b>Supply Chain Management</b>  | HC-MS-430a.2 | Description of efforts to maintain traceability within the distribution chain                          | A key component of our ESG Supply Chain (ESGSC) team's strategy is the transparency and traceability of raw materials and finished goods within our upstream value chain. Starting in fiscal 2023, ESGSC initiated a risk-based approach to mapping our critical supply chains using digital solutions that allow Cardinal Health to trace materials from purchase orders to the lowest possible tier thereby ensuring supply chain accuracy and providing the ability to identify risks of non-compliance with environmental- and labor-related regulations.  |  |
| <b>Supply Chain Management</b>  | HC-MS-430a.3 | Description of the management of risks associated with the use of critical materials                   | Cardinal Health acknowledges that 3TG minerals (tin, tantalum, tungsten and gold) are used in the manufacturing of medical devices and electronic components. We also recognize that profits from certain mining operations of conflict minerals found in the Democratic Republic of the Congo and adjoining countries, and other conflict-affected and high-risk areas of the world, may provide financial support to armed groups that commit violence and human rights violations. In addition, the U.S. Conflict Minerals Rule requires public companies such as Cardinal Health to annually disclose specific information about the origin of the conflict minerals in the products they manufacture or contract to manufacture to the extent those conflict minerals are necessary to the products' functionality or production, as well as information on their related compliance procedures. For more information, please see Cardinal Health's <a href="#">Conflict Minerals Global Policy</a> and our <a href="#">2021 Form SD</a> filed with the U.S. SEC. | Please note Form SD is reported on a calendar basis and therefore does not align with our fiscal year reporting period.  |
| <b>Business Ethics</b>  | HC-MS-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption | We report on significant legal proceedings concerning bribery or corruption in our Forms 10-K and 10-Q filed with the SEC to the extent required by SEC rules. Please see our <a href="#">Investor Relations</a> website for access to corporate filings.  |  |
| <b>Business Ethics</b>  | HC-MS-510a.2 | Description of code of ethics governing interactions with health care professionals                    | Our Interactions with Customers and Healthcare Professionals policy applies to all interactions by Cardinal Health companies, business units and functional groups with Customers, Healthcare Professionals (HCPs) and Government Officials (GOs). This policy applies to all Transfers of Value to a Customer, HCP or GO even if an employee pays for a Transfer of Value to a Customer, HCP or GO out of his or her own funds and does not seek reimbursement from Cardinal Health. It also applies to indirect Transfers of Value to Customers, HCPs or GOs requested by Cardinal Health or its employees through third parties. Employees that violate this Policy or its related procedures will be subject to disciplinary action up to and including termination. Cardinal Health has also adopted the AdvaMed Code of Ethics on Interactions with Healthcare Professionals. As part of our Ethics and Compliance program, Cardinal Health has engaged Compliance Business Partners who train, monitor, and oversee compliance with this policy.                |  |
| <b>Activity Metrics</b>   | HC-MS-000.A  | Number of units sold by product category   | Approximately 1.22 billion units   | <p>Number of units are measured using the number of items ordered by a customer and fulfilled by Cardinal Health as recorded in our sales system of record. This includes all medical equipment and supplies, including home health care items sold by our Pharmaceutical Segment to retail pharmacies.</p> <p>Business unit exclusions include:</p> <ul style="list-style-type: none"> <li>• Medical Distribution - International</li> <li>• Cardinal Health Canada</li> <li>• Cardinal Health at-Home Solutions</li> <li>• Metro Medical</li> <li>• Major Rugby</li> </ul> |

# Task Force on Climate-Related Financial Disclosures (TCFD) Index

| Recommended Disclosure  | Disclosure   |
|---|--|
| <b>Governance</b>   |  |
| Describe the board's oversight of climate-related risks and opportunities.                    | <p>The Cardinal Health Board of Directors (the “Board”) has multiple committees that provide oversight of company risks and opportunities. In 2022, the Board formalized the oversight of environmental, social, and governance (“ESG”) activities, policies, and strategy in a renamed Governance and Sustainability Committee (<b>Governance and Sustainability Committee Charter</b>). These ESG activities overseen by the Governance and Sustainability Committee include climate-related risks and opportunities and the strategy to manage those risks. The Governance and Sustainability Committee reviewed and aligned on Cardinal Health’s existing Scope 1 and 2 greenhouse gas (“GHG”) emissions reduction goal as well as the company’s commitment to setting a Science-Based Target by the end of calendar year 2023. Among its other responsibilities, the Governance and Sustainability Committee is expected to:</p> <ol style="list-style-type: none"><li>1. Oversee and report to the Board regarding the company’s ESG activities, policies, and strategy (except to the extent such matters are overseen by another Board committee) and discuss such matters with the company’s management as appropriate.</li><li>2. Monitor and evaluate environmental, social, and political issues and risks potentially impacting the company and report to the Board regarding such matters.</li></ol>   |
| Describe management's role in assessing and managing climate-related risks and opportunities. | <p><b>Assessing climate related risks and opportunities:</b> Cardinal Health has an internal ESG Governance Committee, which is comprised of Cardinal Health’s CEO and his direct reports, in addition to other key business leaders. This Committee meets to align on ESG strategy, action plans and goal setting, while serving as a channel for elevating key risks, opportunities, and messaging to leadership, which they help to embed throughout the organization. The ESG Governance Committee is supported by a dedicated internal ESG function. The VP, ESG shares responsibility for the identification of climate-related risks and opportunities through internal cross-functional collaboration with teams across the business and active participation in industry groups and news monitoring. The VP, ESG, reports to the SVP, Ethics and Compliance, and together they communicate ESG risks (including climate-related risks and opportunities) to the Governance and Sustainability Committee of the Board and internal ESG Governance Committee.</p> <p><b>Managing climate-related risks and opportunities:</b> Once the ESG Governance Committee aligns on the key ESG-related risks and opportunities, the VP, ESG is responsible for working with cross-functional business leaders to develop enterprise strategies to address priority areas, including climate-related risks and opportunities. The VP, ESG then coordinates with the broader ESG team to engage with employees across the organization to help them understand how they can collectively contribute to managing ESG risks and opportunities. The VP, ESG also engages with leadership and the Governance and Sustainability Committee of the Board at least quarterly to maintain line of sight into ESG performance, industry trends and expectations, and plans.</p> |



Recommended Disclosure

Disclosure

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

As a distributor of pharmaceuticals, a global manufacturer and distributor of medical and laboratory products, and a provider of performance and data solutions for healthcare locations, Cardinal Health is exposed to a diverse portfolio of risks and may be presented with a diverse range of opportunities. We continuously monitor those risks and opportunities that could have a significant impact on our financial performance, our ability to meet the needs of our customers, and our Company's reputation. As noted in the **Governance** section above, our VP, ESG and SVP, Ethics and Compliance communicate climate-related risks and opportunities to the Governance and Sustainability committee of the Board and ESG Governance Committee, which also considers the potential financial impact and time horizon of each risk and opportunity. In addition, in fiscal 2021, we completed a qualitative scenario analysis with the support of BSR (a global nonprofit that works with its network of over 250 member companies to build a just and sustainable world).

When defining the relevant short-, medium-, and long-term time horizons, Cardinal Health considers the impacts of climate-related risks and opportunities on our distribution centers, manufacturing locations, and distribution fleets, which represent our Company's primary long-lived assets. Based on the age of our owned assets and existing lease terms for assets under our operational control, we define short-term as being within the next 1 – 2 years, medium-term within 2 – 5 years, and long-term within 5 – 10 years.

Through our enterprise risk management (ERM) process and the qualitative scenario analysis completed in 2021, we identified climate-related risks and opportunities and organized them into key themes or "hot spots" that may impact Cardinal Health over the short-, medium-, and long-term:

**Energy Costs, Availability, & Logistics:**

- **Medium and Long-Term:** Energy and fuel represent critical resources Cardinal Health requires to deliver our care products and solutions to customers. While carbon pricing legislation, fuel standards, and shifting energy markets are risks we must plan for strategically and financially, increasing temperatures and the severity of natural disasters must also be assessed as they can impact our ability to complete several of our core business activities including, but not limited to, the delivery of temperature-sensitive, life-saving health care solutions, obtaining raw materials and finished goods to meet our customer demands, operating our manufacturing locations and distribution centers at full capacity, and leveraging our fleet efficiency strategies such as route optimization.
- **Short-, Medium-, and Long-Term:** Cardinal Health recognizes the need for resource efficiency within our distribution network both when considering our use of fuels and how we can reduce the time from order to delivery. New energy sources, technologies, and markets that come available to Cardinal Health represent long-term ways to reduce our impact by doing more with less and reduce the time it takes for our customers to receive our products.

**Business Model, Competition, and Customer Expectations:**

- **Short- and Medium-Term:** Customers increasingly request environmental information about the impacts of our products and services. As we have a complex supply chain and many of the products we sell are manufactured outside of assets under our operational control, it can be difficult to obtain the type of product information requested by customers, especially as these requests become more detailed and specific.
- **Long-Term:** As the global population ages, so too does the demand for health care products and services, specifically care at home. Cardinal Health recognizes that the business model of health care delivery is constantly evolving and, thus, our company needs to be aware of how we can continue to serve our customers in new and innovative ways. As the business model for health care delivery changes, so too will the way we operate as a distributor thereby impacting the structure of our fleets and fuel requirements.

**Raw Material Availability:**

- **Short-, Medium-, and Long-Term:** With an interconnected, global supply chain, we need to be aware of our suppliers with raw materials at risk of being impacted by natural disasters and transition risks. For example, global cotton crops have been particularly impacted in 2022 due to droughts in Texas, flooding in Pakistan, and droughts in Brazil. Additionally, changing consumer preferences and customer expectations for transparency regarding raw material sourcing can increase competition for raw materials from specific geographies or demands for Cardinal Health to increase the amount we source from local suppliers to support economic development and reduce our environmental footprint.

Recommended Disclosure

Disclosure

Strategy (continued)

Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

As noted above, Cardinal Health organizes climate-related risks and opportunities into key themes or “hot spots” that can have a significant impact on the operational and financial performance of the business as well as our reputation over the short-, medium-, and long-term. These key themes also serve as the Company’s foundation for considering climate during business, strategy, and financial planning to mitigate risks and take advantage of opportunities. Using the key themes, we include examples of such considerations below:

**Energy Costs & Logistics:**

Cardinal Health actively works with our vendors to monitor changes in the cost of energy and fuel to mitigate the impact of significant price and supply fluctuations on our business. As we have also committed to reducing our aggregate Scope 1 and 2 GHG emissions 50 percent by 2030 from a 2019 baseline, identifying lower emission fuel sources and improving the efficiency of our locations and distribution fleet is increasingly a strategic imperative, in addition to being a cost saving measure. Examples of how our logistics and operations teams have been planning for these impacts to our business include:

- Evaluating the performance of electric truck yard tractors at our distribution centers and planning to pilot electric delivery vans in our southern California fleet in fiscal 2023.
- Working with our truck leasing provider to outfit our fleet with items to improve fuel efficiency, such as fuel tank skirts, aerodynamic bumpers and mirrors, and idling reduction technologies.
- Piloting long-range drone deliveries to reduce fuel consumption and the time to deliver our products to customers.
- Identifying opportunities to deploy smaller and more fuel-efficient vehicles (i.e., Ford Transits or sprinter vans) in our distribution network to fulfill smaller orders.
- Installing energy-efficient LED lighting in multiple of our locations to reduce energy load.
- **SmartWay® Transport Partnership:** The SmartWay program is a collaboration between the Environmental Protection Agency (EPA) and the freight industry that helps companies move goods in the most efficient ways possible, increasing fuel efficiency, reducing greenhouse gas emissions and air pollution, and protecting public health. We have been a partner in good standing with SmartWay since 2010; today, 98% of our product volume is moved via SmartWay carriers.

**Business Model, Competition, and Customer Expectations:**

We are regularly challenged by our customers and the marketplace to continue providing our products and services in a manner that reduces our contributions to climate change. Cardinal Health has made strategic decisions within our business units to recognize and respond to these challenges with the intent of improving the lives of our customers while reducing our environmental impact, specifically:

**Sustainable Technologies™**, a Cardinal Health business, is a leading provider of single-use device collections, reprocessing, and recycling services in the U.S. The business reprocesses pneumatic tourniquet cuffs, lateral air transfer mats, compression sleeves, disposable lead wires, pressure infusion bags, pulse oximetry sensors and more. The products to be reprocessed are inspected, sorted, and cleaned, then tested, inspected, disinfected, and sterilized, and finally, redistributed to healthcare locations. In fiscal 2022, the team collected over 18 million single use devices which diverted 5.6M pounds of waste from landfill.

**Raw Material Availability:**

Our portfolio of products and services offered to customers around the world require that Cardinal Health maintain an interconnected, global supply chain, which creates unique challenges to maintaining business continuity in the wake of chronic and acute climate events. Following the major freeze event in Texas during February 2021, we were faced with supply challenges that led our Medical Segment sourcing team to evaluate opportunities to build further resiliency into our supply chain. This resulted in a transition away from single sourcing of key product components and finished goods. We believe that these efforts enhance our supply chain resiliency in the wake of physical risks and expect they will do so for transition risks as well, as the energy market volatility in Europe could impact our suppliers in that region.

Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In 2021, we engaged BSR to perform a qualitative analysis using three different scenarios augmented with industry and geographic trends specific to Cardinal Health. The scenarios were used to evaluate the resilience of Cardinal Health’s business, strategy, and financial planning against changes occurring to the environments we operate within and rely upon. The three scenarios were all extended to the year 2030, which aligned with our existing GHG emissions reduction target and included:

- 1.5°C trajectory using Representative Concentration Pathway 2.6 and Shared Socioeconomic Pathway 1.
- 3°C trajectory using Representative Concentration Pathway 6.0 and Shared Socioeconomic Pathway 4.
- +4°C trajectory using Representative Concentration Pathway 8.5 and Shared Socioeconomic Pathway 3.

Through this analysis, Cardinal Health recognized that our strategy must continue evolving as the impacts of climate change are felt throughout our business. Our ESG team continue to monitor and assess both the physical and transition risks that climate change may pose to our business, and we plan to refresh our climate scenario analysis and include a quantitative component in the future as part of planning for and responding to the impacts of climate change.

Recommended Disclosure

Disclosure

Risk Management

Describe the organization's process for identifying and assessing climate-related risks

The VP, ESG shares responsibility for the identification of climate-related risks and opportunities with Cardinal Health's business leaders and is primarily conducted through engagement and discussion with teams across the business, active participation in industry groups, and news monitoring. The ultimate assessment and management of such risks and opportunities is led by the relevant impacted internal business partners and considers both physical and transition risks as well as existing and emerging regulatory requirements related to climate change.

Particularly in fiscal 2022, the VP, ESG, SVP, Ethics and Compliance, and other finance and legal business partners closely monitored the Securities and Exchange Commission's proposal on climate-related disclosures as well as the EU Corporate Sustainability Reporting Directive (CSRD), both of which are expected to impact how Cardinal Health discusses governance, risk management, and performance on climate-specific metrics such as GHG emissions. Our ESG team also works closely with our business partners in Legal, Finance, Accounting, and Government Relations to maintain line of sight into other emerging domestic and international regulations pertaining to limits on emissions, use of materials, waste management, and financial controls on climate-related capital expenditures.

Climate-related risks and opportunities are then presented to Cardinal Health's internal ESG Governance Committee, where they are prioritized based on significance and ultimately presented to the Board's Governance and Sustainability Committee which is responsible for board-level oversight of climate-related risks and opportunities and the strategy to manage those risks.

Describe the organization's processes for managing climate-related risks.

Just as the climate-related risk assessment process is managed by a cross-functional group including our ERM team, business unit leaders, VP, ESG, ESG Governance Committee, and the Board's Governance and Sustainability Committee, the effective management of climate-related risks takes a cross-functional team of business leaders. Once the most significant risks are identified for prioritization, the ESG team engages with functional leaders to determine the impact each risk could have on our product and service offerings, raw material availability, and the performance of our locations and vehicle fleet. As noted in the **Strategy** section, climate-related risks are then integrated into business, strategy, and financial planning activities at the functional-level within Cardinal Health. The ESG team acts as subject matter experts and an on-going resource to business units to ensure that climate-related risks and their impacts are being defined and interpreted consistently throughout the enterprise, and the plan for risk mitigation is aligned with the strategic direction set forth by the ESG Governance Committee and the Board's Governance and Sustainability Committee. The ESG team meets regularly on its own and with other business units to discuss climate-related risks, which keeps the ESG team apprised on progress the business is making in managing such risks. The VP, ESG then provides updates to the ESG Governance Committee and the Board's Governance and Sustainability Committee during regularly scheduled meetings throughout the year.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

As previously noted, the responsibility for identifying, assessing, and managing climate-related risks is shared among business leaders and the ESG team. Through these activities, climate-related risks and opportunities are shared with Cardinal Health's ERM team for inclusion in their enterprise-wide risk assessment process. A summary of our ERM process and function at Cardinal Health is provided below:

The ERM function develops an initial risk rating for each identified risk. The assessments with initial risk identification, mitigation controls and risk ratings are then presented to the area's leadership team for review and to make changes. A risk matrix is used to assist in rating each risk and contains guidelines for assessing a risk impact against the likelihood of the risk to occur. Each risk identified will be assessed (1-5) based on each of the impact factors identified (Financial, Reputational, and Business Strategy). The scores of the individual impact factors are added together to determine the total impact score, and then the likelihood of the risk is assessed and given the appropriate value (1-5). These values of likelihood and impact are then plotted on the risk radar, to determine the overall risk rating. This radar is plotted as necessary for risk review.

Business and functional leaders are responsible for addressing the risks that have been identified through the ERM process and determine the necessary risk mitigation action, assess its effectiveness, and monitor progress. The ERM function will facilitate the process and further support as necessary with annual reviews to assess progress of mitigation plans. Cardinal Health's Chief Financial Officer oversees the ERM process, and it is administered by an ERM function that reports to our Treasurer. An ERM Steering Team led by our Treasurer and composed of senior functional leaders sets strategic direction, defines risk appetite, drives accountability, and oversees Board communications. Oversight is provided by the ERM Steering Team, senior management, and the Board's Audit Committee.



Recommended Disclosure

Disclosure

Metrics & Targets

|  |  |
|--|--|
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Through our ESG priority assessment, Cardinal Health identified climate action as a priority for our ESG strategy. As our ESG report is prepared in accordance with the GRI: Core Option and our index include disclosures in alignment with SASB standards for Health Care Distribution and Medical Equipment and Supplies, we report on GRI- and SASB-related climate metrics that include energy, GHG emissions, fleet efficiency, and waste management. We also disclose climate-related metrics through our annual CDP disclosure. The metrics are tracked, disclosed, and used to assess our progress against risks, opportunities, publicly stated targets, and overall performance.  |
| Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks   | <p>Cardinal Health measures our Scope 1 and 2 GHG emissions using the location-based method in accordance with the WRI/WBCSD's Greenhouse Gas Protocol, and we receive limited assurance annually from an independent third-party. Please use the following link to view <a href="#">our fiscal 2022 assurance statement</a>. We also measure our Scope 3 Category 6 (Business Travel) emissions in accordance with the WRI/WBCSD's Greenhouse Gas Protocol but do not receive assurance for that metric. We plan to measure our Scope 2 and remaining relevant Scope 3 category GHG emissions using the market-based method during the upcoming fiscal year and intend to report on those metrics in our fiscal 2023 ESG report.</p> <p>a. Scope 1: 151,120 mtCO<sub>2</sub>e</p> <p>b. Scope 2 (location-based): 214,389 mtCO<sub>2</sub>e</p> <p>c. Scope 3 Category 6 (Business Travel): 8,992 mtCO<sub>2</sub>e</p> |
| Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | Throughout calendar year 2021, Cardinal Health worked with the Science Based Targets initiative (SBTi) and utilized their methodology to set a Scope 1 and Scope 2 GHG reduction goal. In September 2021, we publicly announced our goal to reduce aggregate Scope 1 and 2 GHG emissions by 50% by fiscal 2030, as compared to a fiscal 2019 base year. In October 2021, we also publicly committed to setting a Science-Based Target (SBT) and are currently baselining our Scope 3 GHG emissions as a part of the SBTi process. Our goal is to announce an approved SBT by the end of calendar year 2023; however, it is contingent upon SBTi staff's availability to review the target and provide the required approvals.  |



Corporate Offices  
Cardinal Health  
7000 Cardinal Place  
Dublin, Ohio 43017

**614.757.5000**  
**[cardinalhealth.com](https://www.cardinalhealth.com)**

Learn more about this report at  
**[cardinalhealth.com/ESGReport](https://www.cardinalhealth.com/ESGReport)**